OFFICIAL STATEMENT

NEW ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code)". Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein regarding certain other tax considerations.

The Notes will be designated, or deemed designated, as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$2,566,639
STILLWATER CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

$2,566,639 Bond Anticipation Notes – 2023

At an Interest Rate of 5.00% to Yield 3.85%
CUSIP # 860797 MN6

Dated: June 29, 2023 | **Due: December 13, 2023**

The Notes are general obligations of the Stillwater Central School District, Saratoga 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. The faith and credit of the Stillwater Central School District are irrevocably pledged for the payment of the Notes and the interest thereon. 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 in registered form through the book-entry-only system for note issues through the Depository Trust Company ("DTC") in New York, New York. The Notes will be registered and payable to "Cede & Co." as nominee of DTC.

As the Notes are issued in book-entry-only form, Noteholders will not receive certificates representing their ownership interest in the Notes and payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of such DTC Direct or Indirect Participants, subject to any statutory and regulatory requirements as may be in effect from time to time.

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 Barclay Damon, LLP, Albany, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or Albany or Stillwater, New York on or about June 29, 2023.

TD SECURITIES (USA) LLC

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED JUNE 9, 2023 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 AND THE DATED DATE ON PAGE 40, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

DATED: June 15, 2023

STILLWATER CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK

School District Officials

2022-23 BOARD OF EDUCATION

Jimel Williams - President
Vacant - Vice President

William Callanan
Amanda Cocozzo
David Giso
Paul "Butch" Lilac
Robert McCoy
Brian McNeil
Jon Mueller

Patricia Morris - Superintendent of Schools
Scott Messineo – Business Manager
Michael Cavanaugh – District Treasurer
Renee Price – School District Clerk

School District Attorney

Girvin & Ferlazzo, P.C.

BOND COUNSEL

Barclay Damon LLP

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

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PREPARED WITH THE ASSISTANCE OF:

R. G. Timbs, Inc

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OFFICIAL STATEMENT

of the

STILLWATER CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK
Relating To
$2,566,639 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Stillwater Central School District, Saratoga County, New York (the "District" or "School District", "County" and "State," respectively) in connection with the sale by the School District of $2,566,639 Bond Anticipation Notes, 2023 (the "Notes).

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

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.

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 29, 2023 and mature, without option of prior redemption, on December 13, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form payable to the purchaser; provided, however, if the Notes are eligible for issuance through the book-entry-only system for note issues through the Depository Trust Company ("DTC") in New York, New York, the successful bidder may request with its bid that the Notes be issued in "book-entry-only" form, in which case the Notes will be registered and payable to "Cede & Co." as nominee of DTC.

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 at the District offices or, at the option of the purchaser, at a corporate trust office of a bank or trust company located and authorized to do business in the State of New York. The purchaser shall be responsible for the cost of such corporate trust office or bank.

Nature of the Obligation

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt 'service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National

Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

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

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

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

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 October 19, 2021, authorizing the issuance of up to $4,404,139 of serial bonds to finance a project for the Stillwater Public Library consisting of the acquisition of land and an existing building thereon, reconstruction of the existing building and the site for use as a new public library, and acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such building is to be used.

The proceeds of the Notes will provide $2,566,639 in new monies for the aforementioned project.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered 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 affect 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 (with the exception of one odd denomination). Principal of and interest on the Notes will be payable at the offices of the School District or at the option of the noteholder, 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 noteholder. Paying agent fees, if any, will be paid by the noteholder. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The Stillwater Central School District was established on June 14, 1948. It covers approximately 66 square miles in the Towns of Stillwater and Saratoga in Saratoga County, the Town of Schaghticoke in Rensselaer County and the Town of Easton in Washington County.

The School District is served by State Routes 4 & 32. Bus, railroad and air service are available in nearby communities.

The School District is primarily rural residential with very little, if any, commercial development. Residents commute to adjoining communities, predominantly Waterford, to work at Momentive Performance Materials, as well as commuting to Albany, Troy, Schenectady and Saratoga. Global Foundries U.S. Inc. ('Global Foundries"), a joint venture between Advanced Micro Devices and Advanced Technology Investment Company of Abu Dhabi, built a chip fabrication plant on 222 acres of land located partly within the Towns of Malta and Stillwater. Under a sharing agreement entered into by the School District ("the Sharing Agreement"), 25 percent of the assessed value of the Global Foundries facility is deemed included in the School District. The Sharing Agreement has a term of twenty (20) years.

Utilities are provided by New York State Electric & Gas Corporation and National Grid. Telephone service is provided by Verizon New York Inc.

Police protection is provided by the Town of Stillwater Police and supplemented by the County Sheriff's Department and the New York State Police. Ambulance and fire protection are provided by volunteer departments.

The School District provides public education for students in grades K-12. Higher education opportunities are available in surrounding communities.

Residents find commercial services in the Cities of Mechanicville, Saratoga, and Troy and the Town of Clifton Park. Banking services are provided in Stillwater by Ballston Spa National Bank.

District Population

The 2021 population of the School District is estimated to be 7,796 (Source: 2021 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District are the Towns and Counties listed below. The Figures set below with respect to such 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 Towns, Counties or State are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	**2006-2010**	**2017-2021**	**2000**	**2006-2010**	**2017-2021**
Towns Of:						
Stillwater	$19,291	$29,417	$43,631	$53,023	$72,986	$112,018
Saratoga	21,716	29,138	43,681	48,482	73,148	109,844
Easton	19,998	24,520	38,357	48,947	65,625	78,688
Schaghticoke	20,673	28,328	43,496	57,423	79,202	113,057
County Of:						
Saratoga	23,945	29,138	47,902	58,213	81,251	112,561
Washington	17,958	22,347	30,547	43,500	57,360	74,157
Rensselaer	21,095	27,457	38,955	52,864	68,390	96,289
State Of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Note: 2018-2022 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 2017-2021 American Survey data.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Stillwater Elementary School	K-5	1989	670	2019
Stillwater Middle/High School	6-12	1955	780	2020

Source: District Officials

District Employees

The School District employs 180 full-time employees and 20 part-time employees. The number of members, the collective bargaining units which represent them, and their current contract expiration dates are as follows:

Employees	Bargaining Unit	Expiration Date
110	Stillwater Teachers' Association	6/30/2026
50	Civil Service Employees' Association	6/30/2026
5	Stillwater Administrators' Association	6/30/2026

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2018-19	989	2023-24	1,031
2019-20	1,036	2024-25	1,038
2020-21	1,062	2025-26	1,043
2021-22	1,043	2026-27	1,040
2022-23	1,026	2027-28	1,045

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 2022-2023 and 2023-2024 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 396,865	$ 798,264
2018-2019	398,462	827,989
2019-2020	346,759	752,845
2020-2021	341,016	768,652
2021-2022	399,197	890,367
2022-2023 (Budgeted)	420,000	945,000
2023-2024 (Budgeted)	430,000	945,000

Source: Audited financial statements for the 2017-2018 fiscal year through the 2021-2022 fiscal year and the adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. 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 (2018-19 to 2023-24) is show below:

Fiscal Year	ERS	TRS
2018-2019	14.9%	10.62%
2019-2020	14.6	8.86
2020-2021	14.6	9.53
2021-2022	16.2	9.80
2022-2023	11.6	10.29
2023-2024	13.1	7.6*

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

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

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

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, 2020 and financial data as of June 30, 2022, the School District's beginning year total OPEB liability was $34,059,871, the net change for the year was $904,052 resulting in a total OPEB liability of $34,963,923 for a fiscal year ending June 30, 2022. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2022 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
Global Foundries	Chip Fabrication	1200
Stillwater Central School District	Education	250
Town of Stillwater	Governmental	51
Panza's Restaurant	Restaurant	36
Stewarts Convenience Stores	Retail	24
Village of Stillwater	Governmental	21

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 the counties of Saratoga, Washington, and Rensselaer. The data set forth below with respect to the Counties are included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the School District is necessarily representative of the Counties or vice versa.

Year	Saratoga County Unemployment Rate	Washington County Unemployment Rate	Rensselaer County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2018	3.5%	4.2%	3.9%	4.1%	3.9%
2019	3.2%	3.9%	3.6%	3.8%	3.7%
2020	6.7%	7.2%	7.0%	10.0%	8.1%
2021	3.8%	4.6%	4.4%	6.9%	5.3%
2022	2.7%	3.2%	3.1%	4.3%	3.7%

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

2022-23 Monthly Figures

	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Saratoga	2.9%	2.3%	2.3%	2.5%	2.8%	2.8%	2.4%	1.9%	2.1%	2.3%	3.2%	3.1%
Washington	3.9%	3.0%	2.9%	3.0%	3.2%	3.2%	2.7%	2.2%	2.7%	2.9%	4.1%	3.9%
Rensselaer	3.4%	2.7%	2.7%	2.9%	3.3%	3.3%	2.8%	2.2%	2.5%	2.5%	3.6%	3.4%
New York State	5.3%	4.7%	4.2%	4.1%	4.3%	4.8%	4.9%	3.9%	3.6%	3.7%	4.6%	4.5%

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.

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 legislative power of the School District is vested in the Board of Education (the "Board"). Each year an election is held within the School District to elect one or more members to the Board. The Board consists of nine members with overlapping three-year terms. Therefore, as nearly as practicable, an equal number of members is elected to the Board each year.

During the first week in July of each year the Board meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice President and to appoint other School District officials.

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the School District. However, certain of the financial management functions of the School District are the responsibility of the Superintendent of Schools and the Business Manager.

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 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 359 to 113. The School District's 2022-23 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023 by a vote of 416 to 164. The School District's 2023-24 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 of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2023-24 fiscal year, approximately 46.14% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021 and the State's 2023-2024 Enacted Budget was adopted on May 3, 2023. 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.

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

Federal Aid Received by the State –

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

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $1,500,000 in ARP funds and $950,000 in CRRSA funds. As of May 30, 2023, the District has received $220,000 in ARP funds and $700,000 in CRRSA funds.

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

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

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

The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 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 is 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. This ensures all high-need districts across the State can apply the funds to a wide range of activities.

The State’s 2020- 2021 Enacted Budget - Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State’s 2020-2021 Enacted Budget was 3.7% lower than in the State’s 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor’s Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. The State’s 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State’s 2020-2021 Enacted Budget authorized the State’s Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State’s 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department (“SED”) advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, and the State released all of the withheld funds prior to June 30, 2021.

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

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

The State's 2023-2024 Enacted Budget was enacted on May 3, 2023 and provides for a total of $34 billion in State funding to school districts for the 2023-24 school year. The State's 20232-2024 Enacted Budget represents a $3.2 billion or 10.4% increase in State funding for education, and includes a $2.629, or 12.3% percent Foundation Aid increase.

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.

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 litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid, The new 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 the 2022-23 and 2023-2024 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 24,076,623	$ 11,253,489	46.74%
2018-2019	24,408,110	11,309,952	46.34
2019-2020	23,629,095	10,138,075	42.91
2020-2021	23,874,684	10,364,429	43.41
2021-2022	26,594,521	12,332,487	46.37
2022-2023 (Budgeted)	28,544,605	12,384,323	43.39
2023-2024 (Budgeted)	27,588,245	12,728,696	46.14

Source: Audited financial statements for the 2017-2018 fiscal year through the 2021-2022 fiscal year and the adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. 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
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0
2018	No Designation	0.0

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.

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 Stillwater Central School District on October 20, 2017. The purpose of this audit was to determine whether District employees received only the salaries and benefits to which they were entitled for the period July 1, 2015 through January 31, 2017.

Key Findings

- The Treasurer's salary was overpaid by $1,089.
- The Treasurer was paid for leave time she was not entitled to valued at $4,070.

Key Recommendation

- Continue to develop and implement procedures to ensure employees receive only the salaries and benefits they are entitled to.

A copy of the complete report and the District's response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website:

www.osc.state.ny.us/localgov/audits/schools/2017/stillwater.htm

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

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

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes 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, 2022 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:

	2019	2020	2021	2022	2023
Assessed Valuations:					
Stillwater	$ 646,140,635	$ 664,703,672	$ 673,521,155	$ 686,482,444	$ 702,314,332
Saratoga	102,504,794	106,176,615	109,318,930	111,532,729	111,704,168
Easton	277,372	275,488	278,381	312,789	18,808,837*
Schaghticoke	80,632	80,632	84,342	84,339	84,341
Total	$ 749,003,433	$ 771,236,407	$ 783,202,808	$ 798,412,301	$ 832,911,678
Equalization Rates:					
Stillwater	90.50%	90.50%	86.00%	86.00%	76.00%
Saratoga	100.00%	100.00%	95.00%	90.00%	79.00%
Easton	2.12%	2.12%	2.17%	2.16%	100.00%
Schaghticoke	23.44%	22.40%	21.80%	21.50%	17.75%
Full Valuations:					
Stillwater	$ 713,967,552	$ 734,479,196	$ 783,164,134	$ 798,235,400	$ 924,097,805
Saratoga	102,504,794	106,176,615	115,072,558	123,925,254	141,397,681
Easton	13,083,585	12,994,717	12,828,618	14,480,972	18,808,837
Schaghticoke	343,993	359,964	386,890	392,274	475,161
Total	$ 829,899,925	$ 854,010,492	$ 911,452,199	$ 937,033,901	$ 1,084,779,484

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.

*There was a townwide revaluation in Easton between 2022 and 2023

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2018	2019	2020	2021	2022
Stillwater	$ 14.01	$ 14.20	$ 14.29	$ 14.69	$ 15.02
Saratoga	12.67	12.85	12.93	13.30	14.45
Easton	598.03	606.23	610.12	582.38	11.41
Schaghticoke	55.61	54.83	57.74	57.97	64.30

Tax Collection Procedure

School taxes are due September 2. If paid by October 1, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 5, 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:	2019	2020	2021	2022	2023*
Total Tax Levy	$10,665,927	$11,046,212	$11,518,614	$12,020,441	$12,380,282
Less STAR Reimbursement Adjustments	1,151,589	1,060,581	1,020,264	985,763	904,730
Total Taxes to be Collected	$9,514,338	$9,985,631	$10,498,350	$11,034,678	$11,475,552
Taxes Collected Prior to Return to County	8,978,437	9,332,881	9,957,892	9,972,100	10,780,113
Returned to County	$535,901	$652,750	$540,458	$1,062,578	$695,439
% Collected Prior to Return	94.37%	93.46%	94.85%	90.37%	93.94%

Note: * Collection information is as of 3/31/2023.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years and budgeted figures for the 2022-2023 and 2023-2024 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	$ 24,076,623	$ 12,461,057	51.76%
2018-2019	24,408,110	12,639,640	51.78
2019-2020	23,629,095	12,790,118	54.13
2020-2021	23,874,684	13,148,228	55.07
2021-2022	26,594,521	13,473,345	50.66
2022-2023 (Budgeted)	26,694,605	13,750,282	51.51
2023-2024 (Budgeted)	27,588,245	12,934,549	46.88

Source: Audited financial statements for the 2017-2018 fiscal year through 2021-2022 fiscal year and the adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited.

Major Taxpayers 2022
For 2022-23 Tax Roll

Name	Type	Assessed Value
Niagara Mohawk DBA National Grid	Utilities	$8,152,458
Niagara Mohawk DBA National Grid	Utilities	6,168,359
Stillwater Elgen LLC	Utilities	5,697,700
Saratoga Glen Hollow	Residential	5,222,960
NYS Electric & Gas Corp	Utilities	5,107,805
The Luther Forest Corp	Recreational	3,169,220
GR Catalyst One LLC	Utilities	3,093,425
The Luther Forest Corp	Recreational	3,087,300
Luther Woods LLC	Recreational	2,084,800
Alexander Elaine Member Uleturn LLC	Residential	2,083,430
Total		$43,867,457

1. The above taxpayers represent 5.27% of the School District's 2022-23 Assessed value of $832,911,678

Payment In Lieu Of Taxes Agreement

Global Foundries entered into a payment in lieu of taxes agreement dated June 21, 2004 (the "PILOT Agreement") with respect to its chip fabrication plant located in the Town of Malta. The PILOT Agreement terminates 49 years from its date and provides for a declining assessment for the plant that began at $635,000,000 and declines over 15 years to $125,000,000. Pursuant to the PILOT Agreement, the School District received $2,078,731 in its 2017-18 fiscal year, $1,954,275.36 in its 2018-19 fiscal year, $1,594,309 in the 2019-20 fiscal year, $1,594,308.96 in the 2020-2021 fiscal year, $1,426,001 in the 2021-2022 fiscal year and $1,181,069 in the 2022-2023 fiscal year.

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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, 2022 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. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $93,200 or less in 2023-2024 , increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

The 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 Governor Cuomo had issued various Executive Orders in response to 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.

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

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”.

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 District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

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:	2018	2019	2020	2021	2022
Serial Bonds	$13,100,000	$10,855,000	$9,745,000	$24,748,000	$22,015,000
Bond Anticipation Notes	-	6,100,000	17,183,000	-	1,500,000
Total Debt Outstanding	$13,100,000	$16,955,000	$26,928,000	$24,748,000	$23,515,000

Status of Outstanding Bond Issues

Year of Issue:	2016		2020	
Amount Issued:	$7,335,000		$2,945,000	
Purpose/Instrument:	Refunding/Refunding Serial Bond		Refunding/Refunding Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2023	$ 935,000	$ 174,500	$ 265,000	$ 95,400
2024	980,000	137,100	275,000	84,800
2025	535,000	97,900	270,000	73,800
2026	420,000	76,500	290,000	63,000
2027	435,000	59,700	305,000	51,400
2028	455,000	42,300	315,000	39,200
2029	475,000	28,650	325,000	26,600
2030	480,000	14,400	340,000	13,600
Totals:	$ 4,715,000	$ 631,050	$ 2,385,000	$ 447,800

Year of Issue:	2021	
Amount Issued:	$16,493,000	
Purpose/Instrument:	Capital Project/Serial Bonds	
Fiscal Year Ending June 30:	Principal	Interest
2023	$ 1,300,000	$ 298,300
2024	1,325,000	272,300
2025	1,040,000	245,800
2026	1,040,000	225,000
2027	1,025,000	204,200
2028	1,005,000	183,700
2029	1,000,000	163,600
2030	1,000,000	143,600
2031	1,000,000	123,600
2032	1,020,000	103,600
2033	1,030,000	83,200
2034	1,045,000	62,600
2035	1,065,000	41,700
2036	510,000	20,400
2037	125,000	10,200
2038	130,000	7,700
2039	130,000	5,100
2040	125,000	2,500
	$ 14,915,000	$ 2,197,100

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2023	$ 2,500,000	$ 568,200	$ 3,068,200	12.13%
2024	2,580,000	494,200	3,074,200	24.29%
2025	1,845,000	417,500	2,262,500	33.23%
2026	1,750,000	364,500	2,114,500	41.59%
2027	1,765,000	315,300	2,080,300	49.82%
2028	1,775,000	265,200	2,040,200	57.89%
2029	1,800,000	218,850	2,018,850	65.87%
2030	1,820,000	171,600	1,991,600	73.74%
2031	1,000,000	123,600	1,123,600	78.19%
2032	1,020,000	103,600	1,123,600	82.63%
2033	1,030,000	83,200	1,113,200	87.03%
2034	1,045,000	62,600	1,107,600	91.41%
2035	1,065,000	41,700	1,106,700	95.79%
2036	510,000	20,400	530,400	97.88%
2037	125,000	10,200	135,200	98.42%
2038	130,000	7,700	137,700	98.96%
2039	130,000	5,100	135,100	99.50%
2040	125,000	2,500	127,500	100.00%
Totals:	$ 22,015,000	$ 3,275,950	$ 25,290,950	

Cash Flow Borrowings

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

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	12/13/2022	12/13/2023	4.50%	$1,500,000

Capital Project Plans

On December 8, 2016, the District residents approved a $23,118,000 capital project. The project consists of updates to various School District buildings and facilities. The project was completed in June 2021 and $16,493,000 in permanent financing was obtained as of June 22, 2021. $5,000,000 of the authorization remains unissued.

On March 24, 2021 the District residents approved a $1,300,000 capital project for the reconstruction of various buildings and the athletic track and turf field. The project is complete.

On October 5, 2021 the District residents approved a $4,404,139 building project for the Stillwater Public Library. The Library received $337,500 in grant funding. Pursuant to the Education Law of the State, the District will issue its obligations to finance the Library project. The District issued $1,500,000 Bond Anticipation Note on December 14, 2021. The District renewed $1,500,000 Bond Anticipation Note on December 13, 2022. This issue will provide an additional $2,566,639 of new monies.

There are currently no other capital projects planned or contemplated.

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 83.9%.

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 June 6, 2023

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Stillwater	$ 702,314,332	76.00%	$ 924,097,805
Saratoga	111,704,168	79.00%	141,397,681
Easton	18,808,837	100.00%	18,808,837
Schaghticoke	84,341	17.75%	475,161
Total			$ 1,084,779,484
Debt Limit: 10% of Full Valuation			$ 108,477,948
Inclusions:			
Serial Bonds			$ 22,015,000
Bond Anticipation Notes			1,500,000
Total Inclusions:			$ 23,515,000
Exclusions:			
Building Aid Estimate [1]			$0
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to This Issue:			$ 23,515,000
New Monies This Issue:			2,566,639
Total Net Indebtedness			$ 26,081,639
Net Debt Contracting Margin			$ 82,396,309
Percentage of Debt-Contracting Power Exhausted			24.04%

Notes:

1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Saratoga County	$ 1,065,495,486 $ 28,368,852,317	3.76%	$ 64,585,000	N/A	$ 64,585,000	$ 2,425,725
Washington County	$ 18,808,837 $ 5,059,832,458	0.37%	$ 26,973,712	N/A	$ 26,973,712	$ 100,269
Rensselaer County	$ 475,161 $ 11,755,100,817	0.004%	$ 151,574,126	N/A	$ 151,574,126	$ 6,127
Town of Stillwater	$ 924,097,805 $ 984,761,828	93.84%	$ 10,823,600	N/A	$ 10,823,600	$ 10,156,837
Town of Saratoga	$ 141,397,681 $ 628,110,903	22.51%	$ 1,150,000	N/A	$ 1,150,000	$ 258,883
Town of Easton	$ 18,808,837 $ 266,719,124	7.05%	$ 155,000	N/A	$ 155,000	$ 10,930
Town of Schaghticoke	$ 475,161 $ 652,386,385	0.07%	$ 2,391,427	N/A	$ 2,391,427	$ 1,742
Total						$ 12,960,513

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

Notes: Bonds and Bond Anticipation notes as of 2021 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 June 6, 2023:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 26,081,639	$ 3,345.52	2.404%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 39,042,152	$ 5,007.97	3.599%

(a) The District's estimated population is 7,796 (Source: 2021 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2022-23 is $1,084,779,484.

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

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

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

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

The COVID-19 outbreak spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19. The outbreak of the disease affected travel, commerce and financial markets globally. Pursuant to an Executive Order of the Governor, the School District was closed from March 16, 2020, through the end of the 2019-20 school year. The School District reopened in September 2020 and has continued to operate during the 2020-21 and 2021-22 school years in a manner that was consistent with guidelines established by the State. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been relaxed. The Biden administration allowed the coronavirus public health emergency to expire in May, 2023. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State government to address it may negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the School District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. Any resurgence of COVID-19 could have a material adverse effect on the State and municipalities and school districts located in the State, including the School District. The School District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the School District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes.

General

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

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

Certain Collateral Federal Income Tax Consequences

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

Backup Withholding and Information Reporting

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

Legislation

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

The Notes will be designated or deemed designated by the School District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b) of the Code), a deduction is allowed for 80% of that portion of the interest expense of such financial institutions that shall be allocable to interest on the Notes.

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code.

Tax legislation, administrative actions taken by tax authorities or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent Holders from realizing the full current benefit of the tax-exempt status of interest on the Notes. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) and such decisions could affect the market price or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding pending or proposed tax legislation, administrative actions taken by tax authorities or court decisions, and regarding the impact of future legislation, administrative actions or court decisions.

APPROVAL OF LEGAL PROCEEDINGS

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

The underlying rating assigned to the School District by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc., is an AA- rating, which was assigned in connection with the issuance by the School District of $16,493,000 Serial Bond dated June 22, 2021. Generally, ratings agencies base their ratings on the information and materials furnished to it and on investigations, studies, and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

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.

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

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's contact information is as follows: Scott Messineo, Business Manager phone: (518) 373-6100 x30023; email: smessineo@scsd.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 x5 or at www.RGTimbsInc.net.

Stillwater Central School District

Dated: June 15, 2023
Stillwater, New York

/s/ Jimel Williams
President, Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022	Budget 2023	Budget 2024
Beginning Fund Balance - July 1	$5,812,453	$7,469,316	$8,944,049	$9,429,649	$8,956,017	$9,037,031	$7,187,031
Revenues:							
Real Property Taxes	$12,461,057	$12,639,640	$12,790,118	$13,148,228	$13,473,345	$13,750,282	$14,149,549
Other Tax Items	0	0	0	0	0	0	0
Charges for Services	13,285	16,459	11,800	1,364	3,187	2,500	2,500
Use of Money & Property	20,540	59,845	107,443	14,060	14,629	80,000	200,000
Sale of Property/Comp. for Loss	5,044	24,000	156,962	49,322	71,037	0	0
Miscellaneous	260,108	249,535	225,612	243,679	293,406	150,000	165,000
State Aid	11,253,489	11,309,952	10,138,075	10,364,429	12,332,487	12,384,323	12,728,696
Federal Aid	63,100	90,133	51,680	53,602	148,961	52,500	52,500
Interfund Transfer	0	18,546	147,405	0	0	275,000	290,000
Total Revenues	$24,076,623	$24,408,110	$23,629,095	$23,874,684	$26,337,052	$26,694,605	$27,588,245
Expenditures:							
General Support	$2,367,985	$2,683,124	$3,147,964	$2,788,508	$3,121,882	$3,066,946	$3,192,065
Instruction	10,628,943	10,750,946	11,231,577	11,426,318	12,197,857	14,111,104	14,729,180
Transportation	1,404,984	1,340,539	1,286,195	1,365,007	1,539,714	1,779,605	1,914,050
Employee Benefits	5,095,939	5,342,465	5,419,098	5,462,555	5,777,042	6,298,750	6,658,750
Debt Service	2,993,481	2,694,831	2,058,661	2,172,022	3,369,946	3,148,200	3,354,200
Interfund Transfer	122,886	121,472	0	1,133,906	249,597	140,000	140,000
Total Expenditures	$22,614,218	$22,933,377	$23,143,495	$24,348,316	$26,256,038	$28,544,605	$29,988,245
Adjustments	194,458	0	0	0	0	0	0
Year End Fund Balance	$7,469,316	$8,944,049	$9,429,649	8,956,017	$9,037,031	$7,187,031	$4,787,031
Excess (Deficit) Revenues Over Expenditures	$1,462,405	$1,474,733	$485,600	($473,632)	$81,014	($1,850,000)	($2,400,000)

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

General Fund – Budget Summary

	2023-24 Adopted Budget
Revenues:	
Real Property Taxes	$12,934,549
Other Tax Items	1,215,000
Charges for Services	2,500
Use of Money & Property	200,000
Miscellaneous	165,000
State Aid	12,728,696
Federal Aid	52,500
Interfund Transfer	290,000
Appropriated Fund Balance	2,400,000
Total Revenues	$29,988,245
Expenditures:	
General Support	$3,192,065
Instruction	14,729,180
Transportation	1,914,050
Employee Benefits	6,658,750
Debt Service	3,354,200
Interfund Transfers	140,000
Total Expenditures	$29,988,245

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Assets:					
Cash & Cash Equivalents	$7,403,567	$8,689,466	$8,756,939	$9,135,344	$7,313,659
Other Receivables	1,360	739	0	0	0
Due from Other Funds	4,488,021	859,311	1,890,267	586,468	1,264,417
Due from State & Federal	504,352	486,848	481,329	564,507	2,033,939
Total Assets	$12,397,300	$10,036,364	$11,128,535	$10,286,319	$10,612,015
Liabilities:					
Accounts Payable & Accrued Liabilities	$201,790	$74,835	$221,890	$377,819	$458,113
Due to Other Funds	3,799,932	25,545	463,096	421	32,062
Due to Other Governments	8,840	0	0	0	0
Due Retirement System	914,497	991,935	917,534	952,062	1,084,809
Unearned Revenues	0	0	0	0	0
Deferred Inflows of Resources	2,925	0	96,366	0	0
Total Liabilities:	$4,927,984	$1,092,315	$1,698,886	$1,330,302	$1,574,984
Fund Balances:					
Restricted	$2,945,628	$3,953,208	$3,853,208	$3,103,208	$3,103,208
Assigned	815,194	812,729	1,023,254	2,707,875	1,984,490
Unassigned	3,708,494	4,178,112	4,553,187	3,144,934	3,949,333
Total Fund Balance	$7,469,316	$8,944,049	$9,429,649	$8,956,017	$9,037,031
Total Liabilities and Fund Balance	$12,397,300	$10,036,364	$11,128,535	$10,286,319	$10,612,015

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

<u>APPENDIX B</u>

Audited Financial Statements

For The Fiscal Year Ended June 30, 2022

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Continuing Disclosure Statement.

STILLWATER CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2022

STILLWATER CENTRAL SCHOOL DISTRICT

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STILLWATER CENTRAL SCHOOL DISTRICT

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

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Stillwater Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 7 to the financial statements, in 2021/2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1-A12, budgetary comparison information on pages C1 and C2, schedules of changes in total OPEB liability on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of District contributions on page C5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stillwater Central School District's basic financial statements. The supplemental information on pages D1 - D3 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on page F4 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. These supplemental schedules and 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
November 4, 2022

STILLWATER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2022. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District experienced an increase of $693,993 in total net position.

- GASB 75 requires that a long-term liability be accrued for other post employment benefits. The amount of this accrual for the year ended June 30, 2022 is $34,963,923, an increase of $904,052 from the prior year due to changes in assumptions.

- The District's 2021-2022 general fund expenditures were under expended by $2,284,966.

- The District received a AA- rating for their series 2016 general obligation school district refunding bonds and affirmed a AA- rating on the District's existing general obligation debt.

- In a prior year the District refunded their series 2009 general obligation bonds, with approximate interest saved of $757,000 over 13 years for the District.

- In May 2022, the 2022-2023 budget proposal was approved, applying fund balance of $1,850,000 from 2021-2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and the required supplemental 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 fund's financial statements concentrate on the District's most significant funds with all major funds listed in separate columns.

- 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

The financial statements also include notes that provide additional information about the financial statements and the balances reported.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Table A-1 shows how the various sections of this annual report are arranged and related to one another.

Table A-1 Organization of the District's Annual Financial Report

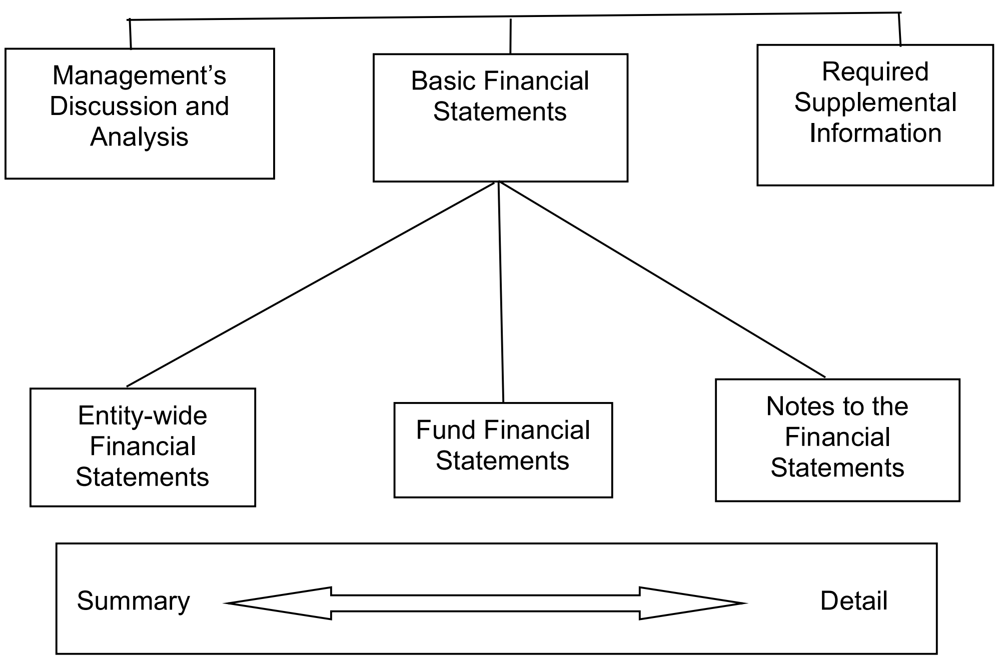


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-2 Major Features of the School District-wide and Fund Financial Statements

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

District-Wide 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 revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

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

- For assessment of the overall health of the District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

District-Wide Statements (Continued)

Net position of the governmental activities differ from governmental fund balance because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated.

Capital assets and long-term debt are accounted for in account groups and do not affect the fund balance.

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position as follows:
    - Investment in capital assets, net of related debt.
    - Restricted net position has constraints placed on use by external sources or imposed by law.
    - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The District has two kinds of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, special revenue fund, capital projects fund, and the debt service fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position as of June 30, 2022, are as detailed in Tables A-3 and A-4.

Table A-3 Condensed Statement of Net position (In Thousands of Dollars)

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Current and other assets	$ 13,017	$ 13,657	(4.69%)
Noncurrent assets	50,012	42,061	18.90%
Total assets	$ 63,029	$ 55,718	13.12%
Deferred outflows of resources	12,519	12,976	(3.52%)
Current liabilities	$ 1,793	$ 1,420	26.27%
Long-term liabilities	59,029	62,260	(5.19%)
Total liabilities	$ 60,822	$ 63,680	(4.49%)
Deferred inflows of resources	11,774	2,946	299.66%
Net position			
Net investment in capital assets	$ 19,021	$ 18,306	3.91%
Restricted	3,888	4,146	(6.22%)
Unrestricted	(19,958)	(20,384)	(2.09%)
Total net position	$ 2,951	$ 2,068	42.70%

During 2022, the District's assets and deferred outflows increased by approximately $9 million (See Table A-3) primarily as a result of net pension asset from participation in TRS and ERS plans.

Deferred outflows of resources relate primarily to ERS, TRS, OPEB and the deferred loss on refunding.

The increase in liabilities and deferred inflows can be attributed primarily to the deferred outflows.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Changes in Net position

The District's fiscal year 2022 revenue totaled $28,904,314 (See Table A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 47% and 43%, respectively, of the total revenue raised (see Table A-5). The remainder of revenue came from fees for services, use of money and property, operating and capital grants, and other miscellaneous sources.

The total cost of all programs and services totaled $28,210,321 for 2022. These expenses (79%) are predominately for the education, supervision, and transportation of students (see Table A-6). The District's administrative and business activities accounted for 16% of total costs.

Net position increased during the year by $693,993.

Table A-4 Changes in Net position from Operating Results (In Thousands of Dollars)

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Revenue			
Charges for services	$ 106	$ 26	307.69%
Operating grants	2,502	1,001	149.95%
Capital grants	24	102	(76.47%)
General revenue			
Real property taxes	13,473	13,148	2.47%
Use of money and property	13	27	(51.85%)
State sources	12,332	10,268	20.10%
Federal sources	149	54	175.93%
Other income	305	270	12.96
Total revenue	28,904	24,896	16.10%
Expenses			
General support	4,618	4,746	(2.70%)
Instruction	20,520	20,626	(0.51%)
Pupil transportation	1,764	1,742	1.26%
Debt service	444	520	(14.62%)
Capital Outlay	-	-	0%
Cost of sales	864	548	57.66%
Total expenses	28,210	28,182	0.10%
(Decrease)/ Increase in net position	$ 694	$ (3,286)	121.11%

Property tax revenues stable due to a minimal increase in the tax levy. Operating grants increased due to additional federal funding, additionally state sources increased as well.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The increase in instruction expenses can be explained by increased costs for personal services and employee benefits. Debt service cost has increased due to additional debt being issued at the conclusion of the recently completed capital project.

Table A-5: Revenue Sources for 2022

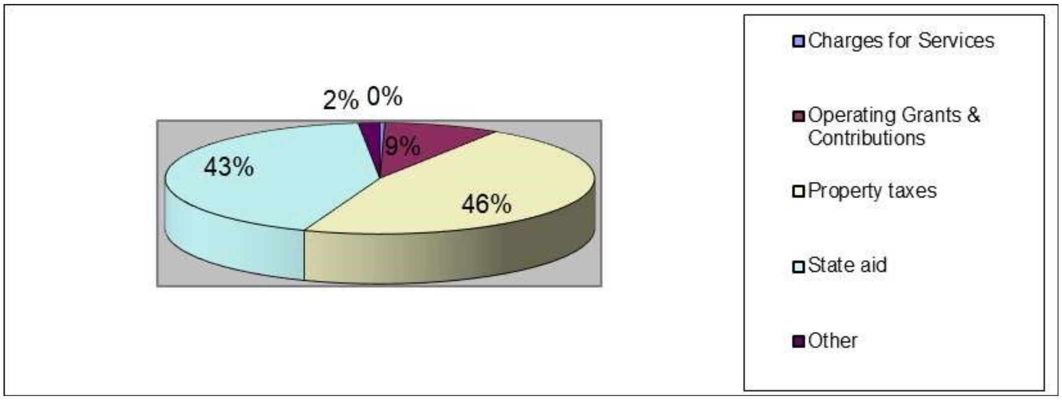
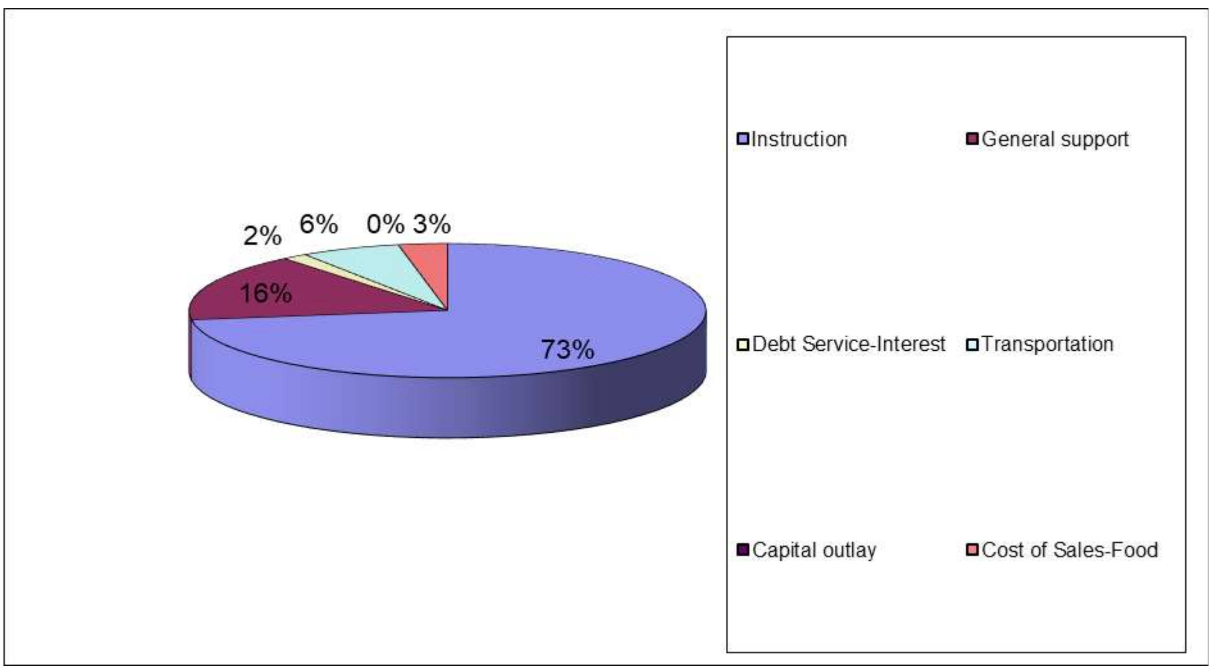


Table A-6: Expense Sources for 2022



FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the District's governmental activities totaled $28,904,314 while total expenses were $28,210,321. Accordingly, net position increased by $693,993.

Table A-7 presents the cost of several of the District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Table A-7 Net Cost of Governmental Activities (In Thousands of Dollars)

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
General support	$ 4,618	$ 4,618	$ 4,746	$ 4,746
Instruction	20,520	18,710	20,626	19,961
Pupil transportation	1,764	1,764	1,742	1,742
Debt service - Interest	444	444	520	520
Capital Outlay	-	(24)	-	(102)
Cost of sales - Food	864	66	548	187
Decrease in net position	$ 28,210	$ 25,578	$ 28,182	$ 27,054

- The cost of all governmental activities for the year was $28,210,321.
- The users of the District's programs financed $105,960 of the costs.
- The federal and state government financed $2,525,517 of the costs.
- Most of the District's net costs of $25,578,844 were financed by taxpayers and state and federal aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

The following is a brief description of the activity in the governmental funds for 2022:

General Fund: Revenues exceeded expenditures by $330,611 in the 2021-2022 year. The operating was primarily caused by additional federal and state funding.

Special Aid Fund: By the purpose of the fund, special aid does not generate a fund balance. Revenue received is expended. Approximately $1,806,000 was received for state and federal grants in this fund.

School Lunch Fund: The school lunch fund ended 2021-2022 fiscal year with an operating surplus of $186,559. This operating surplus occurred despite food costs that are required to be in compliance with the federal child nutrition rules increasing and costs associated with personal services also increasing. The fund also operated under a state-wide waiver allowing free meals be provided to all students.

Special Revenue Fund: This fund ended 2021-2022 fiscal year with a deficiency of $4,165. This fund is used to account for scholarships.

Capital Projects Fund: $1,525,950 was expended for capital projects for the year ended June 30, 2022. The capital projects fund ended 2021-2022 fiscal year with a fund equity of $1,181,410. The District initiated several projects that are being accounted for in the fund.

Debt Service Fund: The debt service fund ended the year with a $562,313 fund balance.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)
Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	En-cumbrances	Variance (Actual/ Budget)
Revenue					
Local sources	$ 13,768	$ 13,768	$ 13,856	$ -	$ 88
State sources	12,147	12,147	12,322	-	175
Federal sources	53	53	149	-	96
Transfers in	275	275	275	-	-
Total	26,243	26,243	26,602	-	359
Expenditures					
General support	3,164	3,354	3,122	83	149
Instruction	13,691	13,734	12,198	51	1,485
Transportation	1,685	1,725	1,540	-	185
Employee benefits	6,394	6,119	5,777	-	342
Debt service	3,478	3,478	3,369	-	109
Transfers out	540	540	525	-	15
Total	28,952	28,950	26,531	134	2,285
Revenue over (under) expenditures	$ (2,709)	$ (2,707)	$ 71	$ (134)	$ (1,926)

The general fund is the only fund for which a budget is legally adopted.

The District's 2021-2022 actual revenue was greater than its budgeted revenue by approximately $369,000 due to favorable variances in state and federal aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

The District's 2021-2022 expenditures, including encumbrances, were under expended by approximately $2,284,000 due to careful monitoring and control of general fund expenditures.

The District considers the results achieved regarding the 2021-2022 finances to be very satisfactory. The District also met its target to have $1,850,000 in fund balance available on June 30, 2022 to support the 2022-2023 budget.

CAPITAL ASSETS

As of June 30, 2022, the District had $40,699,355 invested in buildings, computers, and other educational equipment.

Table A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year 2022	Fiscal Year 2021
Land	$ 63	$ 57
Construction in progress	-	-
Buildings and improvements	37,407	38,726
Furniture, equipment, and vehicles	3,230	3,278
Total	$ 40,700	$ 42,061

DEBT ADMINISTRATION

Long-Term Liabilities

As of June 30, 2022, the District had $59,029,377 in long-term debt. Detailed information about the District's long-term debt is included in the notes to the financial statements.

Table A-9 Outstanding Long-Term Debt (In Thousands of Dollars)

	Fiscal Year 2022	Fiscal Year 2021
General obligation bonds	$ 23,206	$ 24,748
Compensated absences	859	644
Net pension liability	-	1,348
Other postemployment benefits	34,964	34,060
Total	$ 59,029	$ 60,800

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The 2% tax levy limit will continue to result in limitations on tax revenue that could affect the financial health of the District.
- Health insurance and other post employment costs continue to see increases. Uncertainty related to cost increases continues to provide budgetary challenges.
- There is uncertainty regarding the amount of District contributions to the Employee Retirement System and Teachers Retirement System due to the lack of uncertainty of investment returns.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, 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:

Scott Messineo, School Business Manager
Stillwater Central District
1068 Hudson Avenue
Stillwater, NY 12170
Office: (518) 373-6100

STILLWATER CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS		
Current Assets:		
Cash - Unrestricted	$	4,485,528
Cash - Restricted		1,421,743
Temporary Investment in Securities - Unrestricted		69,813
Temporary Investment in Securities - Restricted		3,690,617
State and Federal Aid Receivable		3,322,060
Inventories		27,263
Capital Assets, Net		40,699,355
Lease Assets, Net		171,160
Net Pension Asset, Proportionate Share		9,141,400
Total Assets		63,028,939
Deferred Outflows of Resources:		
Loss on Refunding		245,675
Other Post Employment Benefits		5,942,390
Pensions		6,330,566
Total Deferred Outflows of Resources		12,518,631
Total Assets and Deferred Outflows of Resources	$	75,547,570
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	341,297
Accrued Liabilities		85,495
Other Liabilities		200,373
Due to Other Governments		37
Accrued Interest Payable		27,010
Due to Teachers' Retirement System		960,503
Due to Employees' Retirement System		124,306
Refundable Advances		54,106
Long-Term Liabilities - Due and Payable Within One Year:		
Bonds		2,500,000
Term Liabilities - Due and Payable After One Year:		
Bonds		19,515,000
Unamortized Bond Premium		1,191,029
Compensated Absences		859,425
Other Post Employment Benefits Payable		34,963,923
Total Liabilities		60,822,504
Deferred Inflows of Resources:		
Pensions		11,773,634
Total Deferred Inflows of Resources		11,773,634
NET POSITION		
Net Investment in Capital Assets		19,021,311
Restricted		3,887,782
Unrestricted		(19,957,661)
Total Net Position		2,951,432
Total Liabilities, Deferred Inflows of Resources and Net Position	$	75,547,570

See accompanying notes to financial statements.

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

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General Support	$ 4,618,437	$ -	$ -	$ -	$ (4,618,437)
Instruction	20,519,743	3,187	1,806,364	-	(18,710,192)
Pupil transportation	1,764,196	-	-	-	(1,764,196)
Debt service - interest	443,697	-	-	-	(443,697)
Capital Outlay	-	-	-	23,980	23,980
School lunch program	864,248	102,773	695,173	-	(66,302)
Total Functions and Programs	$ 28,210,321	$ 105,960	$ 2,501,537	$ 23,980	(25,578,844)
GENERAL REVENUES					
Real property taxes					13,473,345
Investment Earnings					12,939
Sale of property and compensation for loss					7,626
State sources					12,332,487
Federal sources					148,961
Miscellaneous					297,479
Total General Revenues					26,272,837
Change in Net Position					693,993
Total Net Position - Beginning of Year, As Originally Reported					2,068,250
Cumulative Effect of Change in Accounting Principle (Note 7)					189,189
Total Net Position - Beginning of Year, As Restated					2,257,439
Total Net Position - End of Year					$ 2,951,432

See accompanying notes to financial statements.

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

	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets							
Cash - Unrestricted	$ 4,077,556	$ 171,859	$ 236,113	$ -	$ -	$ -	$ 4,485,528
Cash - Restricted	63,082	-	-	76,351	1,282,310	-	1,421,743
Temporary Investments in Securities - Unrestricted	69,813	-	-	-	-	-	69,813
Temporary Investments in Securities - Restricted	3,103,208	-	-	26,048	-	561,361	3,690,617
State and Federal Receivable, Net	2,033,939	1,123,364	140,777	-	23,980	-	3,322,060
Due From Other Funds	1,264,417	32,062	-	-	-	952	1,297,431
Inventories	-	-	27,263	-	-	-	27,263
Total Assets	$ 10,612,015	$ 1,327,285	$ 404,153	$ 102,399	$ 1,306,290	$ 562,313	$ 14,314,455
Liabilities							
Accounts Payable	$ 172,245	$ 57,397	$ -	$ -	$ 111,655	$ -	$ 341,297
Accrued Liabilities	85,495	-	-	-	-	-	85,495
Other Liabilities	200,373	-	-	-	-	-	200,373
Due to Other Funds	32,062	1,262,993	-	-	2,376	-	1,297,431
Due to Other Governments	-	-	37	-	-	-	37
Due to Teachers' Retirement System	960,503	-	-	-	-	-	960,503
Due to Employees' Retirement System	124,306	-	-	-	-	-	124,306
Refundable Advances	-	6,895	36,362	-	10,849	-	54,106
Total Liabilities	1,574,984	1,327,285	36,399	-	124,880	-	3,063,548
Fund Equity (Deficiency)							
Fund Equity (Deficiency):							
Non-spendable	-	-	27,263	-	-	-	27,263
Restricted	3,103,208	-	19,862	102,399	100,000	562,313	3,887,782
Assigned	1,984,490	-	320,629	-	1,087,361	-	3,392,480
Unassigned	3,949,333	-	-	-	(5,951)	-	3,943,382
Total Fund Equity (Deficiency)	9,037,031	-	367,754	102,399	1,181,410	562,313	11,250,907
Total Liabilities and Fund Equity (Deficiency)	$ 10,612,015	$ 1,327,285	$ 404,153	$ 102,399	$ 1,306,290	$ 562,313	$ 14,314,455

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

Fund equity of the governmental funds	$ 11,250,907
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	40,699,355
Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds	171,160
Accrued interest expense is reported under the accrual basis	(27,010)
Net Pension Asset	9,141,400
Net Deferred outflows related to net pension asset/liability and OPEB adjustments	12,272,956
Net Deferred inflows related to net pension asset/liability and OPEB adjustments	(11,773,634)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable, including deferred loss and unamortized premium	(22,960,354)
Other postemployment benefits payable	(34,963,923)
Compensated absences	(859,425)
Net Position of Governmental Activities	$ 2,951,432

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

	General	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues							
Real Property Taxes and Tax Items	$ 13,473,345	$ -	$ -	$ -	$ -	$ -	$ 13,473,345
Charges for Services	3,187	-	-	-	-	-	3,187
Use of Money and Property	14,629	-	49	(2,948)	-	1,209	12,939
Sale of Property and Compensation for Loss	71,037	-	-	-	-	-	71,037
Miscellaneous	293,406	-	1,303	4,073	-	-	298,782
State Sources	12,332,487	184,625	12,891	-	23,980	-	12,553,983
Federal Sources	148,961	1,621,739	680,979	-	-	-	2,451,679
Sales	-	-	102,773	-	-	-	102,773
Total Revenues	26,337,052	1,806,364	797,995	1,125	23,980	1,209	28,967,725
Expenditures							
General Support	3,121,882	148,167	-	-	-	-	3,270,049
Instruction	12,197,857	1,682,794	-	5,290	-	-	13,885,941
Pupil Transportation	1,539,714	-	-	-	-	-	1,539,714
Employee Benefits	5,777,042	-	14,788	-	-	-	5,791,830
Debt Service	3,369,946	-	-	-	-	-	3,369,946
Cost of Sales	-	-	529,452	-	-	-	529,452
Capital Outlay	-	-	67,196	-	1,525,950	-	1,593,146
					-		
Total Expenditures	26,006,441	1,830,961	611,436	5,290	1,525,950	-	29,980,078
Excess (Deficiency) of Revenues Over Expenditures	330,611	(24,597)	186,559	(4,165)	(1,501,970)	1,209	(1,012,353)
Other Sources and (Uses)							
Interfund Transfers, Net	(249,597)	24,597	-	-	500,000	(275,000)	-
Total Other Sources (Uses)	(249,597)	24,597	-	-	500,000	(275,000)	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	81,014	-	186,559	(4,165)	(1,001,970)	(273,791)	(1,012,353)
Fund Equity, Beginning of Year	8,956,017	-	181,195	106,564	2,183,380	836,104	12,263,260
Fund Equity, End of Year	$ 9,037,031	$ -	$ 367,754	$ 102,399	$ 1,181,410	$ 562,313	$ 11,250,907

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

Net changes in fund equity - total governmental funds			$	(1,012,353)
Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities.				
Depreciation expense	$	(3,291,267)		
Capital outlays, net of retainage		1,992,735		(1,298,532)
The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net position. Any gain or loss resulting is recorded in the statement of activities.				(63,411)
Interest is recognized as an expenditure in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues.				(470)
Lease outlays are expenditures in government funds, but are capitalized in the statement of net position.				71,207
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.				(89,236)
Repayments of long-term debt are recorded as expenditures in the governmental funds but are recorded as liabilities in the statement of net position.				2,733,000
Bond premium is an other financing source and deferred losses are expenditures in the governmental funds but are recorded as liabilities and assets in the statement of activities and subsequently amortized.				193,719
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.				
Other Post Employment Benefits	$	(1,304,049)		
Compensated Absences		(215,484)		
Adjustments for net pension liability - ERS		279,110		
Adjustments for net pension asset - TRS		1,400,492		160,069
Change in net position - governmental activities			$	693,993

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Stillwater Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

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

The Extraclassroom Activity Funds

The extraclassroom activity funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. However, due to administrative involvement defined in Footnote 1 to paragraph 8b of GASB 84, the District accounts for these student organization funds with the General Fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 1068 Hudson Avenue, Stillwater, New York.

B. Joint Venture

The Stillwater Central School District is a component district in the Washington-Saratoga-Warrren-Hamilton-Essex Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year ended June 30, 2022 the District was billed $2,227,418 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $807,201. Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

District-wide Statements

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

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

Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

I. Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Special Aid Fund

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

School Lunch Fund

Used to account for transactions of the District's lunch and breakfast programs.

Special Revenue Fund

Used to account for revenues legally restricted to expenditures for specified purposes such as scholarships.

Capital Projects Fund

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

Debt Service Fund

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fiduciary Funds

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

There are two classes of fiduciary funds:

a. Private Purpose Trust Funds

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

b. Custodial Funds

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

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

D. Basis of Accounting/Measurement Focus

General Information

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

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

E. Refundable Advances

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 10, 2021. Taxes were collected during the period September 1 through October 31, 2021.

II. Enforcement

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

G. Restricted Resources

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

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

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

c. Appropriations are adopted at the line-item level.

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

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

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

II. Encumbrances

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

III. Budget Basis of Accounting

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

I. Cash and Investments

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

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

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value.

J. Accounts Receivable

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

K. Inventories and Prepaid Items

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

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

A portion of the fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Interfund Transfers

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

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

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

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

M. 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) plus deferred loss on bond issuance and unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets and unamortized bond premium.

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

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

Fund statements:

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

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund equity includes the inventory recorded in the School Lunch Fund of $27,263.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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

Reserved for Debt
This reserve was established according to General Municipal Law §6-l, and 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 unexpended bond proceeds.

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

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

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

Reserve for Retirement System Contributions
According to General Municipal Law §6-r, must be used for financing retirement contributions of both ERS and TRS systems. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Reserve for Retirement System Contributions
During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. The sub reserves consist of $2,100,000 for ERS and $157,580 for TRS.

Unemployment
According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the 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.

Special Revenue
Restricted for scholarships for students that meet donor specified criteria.

Restricted fund equity includes the following:

General Fund:		
Workers' Compensation	$	600,000
Unemployment Insurance		25,628
Retirement System Contributions		2,257,580
Employee Benefit Accrued Liability		120,000
Capital Reserve		100,000
School Lunch Fund - Encumbrances		19,862
Special Revenue Fund		102,399
Capital Fund; Capital Reserve		100,000
Debt Service		562,313
	$	3,887,782

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund equity as of June 30, 2022.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Assigned - Fund equity of the School Lunch Fund of $320,629 and Capital Projects Fund of $1,087,361 is considered assigned. All encumbrances of the General Fund are classified as Assigned Fund Equity in the General Fund. Encumbrances reported in the General Fund amounted to $134,490. Appropriated fund equity in the General Fund amounted to $1,850,000.

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.

Purpose of Encumbrances:

General Fund	
General Support	$ 83,096
Instruction	51,394
	$ 134,490

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

NYS Real Property Tax Law Section 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund equity of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The District exceeded the 4% limit at June 30, 2022.

Net Position/Fund Equity

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Order of Use of Fund Equity

The District's policy is to apply expenditures against nonspendable fund equity, restricted fund equity (to the extent appropriated), committed fund equity, assigned fund equity and unassigned fund equity at the end of the fiscal year. For all funds, nonspendable fund equity is determined first and then restricted fund equity for specific purposes is determined. Any remaining fund equity amounts for funds other than the General Fund are classified as either assigned or restricted fund equity. In the General Fund, committed fund equity is determined next then assigned. The remaining amounts are reported as unassigned.

N. Post employment Benefits

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

O. Capital and Lease Assets

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

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

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

Lease Assets
The District-wide financial statements, lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is 3 years based on the contract terms and/or estimated replacement of the assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Deferred Outflows and Inflows of Resources

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

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

Q. Short-term Debt

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Payables, Accrued Liabilities and Long-term Obligations

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

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

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

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

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

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

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

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

   Long-Term Revenue and Expense Differences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Long-Term Debt Transaction Differences

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

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.

OPEB Differences

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

T. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other post employment benefits, potential contingent liabilities, net pension asset/liability, deferred outflows/inflows and the lives of long-term assets.

U. Vested Benefits

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. Vested Benefits

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death employees may receive a payment based on unused accumulated sick leave, based on contractual provisions. Unused sick leave for teachers is converted to a dollar amount and can be applied to their share of the premium of health insurance plan at retirement.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

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

V. Implementation of New Accounting Standards

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

GASB issued Statement No. 87, *Leases*, effective for the year ending June 30, 2022. See Note 7.

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

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

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

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements* effective for the year ending June 30, 2022. This statement was implemented early as permitted. See Note 7.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* effective for the year ending June 30, 2022. This statement had no impact on the District.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

W. Future Changes in Accounting Standards

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

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

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

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

GASB has issued Statement No. 101 - *The Annual Comprehensive Financial Report* effective for the year ending June 30, 2025.

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2022, total deposits of $7,074,281 were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

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

Interest Rate Risk

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Credit Risk

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

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

Custodial Credit Risk

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

The District restricts the securities to the following eligible items:

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

Investments

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

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

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Investments

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

The District participates in NYCLASS, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the District held $3,734,382 in these investments consisting of various investments in securities issued by the United States and its agencies.

Total investments of the cooperative as of year-end, based on un-audited numbers, are $4,232,768,655, which consists of $646,343,774 in collateralized bank deposits, $1,155,122,566 in repurchase agreements, $196,823,742 in FDIC insured bank deposits and $2,234,478,573 in U.S. Treasury Securities.

The District's investments in the Special Revenue Fund are valued based on Level 1 of the hierarchy. Common stocks are valued at the net assets value (NAV) of shares held at year end. The NAV is the closing price reported on the open market on which securities are traded.

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Investments

Investments in Securities at Value	Level 1	Valuation Inputs Level 2	Level 3	Total
Common Stock - Special Revenue Fund	$ 26,048	$ -	$ -	$ 26,048
General Fund	-	3,173,021	-	3,173,021
Debt Service Fund	-	561,361	-	561,361
Total	$ 26,048	$ 3,734,382	$ -	$ 3,760,430

The above amounts represent the fair value of the stocks and investment pool shares the District invested in. For the year ended June 30, 2022, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value.

Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

Risks and Uncertainties with Investments

The District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the statement of net position.

Restricted Cash and Investments

General Fund
Restricted investments of $3,103,208 consists of $600,000 restricted for Workers' Compensation Reserve, $25,628 restricted for Unemployment Reserve, $120,000 restricted for Employee Benefit Accrued Liability Reserve, $2,257,580 restricted for Retirement System Contribution Reserve, and $100,000 restricted for Capital Reserve. Restricted cash of $63,082 is restricted for extraclassroom activity funds.

Capital Projects Fund
Restricted cash of $1,282,310 restricted for voter approved projects.

Debt Service Fund
Restricted investments of $561,361 is restricted for future debt service payments.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Restricted Cash and Investments

Special Revenue Fund
Restricted cash of $76,351 and investments of $26,048 is restricted for Scholarships.

II. Interfund Receivables and Payables

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

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

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,264,417	$ 32,062	$ 275,000	$ 524,597
Special Aid Fund	32,062	1,262,993	24,597	-
School Lunch	-	-	-	-
Special Revenue Fund	-	-	-	-
Debt Service Fund	952	-	-	275,000
Capital Projects Funds	-	2,376	500,000	-
Total Government Activities	$ 1,297,431	$ 1,297,431	$ 799,597	$ 799,597

During 2021-22 the General Fund transferred $24,597 to the Special Aid Fund for the District's share of the special education summer school program its students attended and $500,000 to the Capital Projects Fund for specific projects. The Debt Service fund transferred $275,000 to the General Fund to pay down related debt.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

III. Capital Assets

Capital asset balances for the year ended June 30, 2022, are as follows:

	Balance July 1	Additions	Deletions	Balance June 30
Governmental Activities				
Capital assets that are not depreciated:				
Land	$ 56,924	$ -	$ -	$ 56,924
Construction in process	-	5,951	-	5,951
Total nondepreciable historical cost	56,924	5,951	-	62,875
Capital assets that are depreciated:				
Buildings and improvements	69,553,753	1,519,999	-	71,073,752
Machinery and equipment	9,437,709	466,785	416,347	9,488,147
Total depreciable historical cost	78,991,462	1,986,784	416,347	80,561,899
Less accumulated depreciation:				
Buildings and improvements	30,827,351	2,839,751	-	33,667,102
Machinery and equipment	6,159,737	451,516	352,936	6,258,317
Total accumulated depreciation	36,987,088	3,291,267	352,936	39,925,419
Total Capital Assets, Net	$ 42,061,298	$ (1,298,532)	$ 63,411	$ 40,699,355

Depreciation expense for the year ended June 30, 2022, was allocated to specific functions as follows:

General Support	$ 547,438
Instruction	2,432,271
Pupil Transportation	209,116
School Lunch Program	102,442
Total	$ 3,291,267

B. Liabilities

I. Pension Plans

General Information

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Plan Descriptions

Teachers' Retirement System

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

Employees' Retirement System

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 3.5% of their salary for the 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. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

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

	ERS	TRS
2021-22	$ 399,197	$ 890,367
2020-21	341,016	768,652
2019-20	346,759	752,845

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

Pension Liabilities

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

	ERS	TRS
Actuarial valuation date	April 1, 2021	June 30, 2020
Net pension asset/(liability)	$664,466	$8,476,934
District's portion of the Plan's total net pension asset/(liability)	.0081284%	.048917%

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

For the year ended June 30, 2022, the District recognized its proportionate share of pension expense of $30,053 for ERS and $(485,741) for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	**TRS**	**ERS**	**TRS**
Differences between expected and actual experiences	$ 50,321	$ 1,168,455	$ 65,269	$ 44,041
Changes of assumptions	1,108,919	2,788,241	18,712	493,756
Net difference between projected and actual earnings on pension plan investments	-	-	2,175,848	8,871,989
Changes in proportion and differences between contributions and proportionate share of contributions	193,149	7,085	9,139	94,880
Contributions subsequent to the measurement date	124,306	890,090	-	-
Total	$ 1,476,695	$ 4,853,871	$ 2,268,968	$ 9,504,666

Pension Liabilities

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

	ERS	**TRS**
Year ended:		
2022	$ -	$ (1,118,256)
2023	(95,330)	(1,303,398)
2024	(190,096)	(1,636,654)
2025	(528,370)	(2,150,065)
2026	(102,783)	388,005
Thereafter	-	279,483

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

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

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

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

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

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

ERS	**Target Allocation 2022**	**Long-Term Expected Real Rate of Return* 2022**
Asset Class:		
Domestic equity	32%	3.30%
International equity	15	5.85
Private equity	10	6.50
Real estate	9	5.00
Opportunistic ARS Portfolio	3	4.10
Credit	4	3.78
Real assets	3	5.80
Fixed income	23	0.00
Cash	1	(1.00)
Total	100%	

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

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

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2021.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

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

ERS	**1% Decrease (4.9%)**	**Current Assumption (5.9%)**	**1% Increase (6.9%)**
Employer's proportionate share of the net pension asset/(liability)	$ (1,710,328)	$ 664,466	$ 2,650,867

TRS	**1% Decrease (5.95%)**	**Current Assumption (6.95%)**	**1% Increase (7.95%)**
Employer's proportionate share of the net pension asset/(liability)	$ 889,531	$ 8,476,934	$14,853,596

Changes of Assumptions

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Collective Pension Expense

Collective pension expenses includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2022 is $120,090 for ERS and $(509,965) for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $124,306.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $960,503.

Other Benefits

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

II. Indebtedness

<u>Short-Term Debt</u>

Bond Anticipation Notes

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Transactions in short-term debt are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -

Interest paid on short-term debt amounted to $-0-.

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Interest on long-term debt was comprised of:

Interest paid	$ 636,946
Less interest accrued in the prior year	(26,540)
Plus interest accrued in the current year	27,010
Plus amortization of issuance costs for advanced refunding	75,520
Less amortization of deferred expense and bond premium	(269,239)
Total Expense	$ 443,697

Long-Term Obligations

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

The District does not have any authorized but unissued debt.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Changes

The changes in long-term liability and activity for the year ended June 30, 2022 are summarized as follows:

	Balance July 1,	Additions	Deletions	Balance June 30,
Serial Bonds	$ 24,748,000	$ -	$ 2,733,000	$ 22,015,000
Plus - Unamortized Bond Premiums	1,460,268	-	269,239	1,191,029
Less - Unamortized Losses on Refunding *	(321,195)	75,520	-	(245,675)
Compensated Absences	643,941	215,484	-	859,425
Other Postemployment Benefits (see Note 4)	34,059,871	1,772,196	868,144	34,963,923
Total	$ 60,590,885	$ 2,063,200	$ 3,870,383	$ 58,783,702

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

The above liabilities are liquidated by the General Fund.

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

Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Original Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2022
Serial Bonds				
2020 Advance Refunding	2020	2030	2.00-4.00%	$ 2,385,000
2016 Advance Refunding	2016	2030	0.70-4.00%	4,715,000
Project 2020 Serial Bonds	2020	2040	2.00-3.00%	14,915,000
Total Serial Bonds				$ 22,015,000

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

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

Year	Principal	Interest	Premium	Total
2023	$ 2,500,000	$ 568,200	$ (235,372)	$ 2,832,828
2024	2,580,000	494,200	(201,683)	2,872,517
2025	1,845,000	417,500	(166,610)	2,095,890
2026	1,750,000	364,500	(142,735)	1,971,765
2027	1,765,000	315,300	(120,840)	1,959,460
2028-2032	7,415,000	882,850	(273,427)	8,024,423
Thereafter	4,160,000	233,400	(50,362)	4,343,038
Total	$ 22,015,000	$ 3,275,950	$ (1,191,029)	$ 24,099,921

Prior Year Defeasance

On July 13, 2016 and September 1, 2020 the District defeased serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, $5,075,000 of the bonds outstanding for the July 13, 2016 issue and $2,680,000 for the September 1, 2020 issue are considered defeased.

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2022, the District has exhausted 26.18% of its constitutional debt limit.

IV. Deferred Inflows of Resources

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

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

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

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

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

The activity for the unemployment insurance reserve for the year ended June 30, 2022 is as follows:

	Beginning Balance	Changes in Estimates	Payments Made	Ending Balance
Unemployment Insurance Reserve	$ 25,628	$ -	$ -	$ 25,628

The District participates in a risk sharing pool. The Southern Adirondack Public Schools Workers' compensation Plan, to insure workers' compensation claims. This public entity risk pool was created under Article 5. Workers' Compensation Law, to finance liability and related workers' compensation claims. Workers' Compensation benefits are provided by the plan and administration under contract with the plan's consultant.

B. Other Items

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

The District has various commitments with contractors for the completion of capital projects.

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. It is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future operations. The District's operations are heavily dependent on real property taxes and state aid. The outbreak will likely have a continued impact on the economy and cost of education. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued. In response to the COVID-19 outbreak, the Federal Government passed several COVID

3. COMMITMENTS AND CONTINGENCIES

B. Other Items

Relief acts which include funding for elementary and secondary education. The District was awarded three different stimulus packages known as Coronavirus Aid, Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). New York State Required the CARES funds to be reported in the General Fund, as an offset to state aid reductions, referred to as the Pandemic Adjustment, while the CRRSA and ARPA funds are required to be reported in the special aid fund.

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

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have -0- to 5 years of service, depending on their tier, to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2022 approximately $870,000 was paid on behalf of 191 retirees.

Benefits Provided

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

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Employees Covered by Benefit Terms - At the valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	191
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	163
Total Plan Members	354

Net OPEB Liability

The District's total OPEB liability was measured as of July 1, 2021; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise specified:

Salary Scale	3.0%
Discount Rate	2.16%
Healthcare cost trend rates	7.0% for 2022 decreasing 0.4% per year to an ultimate rate of 5.0% by 2027.

Mortality rates were based on RP-2017 Total Dataset Mortality Table projected to the valuation date with Scale MP-2020.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit. Marriage assumption, it was assumed that active employees will maintain their current marital status. Each eligible employee will retire with the maximum number of sick days allowed and use them as contributions to their retiree premium.

For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

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

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

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Changes in the Net OPEB Liability

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

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at June 30, 2021	$34,059,871	$ -	$34,059,871
Changes for the year:			
Service cost	748,759	-	748,759
Interest	751,404	-	751,404
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Contributions - employer	-	-	-
Net investment income	-	-	-
Changes of assumptions or other inputs (change in discount rate)	272,032	-	272,032
Benefit payments	(868,143)	-	(868,143)
Administrative expense	-	-	-
Net changes	904,052	-	904,052
Balances, June 30, 2022	$34,963,923	$ -	$ 34,963,923

Changes in the Net OPEB Liability

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 2.21% to 2.16%. There was no change in initial year medical trend from 7%.

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

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$ 38,953,250	$34,963,923	$30,592,579

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00% decreasing to 4.00%) or 1 percentage point higher (8.00% decrease to 6.00%) than the current healthcare cost trend rate:

	1% Decrease (6.00% Decreasing to 4.00%)	Healthcare Cost Trend Rate (7.00% Decreasing to 5.00%)	1% Increase (8.00% Decreasing to 6.00%)
Total OPEB Liability	$ 30,678,020	$34,963,923	$38,825,130

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

For the year ended June 30, 2022, the District recognized OPEB expense of $2,198,237. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,207,941	$ -
Amounts recognized in OPEB expense	-	-
Changes of assumptions	2,840,261	-
Contributions subsequent to the measurement period	894,188	-
Total	$ 5,942,390	$ -

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

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

Year Ending June 30,	
2023	$ 698,073
2024	698,073
2025	996,043
2026	996,043
2027	868,449
Thereafter	791,821

5. TAX ABATEMENTS

The District has three real property tax agreements that are entered into by the Saratoga County Industrial Development Agency. These agreements provide a payment in lieu of taxes (PILOT) in accordance with the IDA's Tax Exemption Policy using a negotiated tax rate agreed upon by Town of Malta, Ballston Spa Central School District, Town of Stillwater, and Stillwater Central School District. As a result of the negotiated rate there are no tax abatements of real property taxes. The payments under these PILOT agreements amount to approximately 12% of total combined property tax and PILOT revenue of the District.

6. LEASE ASSETS

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

	As Restated Balance July 1	Additions	Deletions	Balance June 30
Lease Assets				
Machinery and equipment	$ 256,623	$ 71,207	$ -	$ 327,830
Less accumulated amortization	67,434	89,236	-	156,670
Total Lease Assets, Net	$ 189,189	$ (18,029)	$ -	$ 171,160

Amortization expense for the year ended June 30, 2022, was allocated to specific functions as follows:

General Support	$ 14,843
Instruction	65,946
Pupil Transportation	5,670
School Lunch Program	2,777
Total	$ 89,236

7. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

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

Statement of Activities:	
Net position beginning of year, as originally reported	$ 2,068,250
Lease assets	256,623
Accumulated amortization	(67,434)
Net Position at beginning of year, as restated	$ 2,257,439

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 4, 2022, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2022, have been incorporated into these financial statements.

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

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
Revenues				
Local Sources				
Real Property Taxes	$ 13,535,441	$ 13,535,441	$ 13,473,345	$ (62,096)
Charges for Services	2,500	2,500	3,187	687
Use of Money and Property	80,000	80,000	14,629	(65,371)
Sale of Property and Compensation for Loss	-	-	71,037	71,037
Miscellaneous	150,000	150,000	293,406	143,406
Total Local Sources	13,767,941	13,767,941	13,855,604	87,663
State Sources	12,147,178	12,147,178	12,332,487	185,309
Federal Sources	52,500	52,500	148,961	96,461
Other Sources				
Interfund Transfers	275,000	275,000	275,000	-
Total Revenue and Other Sources	26,242,619	26,242,619	$ 26,612,052	$ 369,433
Appropriated Fund Balance				
Prior year's Encumbrances	232,875	232,875		
Appropriated Reserves	-	-		
Appropriated Fund Equity	2,475,000	2,475,000		
Total Appropriated Fund Equity	2,707,875	2,707,875		
Total Revenues, Other Sources and Appropriated Fund Equity	$ 28,950,494	$ 28,950,494		

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

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Actual and Encumbrances
Expenditures					
General Support					
Board of Education	$ 14,939	$ 14,939	$ 10,731	$ 410	$ 3,798
Central Administration	251,281	254,681	246,401	-	8,280
Finance	435,288	439,820	424,891	-	14,929
Staff	159,575	160,606	151,278	-	9,328
Central Services	1,988,732	2,083,688	1,892,574	82,686	108,428
Special Items	313,752	400,630	396,007	-	4,623
Total General Support	3,163,567	3,354,364	3,121,882	83,096	149,386
Instruction					
Instruction, Administration & Improvement	992,185	985,257	826,433	2,500	156,324
Teaching - Regular School	7,200,698	7,241,594	6,738,148	48,194	455,252
Programs for Students with Disabilities	2,928,906	2,891,685	2,306,048	-	585,637
Occupational Education	485,000	450,961	449,543	-	1,418
Teaching - Special Schools	49,600	49,601	964	-	48,637
Instructional Media	766,226	775,489	617,528	-	157,961
Pupil Services	1,268,413	1,339,911	1,259,193	700	80,018
Total Instruction	13,691,028	13,734,498	12,197,857	51,394	1,485,247
Pupil Transportation	1,684,644	1,725,393	1,539,714	-	185,679
Employee Benefits	6,393,750	6,118,734	5,777,042	-	341,692
Debt Service Principal	2,733,000	2,733,000	2,733,000	-	-
Debt Service Interest	744,505	744,505	636,946	-	107,559
Total other	11,555,899	11,321,632	10,686,702	-	634,930
Total Expenditures	28,410,494	28,410,494	26,006,441	134,490	2,269,563
Other Uses					
Interfund Transfer	540,000	540,000	524,597	-	15,403
Total Expenditures and Other Uses	$ 28,950,494	$ 28,950,494	26,531,038	$ 134,490	$ 2,284,966
Net Change in Fund Equity			$ 81,014		
Fund equity - beginning			8,956,017		
Fund equity - ending			$ 9,037,031		

STILLWATER CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY
JUNE 30, 2022

	Fiscal Year Ending * 2022	Fiscal Year Ending * 2021	Fiscal Year Ending * 2020	Fiscal Year Ending * 2019	Fiscal Year Ending * 2018
Total OPEB Liability					
Measurement date	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Service cost	$ 748,759	$ 891,307	$ 848,864	$ 424,326	$ 1,667,359
Interest	751,404	957,552	980,048	712,484	712,483
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	-	1,961,407	-	1,473,771	-
Changes in assumptions and other inputs	272,032	3,826,686	887,466	(453,016)	(2,085,788)
Benefit payments	(868,143)	(824,248)	(738,019)	(716,523)	(628,529)
Net Change in Total OPEB Liability	904,052	6,812,704	1,978,359	1,441,042	(334,475)
Total OPEB Liability - beginning	34,059,871	27,247,167	25,268,808	23,827,766	24,162,241
Total OPEB Liability - ending	$ 34,963,923	$ 34,059,871	$ 27,247,167	$ 25,268,808	$ 23,827,766
Covered-employee payroll	$ 11,728,431	$ 10,061,782	$ 10,674,941	$ 10,433,542	$ 10,876,036
Total OPEB Liability as a percentage of covered-employee payroll	298.11%	338.51%	255.24%	242.19%	219.09%

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

STILLWATER CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2022

ERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0081%	0.0074%	0.0068%	0.0067%	0.0075%	0.0069%	0.0075%	0.0074%
Proportionate share of the net pension liability (asset)	$ (664,466)	$ 7,384	$ 1,805,361	$ 471,179	$ 241,675	$ 651,630	$ 1,201,371	$ 250,771
Covered-employee payroll	$ 2,623,699	$ 2,481,553	$ 2,472,315	$ 2,355,731	$ 2,380,671	$ 2,465,538	$ 2,521,225	$ 2,198,100
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-25%	0%	73%	20%	10%	26%	48%	11%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0489%	0.0485%	0.0471%	0.0472%	0.0468%	0.0436%	0.0455%	0.0461%
Proportionate share of the net pension liability (asset)	$(8,476,934)	$ 1,340,493	$ (1,222,453)	$ (853,398)	$ (355,956)	$ 466,568	$ (4,728,908)	$ (5,129,690)
Covered-employee payroll	$ 9,393,448	$ 8,551,480	$ 8,482,887	$ 8,173,837	$ 7,991,024	$ 7,747,381	$ 7,546,569	$ 7,179,985
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-90%	16%	-14%	-10%	-4%	6%	-63%	-71%
Plan fiduciary net position as a percentage of the total pension asset	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

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

ERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 378,020	$ 349,490	$ 343,665	$ 392,290	$ 382,775	$ 350,216	$ 402,547	$ 449,935
Contributions in relation to the contractually required contribution	(378,020)	(349,490)	(343,665)	(392,290)	(382,775)	(350,216)	(402,547)	(449,935)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,623,699	$ 2,481,553	$ 2,472,315	$ 2,355,731	$ 2,380,671	$ 2,465,538	$ 2,521,225	$ 2,198,100
Contributions as a percentage of covered-employee payroll	14.41%	14.08%	13.90%	16.65%	16.08%	14.20%	15.97%	20.47%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 791,263	$ 729,521	$ 834,094	$ 753,367	$ 869,747	$ 891,345	$ 1,198,863	$ 1,198,863
Contributions in relation to the contractually required contribution	(791,263)	(729,521)	(834,094)	(753,367)	(869,747)	(891,345)	(1,198,863)	(1,198,863)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 9,393,448	$ 8,551,480	$ 8,482,887	$ 8,173,837	$ 7,991,024	$ 7,747,381	$ 7,546,569	$ 7,179,985
Contributions as a percentage of covered-employee payroll	8.42%	8.53%	9.83%	9.22%	10.88%	11.51%	15.89%	16.70%

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	28,717,619
Add: Prior year's encumbrances		232,875
Original Budget		28,950,494
Adjustments:		
Revision to Appropriated Fund Equity		-
Final Budget	$	28,950,494

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 [subsequent year's] voter-approved expenditure budget			$	28,544,605
Maximum allowed (4% of 2022-23 [subsequent year's] budget)				1,141,784
General Fund Equity Subject to Section 1318 of Real Property Tax Law*:				
Unrestricted Fund Equity:				
Assigned Fund Equity	$	1,984,490		
Unassigned Fund Equity		3,949,333		
Total Unrestricted Fund Equity		5,933,823		
Less:				
Appropriated Fund Equity		1,850,000		
Encumbrances included in Committed and Assigned Fund Equity		134,490		
Total Adjustments		1,984,490		
General Fund Equity Subject to Section 1318 of Real Property Tax Law			$	3,949,333
Actual percentage				13.84%

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

STILLWATER CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance June 30, 2022
Buses - 2014	$ 245,000	$ 245,000	$ 227,464	$ -	$ 227,464	$ 17,536	$ -	$ -	$ 300,000	$ 300,000	$ 72,536
HS Science/Biology - 14-15	200,000	200,000	200,000	-	200,000	-	227,465	-	-	227,465	27,465
Buses - 2015	-	1,400,000	1,037,411	-	1,037,411	362,589	-	-	1,040,000	1,040,000	2,589
Buses - 2016	-	-	-	-	-	-	-	-	585,000	585,000	585,000
Architects 15-16	12,753	12,753	10,455	-	10,455	2,298	-	-	10,455	10,455	-
Architects 14-15	10,100	12,281	10,425	-	10,425	1,856	-	-	13,478	13,478	3,053
Architects 16-17	-	15,000	18,685	-	18,685	(3,685)	-	-	-	-	(18,685)
Architects 17-18	-	6,525	10,575	-	10,575	(4,050)	-	-	-	-	(10,575)
Construction 15-16	87,237	87,237	111,867	-	111,867	(24,630)	-	-	89,045	89,045	(22,822)
Construction 14-15	89,900	87,719	81,853	-	81,853	5,866	-	-	101,622	101,622	19,769
Construction 16-17	-	85,000	66,203	-	66,203	18,797	-	-	-	-	(66,203)
Construction 17-18	100,000	100,000	78,975	-	78,975	21,025	-	-	100,000	100,000	21,025
Smart Schools Bond Act	252,508	252,508	794,595	23,980	818,575	(566,067)	-	814,975	-	814,975	(3,600)
BIG 18 19 Architects	-	137,674	1,018,219	-	1,018,219	(880,545)	-	-	-	-	(1,018,219)
BIG 18 19 Engineering	-	176,215	51,772	-	51,772	124,443	-	-	-	-	(51,772)
BIG 18 19 Financial	-	-	23,542	-	23,542	(23,542)	-	-	-	-	(23,542)
Capital Project Outlay 18-19	100,000	100,000	100,000	-	100,000	-	-	-	100,000	100,000	-
Capital Project Phase I 18-19	5,848,181	6,292,048	1,263,275	-	1,263,275	5,028,773	24,402	-	-	24,402	(1,238,873)
Capital Project Outlay 19-20	89,500	89,500	83,585	-	83,585	5,915		-	100,000	100,000	16,415
Capital Project Phase II 19-20	15,010,500	20,488,371	15,400,778	-	15,400,778	5,087,593	17,979,347	-	-	17,979,347	2,578,569
Elementary Lockers and Doors	100,000	100,000	73,000	-	73,000	100,000	-	-	73,000	73,000	-
Track and Field Reconstruction	1,071,681	1,071,681	-	1,022,902	1,022,902	48,779	-	-	1,311,250	1,311,250	288,348
Capital Outlay Project 2021-22 (Library)	100,000	100,000	-	68,939	68,939	31,061	-	-	100,000	100,000	31,061
ES Mechanical Project	-	-		226,257	226,257	(226,257)	-	-	-	-	(226,257)
Concession Stand Project	475,000	475,000		183,872	183,872	291,128	-	-	400,000	400,000	216,128
Totals	$ 23,792,360	$ 31,534,512	$ 20,662,679	$ 1,525,950	$ 22,188,629	$ 9,418,883	$ 18,231,214	$ 814,975	$ 4,323,850	$ 23,370,039	$ 1,181,410

STILLWATER CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022

Capital Assets, Net		$ 40,699,355
Add:		
Capital projects fund - cash	$ 1,282,310	
Deferred loss on bond issuance	245,675	1,527,985
Deduct:		
Serial bonds payable	22,015,000	
Unamortized bond premium	1,191,029	
Bond anticipation notes payable	-	(23,206,029)
Net Investment in Capital Assets		$ 19,021,311

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

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

To the President and Members
of the Board of Education of
Stillwater Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Stillwater Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003.

District's Response to the Findings

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

Purpose of This Report

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

Marvin and Company, P.C.

Latham, NY
November 4, 2022

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

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

To the President and Members of the Board of Education of
Stillwater Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Marvin and Company, P.C.

Latham, NY
November 4, 2022

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

Federal Grantor/Pass-Through Grantor/Cluster Title/ Program Title	Federal Assistance Listings Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipient	Total Federal Expenditures
U.S. Department of Education				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States	84.027	0033-22-0823	$ -	$ 293,202
COVID-19 ARP - Special Education - Grants to States	84.027X	5533-22-0823	-	3,860
Special Education Preschool Grants	84.173	0032-22-0823	-	16,305
COVID-19 ARP - Special Education - Preschool Grants	84.173X	5532-22-0823	-	5,549
Total Special Education Cluster				318,916
Title I Grants to Local Educational Agencies	84.010	0021-22-2720	-	112,836
Improving Teacher Quality State Grants	84.367	0147-22-2720	-	24,500
Student Support and Academic Enrichment Grants	84.424	0204-22-2720	-	9,999
Education Stabilization Funds				
COVID-19 Cares Act Governor's Emergency Education Relief Fund	84.425C	5895-21-2720	-	15,496
COVID-19 Cares Act Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-2720	-	91,424
COVID-19 CRRSA Act - Governor's Emergency Education Relief Fund	84.425C	5896-21-2720	-	89,448
COVID-19 CRRSA Act - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-2720	-	809,798
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-2720	-	225,180
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Comprehensive After School	84.425U	5883-21-2720	-	31,062
Total Education Stabilization Funds				1,262,408
Total U.S. Department of Education				1,728,659
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
COVID-19 School Lunch Program	10.555	Not Applicable	-	477,156
COVID-19 School Breakfast Program	10.553	Not Applicable	-	183,854
Food Distribution	10.555	Not Applicable	-	19,969
Total Child Nutrition Cluster				680,979
Total U.S. Department of Agriculture				680,979
Total Expenditures of Federal Awards				$ 2,409,638

See accompanying notes to Schedule of Expenditures of Federal Awards.

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

1. BASIS OF PRESENTATION

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

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

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

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling $19,969.

5. INDIRECT COST RATE

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

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

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued — Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? — __X__ yes ____ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? — ____ yes __X__ none reported

Noncompliance material to financial statements noted? — __X__ yes ____ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? — ____ yes __X__ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? — ____ yes __X__ none reported

Type of auditor's report issued on compliance for major programs — Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? — ____ yes __X__ no

Identification of major programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D	COVID-19 CARES Act – Elementary and Secondary School Emergency Relief Fund
84.425C	COVID-19 CARES Act – Governor's Emergency Education Relief Fund
84.425C	COVID-19 CRRSA Act – Governor's Emergency Education Relief Fund
84.425D	COVID-19 CRRSA Act – Elementary and Secondary School Emergency Relief Fund
84.425U	COVID-19 ARP – Elementary and Secondary School Emergency Relief Fund
84.425U	COVID-19 ARP – Elementary and Secondary School Emergency Relief Fund - Learning Loss

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 Statement Findings

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

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

Section II: Financial Statement Findings

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

Material Weakness

2022-001 Audit Adjustments

Statement of Condition: Various adjusting journal entries were proposed as a result of audit procedures to properly reflect year end balances.

Criteria: To accurately present the financial position of the District, general ledger accounts should be reconciled and monitored throughout the year and at year end by management. The accuracy of financial data is crucial to the budget process and monthly report monitoring.

Cause: The adjusting journal entries identified during the audit appeared to be caused by transactions not being recorded at year end. Invoices received and paid for after year-end were not recorded as accounts payable, even though the services were for June. Accrued liabilities were not reflective of previous adjustments, causing opening fund balance to not agree to prior year ending. Special aid fund expenditures relating to the summer handicapped program were recorded in the general fund, rather than the special aid fund. The revenue and receivable was not recorded for the final payment relating to some of the CARES Act funding. In the capital projects fund, Smartschools revenue and receivable had to be recorded to match the expenditures incurred during the year. For the special aid fund, in addition to the entry mentioned above, entries were needed to true up the summer handicapped revenue based on the State aid reports, and one of the ARP grants required revenue to be moved to deferred revenue as expenditures were not incurred in the current year.

Effect of Condition: In the general fund revenues and receivables were understated by $91,424; accounts payable and expenditures were understated by $80,154 due to a missed invoice; due from special aid fund was understated by $140,516 expenditures were overstated by $122,985, while revenues were understated by $17,531; accrued liabilities and expenditures for the amount due to the teacher's retirement system were overstated by $31,452; due to entries from the prior year not being recorded, fund balance was overstated by $11,013 while accounts payable were overstated by $8,688 and expenditures were overstated by $19,701. Relating to the special aid fund, general fund was understated in expenditures by $3,965 along with due to special aid fund being understated the same amount. In the school lunch fund, supply chain revenue was recorded but not earned in the current year, which resulted in an overstatement of federal revenue and understatement of deferred revenues by $25,843. In the capital projects fund, revenues and receivables were understated by $23,980, while payables and expenditures were understated by $5,951. In the special aid fund, revenues were overstated by $38,438, accounts receivable were overstated by $14,799, deferred revenue was understated by $6,108, due to general fund was understated by $139,210, payables and due from general fund were both understated by $3,965, and expenditures were understated by $121,679.

Context: The adjustments were identified as part of our auditing procedures.

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

Section II: Financial Statement Findings

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

Material Weakness

2022-001 Audit Adjustments (continued)

Recommendation: As it relates to preventing future audit adjustments, general ledger accounts should be reconciled by management throughout the year or at a minimum at the end of the year to ensure the balances accurately reflect the activity that occurred.

Views of responsible officials and planned corrective actions: The Business Manager will work with the Treasurer to establish processes that ensure general ledger accounts are reconciled throughout the year. These processes will prevent the need for future audit adjustments.

Noncompliance Material to the Financial Statements

2022-002 Compliance with New York State Real Property Tax Law.

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 22/23 general fund budget by $2,811,514.

Criteria: NYS Real Property Tax Law (RPTL) Section 1318 limits the amount of unassigned fund balance a District can have to no more than 4% of the general fund budget for the ensuing fiscal year.

Cause: The cumulative effect of expenditures being significantly under budget in the current and prior years.

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

Context: As part of audit procedures compliance with RPTL is reviewed.

Recommendation: The District should develop a plan regarding how to address and use the excess in future years.

Views of responsible officials and planned corrective actions: The District will continue to update its reserve plan to address the unassigned fund balance exceeding 4% of the 2022-23 general fund budget. This plan will continue to include assessing reserves that the District currently has and determining if additional funds can be allocated to those reserves and/or establishing additional reserves that would be useful to the District and can be funded using the excess unassigned fund balance. The District will also work to update its multi-year financial plan.

2022-003 Compliance with Net Cash Reserves and Excess Fund Balance for Child Nutrition

Statement of Condition: The fund balance of the school lunch fund exceeds 3 months of the average expenditures of the fund by approximately $185,000.

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

Section II: Financial Statement Findings

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

2022-003 Compliance with Net Cash Reserves and Excess Fund Balance for Child Nutrition (continued)

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

Cause: The cumulative effect of expenditures being less than revenue for a number of years as well as funding agencies increased reimbursement rates and opening eligibility for free meals to all students for 2021/2022 school year.

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

Context: As part of audit procedures compliance with this federal guideline is reviewed.

Recommendation: The District should develop a plan regarding how to address and use the excess in future years.

Views of responsible officials and planned corrective actions: The District will review the school lunch fund balance and develop a plan to ensure that there are appropriate levels of fund balance maintained.

Section III: Federal Award Findings and Questioned Costs

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

None noted

STILLWATER CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Finding 2021-001 Security for Deposits and Investments in Excess of FDIC Coverage

Condition: The District did not have enough security to cover all deposits in excess of FDIC coverage. At June 30, 2022, bank deposits exceeded FDIC and collateral by $154,852.

Current Status

Comment was corrected and therefore not repeated.

Finding 2021-002 Compliance with New York State Real Property Tax Law

Condition: The unassigned fund balance of the general fund exceeds 4% of the 21/22 general fund budget by $1,996,229

Current Status

Comment was repeated as item 2022-002.

Finding 2021-003 Compliance with Net Cash Reserves and Excess Fund Balance for Child Nutrition

Condition: The fund balance of the school lunch fund exceeds 3 months of the average expenditures of the fund by approximately $25,000.

Current Status

Comment was repeated as item 2022-003.

APPENDIX C

Form of Legal Opinion

May __, 2023

Board of Education of the
Stillwater Central School District
County of Saratoga, New York

Re: Stillwater Central School District
$2,904,139 Bond Anticipation Notes - 2023

Dear Board Members:

We have examined a record of proceedings relating to the issuance of $2,904,139 aggregate principal amount of Bond Anticipation Notes - 2023 (the "Note") of the Stillwater Central School District (the "Issuer"), a school district of the State of New York, situate in the County of Saratoga. The Note is dated May 9, 2023, matures December 13, 2023, is numbered R-1, bears interest at ____% payable at maturity and is issued pursuant to the Local Finance Law of the State of New York, a bond resolution adopted by the Board of Education on October 19, 2021 and a certificate of the President of the Board of Education authorizing the issuance of notes in the aggregate principal amount of $2,904,139.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that under existing law:

1. The Note is a valid and binding general obligations of the Issuer.

2. All taxable property in the territory of the Issuer is subject to ad valorem taxation, without limitation as to rate or amount to pay the Note. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Note to the extent the necessary funds are not provided from other sources.

3. Interest on the Note is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed by the Internal Revenue Code of 1986, as amended (the "Code"), however, for tax years beginning after December 31, 2022, interest on the Note is included in the "adjusted financial statement income" of certain corporations for purposes of the corporate alternative minimum tax imposed by the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Note in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Note to be included in gross

income for federal income tax purposes retroactive to the date of issuance of the Note. We express no opinion regarding other federal tax consequences arising with respect to the Note.

4. In our opinion, interest on the Note is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York.

Except as expressly stated above, we express no opinion as to any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Note. Owners of the Note should consult their tax advisors as to the applicability of any collateral tax consequences of ownership of the Note, which may include original issuance discount, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

It is to be understood that the rights of the owner of the Note and the enforceability of the Note may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Note.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

FORM OF CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the School District has agreed to provide or cause to be provided,

(i) to the Electronic Municipal Market Access ("EMMA") systems of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross referenced in the final Official Statement dated December 1, 2022 of the School District relating to the Bonds by December 31 following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2023, and (ii) a copy of the audited financial statements if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2023; such audit, if any, will be so provided on or prior to the later of either December 31 of each such succeeding fiscal year or, if an audited financial statement at that time, within sixty days following receipt by the School District of its audited financial statement for the preceding fiscal year, but in any event not later than June 30 of each succeeding fiscal year: and provided further in the event that the audited financial statement for any fiscal year is not available by December 31 following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however , that provision of unaudited financial statements in any year shall be further conditioned upon the determination by the School District whether providing such unaudited financial statements complaint with the requires of federal Securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a) (2) of Securities Act of 1933

(ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

(d) 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 Bond, or other material events affecting the tax status of the Bond

(g) modifications to rights of Bondholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

The School District shall give notice in a timely manner to EMMA, or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the annual financial information and operating data and such audited financial statement as required pursuant to this Disclosure Certificate, if any, on or before the date specified.

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

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

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at Closing.