OFFICIAL STATEMENT DATED JUNE 13, 2023

NEW ISSUE/RENEWAL | **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that 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 tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT AT ACCORD
ULSTER COUNTY, NEW YORK
GENERAL OBLIGATIONS

$55,676,634 Bond Anticipation Notes, 2023 Series A
(referred to herein as the "Series A Notes")

At an Interest Rate of 4.50% to Yield 3.43%
CUSIP #776327 HR2

BNY MELLON CAPITAL MARKETS, LLC

Dated: June 27, 2023 | **Due: June 27, 2024**

$497,931 Bond Anticipation Notes, 2023 Series B
(referred to herein as the "Series B Notes")

Dated July 11, 2023 | **Due: June 26, 2024**

The Series A and Series B Notes (collectively "the Notes") are general obligations of the Rondout Valley Central School District at Accord, Ulster 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. 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.

At the option of the Purchaser(s), the Series B Notes will be issued as registered notes or registered in the name of the Purchaser(s). If the Series B Notes are registered in the name of the purchaser, principal of and interest on the such Notes will be payable in Federal Funds. In such case, the Notes of the corresponding series will be issued as registered in the name of the purchaser in dominations of $5,000 or multiples thereof except one odd denomination of $7,931 for Series B.

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

The Series A and Series B Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the respective approving opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser(s), on or about June 27, 2023 for Series A and on or about July 11, 2023 for Series B.

Facsimile or telephone bids for Series B will be received at R.G. Timbs, Inc. (11 Meadowbrook Road, Whitesboro, NY 13492), fax (315) 266-9212, phone (877) 315-0100 x3, on THURSDAY, June 29, 2023 until 11:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED JUNE 7, 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 41, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

DATED: June 13, 2023

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT AT ACCORD
ULSTER COUNTY, NEW YORK

School District Officials

2022-23 BOARD OF EDUCATION

Dawn Van Kleeck - President
Chris Schoonmaker - Vice President

Christine Kedler
Nicole Parete
Carolyn Peck
Dr. Alan Roberts
Dean Rylewicz
Megan Snair
Lucy VanSickle

Dr. Joseph Morgan - Superintendent of Schools
Alyssa Hasbrouck – Business Administrator
Debra Barbiani – District Clerk
Deborah Long – District Treasurer

School District Attorney

Guercio & Guercio

BOND COUNSEL

Orrick Herrington & Sutcliffe 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

11 Meadowbrook Road
Whitesboro, New York 13492
877-315-0100
Expert@rgtimbsinc.net

OFFICIAL STATEMENT

of the

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT AT ACCORD

ULSTER COUNTY, NEW YORK

Relating To

$55,676,634 Bond Anticipation Notes, 2023 Series A

$497,931 Bond Anticipation Notes, 2023 Series B

This Official Statement, which includes the cover page, has been prepared by the Rondout Valley Central School District at Accord, Ulster County, New York (the "District", "County" and "State," respectively) in connection with the sale by the District of $55,676,634 Bond Anticipation Notes, 2023 Series A (the " Series A Notes") and $497,391 Bond Anticipation Notes, 2023 Series B (the "Series B Note" and, collectively with the Series A Notes, The "Notes").

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented worldwide event, the effects of which are extremely difficult to predict and quantify. See "COVID-19" herein.

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 Series A 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. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein.

The Series A Notes are dated June 27, 2023 and mature, without option of prior redemption, on June 27, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Series B Notes are dated July 11, 2023 and mature, without option of prior redemption, on June 26, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in certificated denominations of $5,000 or integral multiples thereof except one odd denomination of $6,634 for Series A and $7,931 for Series B.; or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “Book-Entry-Only System” herein.

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 or bonds.

The Series A and Series B 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 subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VII, 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 specifications, 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 the limitation. See “TAX INFORMATION – 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 notes take 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 level, 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 sure 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 any 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 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 the holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Purpose and Authorization for the Notes

The Series A 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 February 14, 2019 authorizing the issuance of obligations of the District in the amount of $59,776,634 for the cost of construction of additions to and reconstruction of various School District Buildings and Facilities, in and for said School District.

The proceeds of the Notes, together with $1,460,000 available funds, will redeem and renew the $45,460,000 Bond Anticipation Notes maturing June 28, 2023, and will provide $11,676,634 in new money for the aforementioned purpose.

The Series B 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 April 18, 2023 authorizing the issuance of obligations of the District in the amount of $3,629,241 to pay the District's share of the cost of the reconstruction and renovation of various buildings, facilities, and sites owned by the Ulster County Board of Cooperative Educational Services (the "BOCES Project").

The proceeds of the Series B Notes, together with $200,000 available funds, will provide funding for the initial payment on the BOCES Project due to the Ulster Cooperative Educational Services on July 15, 2023.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series A and Series B Notes, if so requested. Those 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 of each series 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 Bonds or 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, bond and 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 AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

The Series A and Series B Notes will be issued in beater form denominations of $5,000 each or integral multiples thereof except for one odd denomination of $6,634 for Series A and one odd denomination of $7,931 for Series B. Principal of and interest on those Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as a fiscal agent by the District. The Series A and Series B Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the eastern portion of New York State, in the County of Ulster. It has a land area of approximately 50 square miles. The District includes the Towns of Marbletown, Rochester, Rosendale and Wawarsing. The City of Kingston is located 7 miles to the northeast.

Higher educational opportunities are readily accessible in the School District. SUNY Ulster Community College is located within the District while SUNY at New Paltz is located 5 miles to the east.

Major highways serving the District include U.S. Routes #44 and #209 and State Highways #32, #55 and #213, which connect the District with Interstate Highway #87.

District Population

The 2021 population of the School District is estimated to be 16,657. (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:						
Marbletown	$23,962	$42,459	$42,296	$54,085	$107,955	$105,438
Rochester	21,065	26,873	39,801	47,257	60,701	87,192
Rosendale	21,303	30,009	38,434	51,444	74,415	83,935
Wawarsing	16,512	18,380	25,157	43,828	50,588	71,557
County Of:						
Ulster	20,846	28,954	38,966	51,708	70,513	94,412
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
Kerhonkson Elementary School	K-3	1926	540	2021
Marbletown Elementary School	K-3	1952	540	2021
Rondout Valley Middle School	4-8	1968	1,200	2022
Rondout Valley High School	9-12	1960	1,200	2022

Source: District Official

District Employees

The District employs a total of 394 full-time and 14 part-time employees with representation by the various bargaining units listed below.

Bargaining Unit	Employees	Expiration Date
Teachers' Association	227	6/30/2027
Paraprofessional	69	6/30/2026
Principals/Admin.	17	6/30/2023*
Secretarial	35	6/30/2023*
Custodial/Maintenance	32	6/30/2025
Cafeteria	9	6/30/2024
Mgr./Confidential	5	N/A

*Currently under negotiations.

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2018-19	1,925	2023-24	1,585
2019-20	1,911	2024-25	1,561
2020-21	1,877	2025-26	1,532
2021-22	1,661	2026-27	1,492
2022-23	1,682	2027-28	1,473

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 five 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 fiscal year are as follows:

Fiscal Year	ERS	TRS
2017-2018	$827,458	$2,273,418
2018-2019	781,629	2,573,768
2019-2020	791,752	2,064,630
2020-2021	902,171	2,160,122
2021-2022	828,366	2,399,314
2022-2023 (Budgeted)	1,147,470	2,386,420

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

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

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

A chart of average ERS and TRS rates as a percent of payroll (2018-19 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	N/A

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

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

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

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

The State’s 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS Reserve. The balance in the fund as of June 30, 2021 is $919,187.

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 June 30, 2021 and financial data as of June 30, 2022, the School District's beginning year total OPEB liability was $180,301,504, the net change for the year was ($32,581,517) resulting in a total OPEB liability of $147,719,987 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
Mohonk Mtn House	Hotel	800
Ulster County Community College	Higher Education	461
Rondout Valley CSD	Education	384
Charles River	Laboratory	135
Camp Rav Tov	Ranch	130
SP Industries	Manufacturer	80

Source: District Officials
Note: Due to the COVID-19 global pandemic the estimated number of employees may vary. See "COVID-19" herein.

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) is Ulster County. The data set forth below with respect to the Counties is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the School District is necessarily representative of the Counties or vice versa.

Year	County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2018	3.9%	4.1%	3.9%
2019	3.6%	3.8%	3.7%
2020	7.7%	9.9%	8.3%
2021	4.7%	6.9%	3.9%
2022	3.2%	4.3%	3.6%

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

2022-23 Monthly Figures

	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Ulster County	3.1%	3.4%	3.5%	2.8%	2.6%	2.7%	2.8%	3.8%	3.5%	3.5%	N/A	N/A
New York State	4.1%	4.3%	4.2%	3.6%	3.7%	3.8%	3.8%	4.6%	4.5%	4.0%	N/A	N/A

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

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

Note: Figures in this section are historical and do not speak as to current or projected unemployment rates. Unemployment drastically increased in the period immediately following mid-March 2020 due to the COVID-19 global pandemic, although it has since generally begun decreasing. See "COVID-19" herein.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit monies in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public monies. All deposits and investments of the District are made in accordance with such policy.

Form of School Government

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

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 2020-21 fiscal year was adopted by the qualified voters by a vote of 2,067 to 859. Due to COVID-19 and pursuant to an Executive Order issued by Governor Andrew Cuomo, voting was done by absentee ballots and all ballots were counted as of June 16, 2020. The School District's 2020-21 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2021-22 fiscal year was adopted by the qualified voters on May 18, 2021 by a vote of 606 to 282. The School District's 2021-22 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 681 to 279. 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 502 yes to 238 no. 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 39.15% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever

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

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

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

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

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

Federal Aid Received by the State –

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

President Biden has signed into law the American Rescue Plan Act ("ARP"), a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools, and maintain vital services. The American Rescue Plan also includes assistance to low- and moderate-income households, an increase in food stamp benefits, additional funding for childcare and an increase in childcare tax credits. As of the date of this Official Statement it is not possible to predict the long-term impacts that the American Rescue Plan will have on the finances of the State.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the ("ARPA") 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 $3,676,937 in ARP funds and $1,636,025 in CRRSA funds. As of June 7, 2023, the District has received $813,542 in ARPA funds and $588,205 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 2017-2018 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017- 18Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

The State 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 Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor’s Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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 received a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding and received 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 represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State 2022-23 Enacted Budget also provides $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.

On February 1, 2023, Governor Kathy Hochul delivered the Executive Budget to the New York State Legislature. The 2023-24 Executive Budget includes a $3.1 billion or a 10% increase in School aid, the largest in State history, totaling $34.5 billion. The Foundation Aid formula will be fully funded for the first time in the program's history by way of a $2.7 billion increase, including a dedication of $250 million to establish high-impact tutoring programs. There is a $392 million increase in all other school aid programs including expense-based aids, categorical aids, and competitive grants. A $20 million grant will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $125 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95 percent of the State. In fiscal years 2022 and 2023, public school districts were awarded $14 billion of federal elementary and secondary school emergency relief funds, available for use over multiple years. The 2023-24 Executive Budget was adopted May 3, 2023.

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"), 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 for 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 the 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 the 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, the 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 the 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, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school Districts.

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 2022-23 and 2023-24 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$59,670,004	$23,215,507	38.91%
2018-2019	60,965,266	23,449,321	38.46%
2019-2020	61,966,794	23,895,635	38.56%
2020-2021	63,244,346	22,155,586	35.03%
2021-2022	65,296,258	23,126,927	35.42%
2022-2023 (Budgeted)	70,175,477	24,860,827	35.43%
2023-2024 (Budgeted)	74,302,912	29,087,030	39.15%

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 it in one of the three established stress categories.

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	3.3
2021	No Designation	6.7
2020	No Designation	13.3
2019	No Designation	13.3
2018	No Designation	6.7

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein, nor incorporation herein by reference.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on February 19, 2016. The purpose of the audit was to examine the District's financial management for the period July 1, 2012 through July 27, 2015.

Key Finding

- The District's 2012-13 year-end unrestricted fund balance was 6.5 percent of the ensuing year's appropriations, exceeding the 4 percent statutory limit imposed on unrestricted fund balance.

- The District experienced operating surpluses from 2012-13 through 2014-15. During this time, revenues exceeded expenditures by more than $2.5 million and no amount of appropriated fund balance was used to finance operations.

Key Recommendations

- Adopt budgets with reasonably estimated appropriations.

- Discontinue the practice of adopting budgets that result in the appropriation of unrestricted fund balance that is not actually needed to fund District operations.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The School District received a letter from the Office of the New York State Comptroller dated May 19, 2022 stating that the School District has been selected for an audit which will focus on an evaluation of internal controls. As of this date the District has not received a report from the Office of the New York State Comptroller. There were no significant findings.

Note: Reference to website implies no warranty of accuracy of information therein, nor incorporation herein by reference.

Other Information

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

The School District is in compliance with the procedure for the validation of the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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:					
Marbletown	$ 913,338,242	$ 920,278,889	$ 1,001,636,602	$ 1,013,504,185	$ 1,026,878,718
Rochester	784,281,271	855,537,212	910,308,234	930,415,561	947,694,796
Rosendale	209,305,049	216,930,370	230,496,706	230,814,996	232,538,881
Wawarsing	100,024,418	100,653,400	100,568,431	101,237,415	103,549,364
Total	$ 2,006,948,980	$ 2,093,399,871	$ 2,243,009,973	$ 2,275,972,157	$ 2,310,661,759
Equalization Rates:					
Marbletown	100.00%	100.00%	100.00%	93.00%	70.00%
Rochester	93.50%	100.00%	100.00%	100.00%	72.00%
Rosendale	100.00%	100.00%	100.00%	93.00%	74.00%
Wawarsing	105.41%	100.00%	94.00%	91.00%	81.00%
Full Valuations:					
Marbletown	$ 913,338,242	$ 920,278,889	$ 1,001,636,602	$ 1,089,789,446	$ 1,466,969,597
Rochester	838,803,498	855,537,212	910,308,234	930,415,561	1,316,242,772
Rosendale	209,305,049	216,930,370	230,496,706	248,188,168	314,241,731
Wawarsing	94,890,824	100,653,400	106,987,693	111,249,907	127,838,721
Total	$ 2,056,337,614	$ 2,093,399,871	$ 2,249,429,235	$ 2,379,643,082	$ 3,225,292,821

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

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Marbletown	$ 17.41	$ 17.56	$ 17.23	$ 18.15	$ 18.73
Rochester	18.62	17.56	17.23	16.88	18.21
Rosendale	17.41	17.56	17.23	18.15	17.71
Wawarsing	16.51	17.56	18.33	18.55	16.18

Tax Collection Procedure

Tax payments are due September 1st, payable during the month of September without penalty. Payment during the next 45 days is subject to a 2% penalty. A 3% penalty is added on payments received during the first five days of November. No payments are accepted after November 15. Uncollected school taxes are turned over to the County after November 15 for collection with a penalty and additional interest added. The County reimburses the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:	2019	2020	2021	2022	2023
General Fund Tax Levy	$33,046,768	$34,171,857	$38,755,413	$40,165,552	$42,279,109
STAR Program	$2,757,459	$2,596,621	$2,444,161	$2,344,716	$2,217,639
Uncollected Date of Return to County	$2,479,350	$2,612,186	$2,922,715	$2,799,382	$3,114,389
Percentage Uncollected	7.50%	7.59%	7.54%	6.97%	7.37%

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2017-2018	$59,670,004	$32,251,183	54.05%
2018-2019	60,965,266	33,045,405	54.20%
2019-2020	61,966,794	34,171,858	55.15%
2020-2021	63,244,346	36,294,193	57.39%
2021-2022	65,296,258	37,807,966	57.90%
2022-2023 (Budgeted)	70,175,477	42,279,109	60.25%
2023-2024 (Budgeted)	74,302,912	43,545,882	58.61%

Source: Audited financial statements for the 2017-18 fiscal year through 2021-22 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	Full Value
Central Hudson Gas & Electric	Gas & Electric	$54,982,577
City of New York DEP	NY State	45,223,806
Smiley Bros Inc	Hotel & Spa	40,753,968
New York State Land	NY State	13,240,978
Stone Ridge Partners, LP	Mobile Home Park	6,655,002
Hudson Valley NY Holding LLC	Hotel	6,111,111
Charles River Lab INC	Laboratory	5,990,714
Verizon New York, INC.	Telecommunications	5,317,879
Criterion Atlantic Property	Warehouse	5,236,217
Aero Star Petroleum	Fuel	4,534,247
Total		$188,046,499

1. The above taxpayers represent 5.83% of the School District's 2022-23 Full value of $3,225,292,821.

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

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 $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 “full value” exemption on their primary residence.

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

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

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

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Credit Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved "government efficiency plan" which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 varied based on a taxpayer's personal income level and STAR tax savings and the program was fully phased in in 2019. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other 27 than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit the 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 laws, 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 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 Bond and 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	$14,515,000	$11,560,000	$8,555,000	$6,875,000	$5,190,000
Bond Anticipation Notes	0	0	0	3,084,000	45,460,000
Total Debt Outstanding	$14,515,000	$11,560,000	$8,555,000	$9,959,000	$50,650,000

Status of Outstanding Bond Issues

Year of Issue:	2017	
Amount Issued:	$8,780,000	
Purpose/Instrument	Refunding Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest
2023	$ 1,720,000	$ 103,800
2024	1,725,000	69,400
2025	1,745,000	34,900
Totals:	$ 5,190,000	$ 208,100

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2023	$ 1,720,000	$ 103,800	$ 1,823,800	33.79%
2024	1,725,000	69,400	1,794,400	67.03%
2025	1,745,000	34,900	1,779,900	100.00%
Totals:	$ 5,190,000	$ 208,100	$ 5,398,100	

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN*	6/28/2022	6/28/2023	3.50%	$22,000,000
BAN*	6/28/2022	6/28/2023	2.99%	$1,000,000
BAN*	6/28/2022	6/28/2023	4.00%	$22,460,000

* To be partially redeemed and renewed at maturity with proceeds of the bond anticipation notes and other available funds.

Cash Flow Borrowings

The District has no revenue anticipation notes or tax anticipation notes or budget or deficiency notes outstanding and has not issued them in recent years, nor does it reasonably expect to issue same, or budget, or deficiency notes in the foreseeable future. See “Budgetary Procedures” herein.

Capital Project Plans

On December 11, 2018, District voters approved a $61,800,000 Capital Project. Construction began in the Spring of 2020. The first issuance against said authorization was a $12,000,000 Bond Anticipation Note dated June 30, 2020. The second issuance was a Bond Anticipation Note dated June 29, 2021, for $30,840,000. It provided an additional $19,600,000 in new money for the aforementioned purpose. The third issuance was a Bond Anticipation Note dated June 28, 2022 for $45,460,000. It provided an additional $16,500,000 in new money. This will be the fourth issuance against the authorization providing an additional $11,676,634 in new money.

There are no additional Capital Projects contemplated at the time of this Official Statement.

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 65.5%.

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

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 18, 2023

Town		Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Marbletown	$	1,026,878,718	70.00%	$ 1,466,969,597
Rochester		947,694,796	72.00%	1,316,242,772
Rosendale		232,538,881	74.00%	314,241,731
Wawarsing		103,549,364	81.00%	127,838,721
				$ 3,225,292,821

Debt Limit: 10% of Full Valuation	$	322,529,282
Inclusions:		
Serial Bonds	$	5,190,000
Bond Anticipation Notes		45,460,000
Total Inclusions:	$	50,650,000
Exclusions:		
Building Aid Estimate [1]		$0
Total Exclusions:		$0
Total Net Indebtedness Before Giving Effect to This Issue:	$	50,650,000
New Monies This Issue:		11,676,634
Total Net Indebtedness	$	62,326,634
Net Debt Contracting Margin	$	260,202,648
Percentage of Debt-Contracting Power Exhausted		19.32%

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
Ulster County	$3,225,292,821 / $20,404,515,951	15.81%	$157,440,195	N/A	157,440,195	$24,886,193
Town of Marbletown	$1,466,969,597 / $1,466,969,597	100.00%	-	N/A	-	-
Town of Rochester	$1,316,242,772 / $1,316,242,772	100.00%	335,439	N/A	335,439	335,439
Town of Rosendale	$ 314,241,731 / $ 547,359,640	57.41%	2,754,892	N/A	2,754,892	1,581,596
Town of Wawarsing	$ 127,838,721 / $ 1,235,455,713	10.35%	7,070,522	N/A	7,070,522	731,622
Total						$ 27,534,851

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

Notes: 1 Bonds and Bond Anticipation notes as of 2022 fiscal year. Not adjusted to include subsequent bond and note sales

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 18, 2023:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 62,326,634	$ 3,741.77	1.932%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 89,861,485	$ 5,394.82	2.786%

(a) The District's estimated population is 16,657. (Source: 2021 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2022-23 is $3,225,292,821.

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the 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 enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any 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 events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial 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.

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.

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

Cyber Security

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

COVID – 19

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

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 2023-24 fiscal year or for the foreseeable future.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and 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 is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed forms of opinions of Bond Counsel is set forth in "APPENDIX – C".

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest.

The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax 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 authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the respective approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the School District, such opinions to be delivered with each series of the Notes. The proposed forms of such opinions 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 School District's Continuing Disclosure Filing for the Fiscal Year ending June 30, 2011 was not filed within six months after the end of the fiscal year. This was the result of a delay in the audit process due to the GASB 45 Actuarial Study taking longer than anticipated. The School District also failed to file the 2011 audited financial statements within sixty days of receipt due to an oversight. The necessary information for the Fiscal Year ending June 30, 2011 as well as a notice of failure to file have been filed on EMMA to bring the School District into compliance. Except as described above (without determining whether such events were material in any sense) the School District has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

LITIGATION

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

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

RATING

The Notes are not rated. If the purchaser chooses to obtain a Note rating, it may incur charges from the School District to provide a supplemental final official statement and make an appropriate Material Event filing with EMMA.

The most recent rating by Moody’s Investors Service, Inc. ("Moody's") is an underlying rating of “Aa3” to the District’s uninsured outstanding bonded indebtedness related to the $8,780,000 School District Refunding Serial Bonds issued in 2017.

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

MUNICIPAL ADVISOR

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

MISCELLANEOUS

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

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

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

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

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

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

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

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

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 damage caused by viruses in the electronic files on the website.

The School District contact information is as follows: Alyssa Hasbrouck, telephone number 845-687-2400 x4806, email: ahasbrouck@rondout.k12.ny.us.

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 or at www.RGTimbsInc.net.

Rondout Valley Central School District at Accord

Dated: June 13, 2023
Accord, New York

____
Dawn Van Kleeck

President of 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	
Beginning Fund Balance - July 1	$12,468,163	$10,894,659	$9,978,820	$8,729,819	$13,932,413	$13,423,516	E
Revenues:							
Real Property Taxes	$32,251,183	$33,045,405	$34,171,858	$36,294,193	$37,807,966	$42,279,109	
Other Tax Items	3,044,892	2,895,564	2,723,648	2,593,481	2,519,814	148,000	
Charges for Services	456,438	843,058	465,917	558,634	471,884	481,600	
Use of Money & Property	101,198	81,122	86,321	48,418	22,311	30,000	
Sale of Property/Comp. for Loss	2,808	786	2,971	37,596	122,262	4,500	
Miscellaneous	583,674	599,813	577,221	1,052,021	657,921	777,000	
State Aid	23,215,507	23,449,321	23,895,635	22,155,586	23,126,937	26,155,268	
Federal Aid	14,304	50,197	43,223	504,417	567,163	50,000	
Interfund Transfer	0	0	0	0	0	250,000	
Total Revenues	$59,670,004	$60,965,266	$61,966,794	$63,244,346	$65,296,258	$70,175,477	
Expenditures:							
General Support	$5,698,944	$5,700,468	$5,448,605	$3,486,716	$5,618,532	$6,654,970	
Instruction	30,970,598	31,215,953	31,530,895	29,902,589	32,490,276	35,377,947	
Transportation	3,548,899	4,362,827	4,003,709	2,120,761	3,598,406	5,304,857	
Employee Benefits	16,257,699	16,977,707	16,719,734	16,318,411	16,609,963	18,865,891	
Debt Service	3,498,023	3,294,163	3,269,912	1,000,000	2,265,500	5,028,231	
Capital Outlay	0	0	78,806	1,857,001	694,743	0	
Interfund Transfer	1,269,345	329,987	2,396,187	3,356,274	4,527,735	250,000	
Total Expenditures	$61,243,508	$61,881,105	$63,447,848	$58,041,752	$65,805,155	$71,481,896	
Adjustments	0	0	232,053	0	0	0	
Year End Fund Balance	$10,894,659	$9,978,820	$8,729,819	$13,932,413	$13,423,516	$12,117,097	E
Excess (Deficit) Revenues Over Expenditures	($1,573,504)	($915,839)	($1,481,054)	$5,202,594	($508,897)	($1,306,419)	1

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

Note: 1. Appropriated Fund Balance is planned to be used
E. Estimated

General Fund – Budget Summary

	2023-24 Adopted Budget
Revenues:	
Real Property Taxes	$43,545,882
Payments in Lieu of Taxes	25,000
Charges for Services	500,000
Use of Money & Property	145,000
Sale of Property / Compensation for Loss	4,500
Miscellaneous	895,500
State Aid	29,087,030
Federal Aid	100,000
Appropriated Fund Balance	755,411
Total Revenues	$75,058,323
Expenditures:	
General Support	$6,767,754
Instruction	36,303,550
Transportation	5,974,642
Employee Benefits	19,125,397
Debt Service	6,757,980
Interfund Transfers	129,000
Total Expenditures	$75,058,323

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 and Equivalents	$10,776,656	$11,079,503	$9,172,240	$10,715,151	$16,841,594
Restrict cash	$0	$0	$0	$3,421,992	$0
Accounts Receivable	547,631	896,952	67,377	54,465	0
State and Federal Aid Receivable	456,714	527,591	564,280	516,764	616,414
Due from Other Governments	613,329	599,672	913,114	1,566,040	477,955
Due from Other Funds	1,866,729	1,981,596	2,187,173	3,791,308	1,920,808
Prepaid Expenditures	249,025	237,420	224,948	214,790	214,790
Total Assets	$14,510,084	$15,322,734	$13,129,132	$20,280,510	$20,071,561
Liabilities:					
Accounts Payable	$524,931	$2,143,306	$467,002	$103,591	$521,475
Accrued Liabilities	359,321	221,256	439,331	478,524	462,166
Due to Retirement Systems	2,655,785	2,968,387	2,446,004	2,523,920	2,787,587
Due to Other Funds	66,905	10,965	5,498	2,551,870	2,864,076
Unearned Revenues	8,483	0	203,573	599	12,741
Due to Other Governments	0	0	837905	689593	0
Total Liabilities:	$3,615,425	$5,343,914	$4,399,313	$6,348,097	$6,648,045
Fund Balances:					
Non-spendable	249,025	237,420	224,948	214,790	214,790
Restricted	2,735,398	3,390,886	3,445,611	6,421,992	10,546,221
Assigned:					
Encumbrances	0	0	0	0	0
Appropriated Fund Balance	4,362,067	3,725,023	3,300,685	1,081,431	1,717,366
Unassigned					
Unappropriated Fund Balance	3,548,169	2,625,491	1,758,575	6,214,200	945,139
Total Fund Balance	$10,894,659	$9,978,820	$8,729,819	$13,932,413	$13,423,516
Total Liabilities and Fund Balance	$14,510,084	$15,322,734	$13,129,132	$20,280,510	$20,071,561

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

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2022

FINANCIAL REPORT
AUDITED

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
For the Year Ended June 30, 2022

Audited for:

Board of Education
RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Audited By:

RBT CPAs, LLP
11 Racquet Road
Newburgh, NY 12550
(845) 567-9000

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Rondout Valley Central School District
P.O. Box 9
122 Kyserike Road
Accord, NY 12404

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rondout Valley Central School District (the "School District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School 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, each major fund, and the aggregate remaining fund information of the 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), 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 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note XV to the financial statements, in 2022 the School District adopted new accounting guidance GASB No. 87, *Leases*. 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 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Identify and assess the risks of material misstatement of the 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 School 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 School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant 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, schedule of revenues and expenditures compared to budget, schedule of changes in the School District's total OPEB liability and related ratios, schedule of the School District's proportionate share of the net pension liability and related ratios, and schedule of employer contributions 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rondout Valley Central School District's basic financial statements. The schedule of expenditures of federal awards as required by *Title 2, US Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the schedule of indebtedness are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards and the schedule of indebtedness are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 School District's internal control over financial reporting and compliance.

RBT CPAs, LLP

Newburgh, NY
November 15, 2022

Introduction

The accompanying discussion and analysis of the Rondout Valley Central School District's ("the School District") financial performance has been prepared to provide an overview of the School District's financial activities for the year ended June 30, 2022. The discussion and analysis is only an introduction and should be read in conjunction with the School District's financial statements.

Financial Highlights

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $945,139. This amount was within the statutory limit.
- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of $(9,769,391), a decrease of $(14,516,550) during the current fiscal year. This decrease is due largely to District-wide repair projects.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded assets and deferred outflows of resources at the close of its most recent fiscal year by $(102,108,348). The School District's total net position decreased by $(8,449,250) for the year ended June 30, 2022. This is mainly a result of substantial liability decrease in Other Post-Employment Benefits ("OPEB") relating to of GASB Statement No. 75.
- For the year ending June 30, 2022, the School District recorded a liability of $147,719,987 relating to OPEB. New York State has not authorized any legal mechanism to fund this liability.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Basic Financial Statements

The first two statements in the basic financial statements are the District-wide Financial Statements. They provide short and long-term information about the School District's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual part of the School District. These statements provide more detail than the district-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental and fiduciary statements and (2) the reconciliations to the district-wide financial statements.

The next section of the financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

District-wide Financial Statements

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

- The statement of net position presents information on all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The governmental activities of the School District include instruction, pupil transportation, school lunch program and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The School District maintains five individual governmental funds. The General Fund, Capital Projects Fund, School Lunch Fund, Debt Service Fund and Special Aid Fund are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund included in Required Supplementary Information to demonstrate compliance with the budget.

The financial statements for the governmental funds can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS

RONDOUT VALLEY CENTRAL SCHOOL DISCTRICT'S NET POSITION

	2022	2021	$ Change	% Change
Current Assets	**$ 68,990,484**	$ 41,171,772	$ 27,818,712	67.57%
Capital Assets, Net	**65,239,245**	58,811,498	6,427,747	10.93%
Total Assets	**134,229,729**	99,983,270	34,246,459	34.25%
Deferred Outflows of Resources				
Pensions	**16,767,363**	17,479,094	(711,731)	-4.07%
Other Postemployment Benefits	**28,964,803**	38,209,689	(9,244,886)	-24.20%
Bond Refunding	**155,876**	207,834	(51,958)	-25.00%
Total Deferred Outflows of Resources	**45,888,042**	55,896,617	(10,008,575)	-17.91%
Current Liabilities	**55,861,701**	38,210,646	17,651,055	46.19%
Long-Term Liabilities	**152,201,529**	190,308,887	(38,107,358)	-20.02%
Total Liabilities	**208,063,230**	228,519,533	(20,456,303)	-8.95%
Deferred Inflows of Resources				
Pensions	**30,781,851**	7,220,021	23,561,830	326.34%
Other Postemployment Benefits	**43,381,038**	13,799,431	29,581,607	214.37%
Total Deferred Inflows of Resources	**74,162,889**	21,019,452	53,143,437	252.83%
Net Position:				
Net Investment in Capital Assets	**35,611,356**	41,100,959	(5,489,603)	-13.36%
Restricted	**10,546,221**	6,750,746	3,795,475	56.22%
Unrestricted	**(148,265,925)**	(141,510,803)	(6,755,122)	-4.77%
Total Net Position	**$ (102,108,348)**	$ (93,659,098)	$ (8,449,250)	-9.02%

By far, the largest component of the School District's net position, $35,611,356 reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and, consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Those assets subject to external restrictions total $10,876,576. The remaining balance is an unrestricted deficit of ($148,586,280), primarily attributable to the accrual of other post-employment benefit obligations promulgated under the requirements of Governmental Accounting Standards Board Statement No. 75.

In addition, as a requirement of GASB Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date, new items are included in the Statement of Net Position. As of June 30, 2022, the School District reported a net pension asset/liability and deferred inflows and outflows as calculated by the New York State Teachers' and Local Employees Retirement systems. This asset/liability and the net deferrals are not in custody of, nor are they accessible by the School District. Rather these represent the School District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note X of the financial statements for more information on these pension items.

The negative unrestricted net position balance of $(148,596,280) continues to be the result of recognizing the liability for Other Post - Employment Benefits ("OPEB"), without any legal mechanism to set-aside funds for this liability. For the 2021-2022 fiscal year, this liability decreased by a net amount of $(32,581,517).

DISTRICT-WIDE FINANCIAL ANALYSIS

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT'S CHANGES IN NET POSITION

	2022	%	2021	%	$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	**$ 599,697**	**24.90%**	$ 590,216	16.89%	$ 9,481	1.61%
Operating Grants and Contributions	**1,808,639**	**75.10%**	2,904,451	83.11%	(1,095,812)	-37.73%
Total Program Revenue	**2,408,336**	**100.00%**	3,494,667	100.00%	(1,086,331)	-31.09%
General Revenues:						
Real Property Taxes	**37,807,966**	**56.58%**	36,294,193	58.80%	1,513,773	4.17%
Other Tax Items	**2,519,814**	**3.77%**	2,593,481	4.20%	(73,667)	-2.84%
Use of Money and Property	**40,980**	**0.06%**	59,820	0.10%	(18,840)	-31.49%
Sales of Property and Compensation for Loss	**17,671**	**0.03%**	37,596	0.06%	(19,925)	-53.00%
Loss on Disposal of Assets	**(12,199)**	**-0.02%**	(16,838)	-0.03%	4,639	100.00%
Unrestricted State Aid	**25,800,220**	**38.60%**	21,714,417	35.17%	4,085,803	18.82%
Miscellaneous	**657,956**	**0.98%**	1,052,032	1.70%	(394,076)	-37.46%
Total General Revenues	**66,832,408**	**100.00%**	61,734,701	100.00%	5,097,707	8.26%
Total Revenues	**69,240,744**		65,229,368		4,011,376	6.15%
Program Expenses:						
General Support	**19,051,389**	**24.83%**	7,566,867	10.53%	11,484,522	151.77%
Instruction	**52,418,559**	**68.35%**	60,614,087	84.30%	(8,195,528)	-13.52%
Pupil Transportation	**3,680,739**	**4.80%**	2,224,161	3.09%	1,456,578	65.49%
School Lunch Program	**1,307,526**	**1.70%**	1,219,018	1.70%	88,508	7.26%
Interest on Debt, net loss of refunding	**231,781**	**0.30%**	275,453	0.38%	(43,672)	-15.85%
Total Expenses	**76,689,994**	**99.98%**	71,899,586	100.00%	$ 4,790,408	6.66%
Decrease in Net Position	**$ (7,449,250)**		$ (6,670,218)			

Financial Analysis of the Rondout Valley Central School Funds

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

Governmental Funds: The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the School District's financing for spending at the end of the fiscal year.

The major changes from 2021-22 are as follows:

Revenues:

- Operating Grants and Contributions decreased by $1,095,812. This was due to decreased school lunch program services.
- Real property taxes increased by $1,513,773. Although greater than 2020-21, the increase was within the NYS mandated Tax Cap.
- Unrestricted State Aid increased by $4,085,803 due to the state increasing excess cost aid.

Expenses:

- General Support increased by $11,484,522 mainly due to an increase in Capital Project costs.
- Instructional Program expenses decreased by $(8,195,508). This decrease is mainly due to a decrease in the OPEB costs and the change in the TRS Pension liability.
- Pupil Transportation expenses increased by $1,456,578. This increase was due to the reopening of schools after COVID-19.
- Interest expense decreased by $43,672 due to the way the debt repayment was structured.

Fund Balance Reporting

The District classifies its fund balances into the following categories:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Note: According to the Office of the State Comptroller, school districts in New York State will not have committed fund balance to report.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision-making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying non-spendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as non-spendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as non-spendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

Total Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds, reported combined fund balances of $(9,769,391) a decrease of $(14,516,550) from the prior year. $1,717,366 constitutes General Fund assigned fund balance, all of which is assigned for purchases on order. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed. The restricted fund balance includes restrictions for Debt Service of $330,355, for General Fund employment benefits of $1,119,511, for workers compensation of $250,000, for retirement contributions of $4,668,715, for unemployment benefits of $383,765, and for Capital Projects – future Capital Projects of $4,124,230 and unexpended BAN proceeds of $21,022,111.

The summary of the combined fund balances are as follows:

Nonspendable	$	244,998
Restricted		31,898,687
Assigned		5,279,936
Unassigned		(47,193,012)

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was $13,423,516 of which $945,139 was unassigned. As previously mentioned, New York State Law limits the amount of unreserved fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

The fund balance of the School District's General Fund decreased by $(508,897) during the current fiscal year.

General Fund Budgetary Highlights

During the year, the School District revised the General Fund budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital Assets: At June 30, 2022, the School District had $65,239,245 net of accumulated depreciation invested in a broad range of capital assets, including land, vehicles, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

The increase in capital assets during the current fiscal year is a result of increased costs due to ongoing capital projects.

Debt: As of June 30, 2022, the School District had $153,935,952 in general obligation and other long-term debt outstanding.

Pension

At June 30, 2022, the School District reported an asset of $1,458,503 for its proportionate share of the ERS net pension liability. This asset was measured at March 31, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of April 1, 2021. The TRS net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022 the School District reported an asset of $23,177,652 for its proportionate share of the net pension liability of TRS.

More detailed information about the School District's capital assets and long-term debt is presented in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Rondout Valley Central School District

Attn: Dr. Joseph Morgan
Superintendent of Schools
P.O. Box 9
122 Kyserike Road
Accord, NY 12404

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 20,445,817
Restricted Cash	21,022,111
Accounts Receivable	-
State and Federal Aid Receivable	616,414
Due from Other Governments	1,698,192
Inventories	30,208
Prepaid Expenses	541,587
TRS Net Pension Asset-Proportionate Share (Note X)	23,177,652
ERS Net Pension Asset-Proportionate Share (Note X)	1,458,503
	68,990,484
Capital Assets, not being depreciated	6,633,875
Capital Assets, being depreciated - net	58,605,370
Total Capital Assets, net (Note VI)	65,239,245
Total Assets	134,229,729
DEFERRED OUTFLOWS OF RESOURCES	
Pension (Note X)	16,767,363
Other Postemployment Benefits (Note XI)	28,964,803
Bond Refunding	155,876
Total Deferred Outflows of Resources	45,888,042
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	180,117,771
LIABILITIES	
Accounts Payable	4,963,671
Accrued Liabilities	468,336
Unearned Revenue	107,285
Due to Other Governments	438
Due to Retirement Systems	2,797,193
Bond Anticipation Notes (Note VII)	45,790,355
Non-Current Liabilities:	
Due and Payable Within One Year:	
Bonds Payable, Net of bond premium (Note VIII)	1,734,423
Due and Payable More Than One Year:	
Bonds Payable, Net of bond premium (Note VIII)	3,498,848
Compensated Absences (Note VIII)	982,694
Other Postemployment Benefits (Note XI)	147,719,987
Total Liabilities	208,063,230
DEFERRED INFLOWS OF RESOURCES	
Pension (Note X)	30,781,851
Other Postemployment Benefits (Note XI)	43,381,038
Total Deferred Inflows of Resources	74,162,889
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	282,226,119
NET POSITION	
Net Investment in Capital Assets	35,611,356
Restricted	10,546,221
Unrestricted	(148,265,925)
Total Net Position	$ (102,108,348)

See accompanying notes to basic financial statements.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Support	$ (19,051,389)	$ -	$ -	$ -	$ (19,051,389)
Instruction	(52,418,559)	471,884	923,593	-	(51,023,082)
Pupil Transportation	(3,680,739)	-	-	-	(3,680,739)
School Lunch Program	(1,307,526)	127,813	885,046	-	(294,667)
Interest on Debt	(231,781)	-	-	-	(231,781)
Total Primary Government	$ (76,689,994)	$ 599,697	$ 1,808,639	$ -	(74,281,658)
General Revenues:					
Real Property Taxes					37,807,966
Other Tax Items:					
School Tax Relief Reimbursement					2,344,716
Interest and Penalties on Real Property Taxes					175,098
Use of Money and Property					40,980
Sale of Property and Compensation for Loss					17,671
Loss on Disposal of Assets					(12,199)
Unrestricted State Aid					25,800,220
Miscellaneous					657,956
Total General Revenues					66,832,408
Change in Net Position					(7,449,250)
Net Position - Beginning					(93,659,098)
Prior Period Adjustment (XVI)					(1,000,000)
Net Position - Beginning, as restated					(94,659,098)
Net Position - Ending					$ (102,108,348)

See accompanying notes to basic financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Special Aid	Capital Projects	School Lunch	Debt Service	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$16,841,594	$ 34,423	$ -	$ 178,219	$ 3,391,581	$ 20,445,817
Restricted Cash	-	-	21,022,111	-	-	21,022,111
State and Federal Aid Receivable	616,414	-	-	-	-	616,414
Due from Other Governments	477,955	844,822	-	263,365	112,050	1,698,192
Due from Other Funds	1,920,808	-	1,880,000	43,035	389,294	4,233,137
Inventories	.	-	-	30,208	-	30,208
Prepaid Expenditures	214,790	-	-	-	-	214,790
Total Assets	$20,071,561	$ 879,245	$22,902,111	$ 514,827	$ 3,892,925	48,260,669
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 521,475	$ 78,849	$ 4,362,397	$ 950	$ -	4,963,671
Accrued Liabilities	462,166	5,784	-	386	-	468,336
Unearned Revenues	12,741	94,544	-	-	-	107,285
Due to Other Funds	2,864,076	700,068	3,794	665,199	-	4,233,137
Due to Other Governments	-	-	-	438	-	438
Due to Retirement Systems	2,787,587	-	-	9,606	-	2,797,193
Bond Anticipation Note Payable	-	-	45,460,000	-	-	45,460,000
Total Liabilities	6,648,045	879,245	49,826,191	676,579	-	58,030,060
Fund Balances:						
Nonspendable	214,790	-	-	30,208	-	244,998
Restricted	10,546,221	-	21,022,111	-	330,355	31,898,687
Assigned	1,717,366	-	-	-	3,562,570	5,279,936
Unassigned	945,139	-	(47,946,191)	(191,960)	-	(47,193,012)
Total Fund Balances	13,423,516	-	(26,924,080)	(161,752)	3,892,925	(9,769,391)
Total Liabilities and Fund Balances	$20,071,561	$ 879,245	$22,902,111	$ 514,827	$ 3,892,925	$ 48,260,669

See accompanying notes to basic financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	$ 20,445,817	$ -	$ -	$ 20,445,817
Restricted Cash	21,022,111	-	-	21,022,111
Accounts Receivable	-	-	-	-
State and Federal Aid Receivable	616,414	-	-	616,414
Due From Other Governments	1,698,192	-	-	1,698,192
Due From Other Funds	4,233,137	-	(4,233,137)	-
Inventories	30,208	-	-	30,208
Prepaid Expenditures	214,790	326,797	-	541,587
TRS Net Pension Asset-Proportionate Share	-	23,177,652	-	23,177,652
ERS Net Pension Asset-Proportionate Share	-	1,458,503	-	1,458,503
Capital Assets, net	-	65,239,245	-	65,239,245
Total Assets	48,260,669	90,202,197	(4,233,137)	134,229,729
Deferred Outflows of Resources - Pension	-	16,767,363	-	16,767,363
Deferred Outflows of Resources - OPEB	-	28,964,803	-	28,964,803
Deferred Outflows of Resources - Bond Refunding	-	155,876	-	155,876
Total Assets and Deferred Outflows	$ 48,260,669	$ 136,090,239	$ (4,233,137)	$ 180,117,771
LIABILITIES				
Accounts Payable	$ 4,963,671	$ -	$ -	$ 4,963,671
Accrued Liabilities	468,336	-	-	468,336
Unearned Revenues	107,285	-	-	107,285
Due to Other Funds	4,233,137	-	(4,233,137)	-
Due to Other Governments	438	-	-	438
Due to Retirement Systems	2,797,193	-	-	2,797,193
Bond Anticipation Notes Payable	45,460,000	330,355	-	45,790,355
Bonds Payable	-	5,190,000	-	5,190,000
Unamortized Bond Premium		43,271	-	43,271
Compensated Absences	-	982,694	-	982,694
Other Postemployment Benefits	-	147,719,987	-	147,719,987
Total Liabilities	58,030,060	154,266,307	(4,233,137)	208,063,230
Deferred Inflows of Resources - Pension	-	30,781,851	-	30,781,851
Deferred Inflows of Resources - OPEB	-	43,381,038	-	43,381,038
Total Liabilities and Deferred Inflows	58,030,060	228,429,196	(4,233,137)	282,226,119
Total Fund Balances	(9,769,391)	(92,338,957)	-	(102,108,348)
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	$ 48,260,669	$ 136,090,239	$ (4,233,137)	$ 180,117,771

See accompanying notes to basic financial statements.

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

	General	Special Aid	Capital Projects	School Lunch	Debt Service	Total Governmental Funds
Revenues:						
Real Property Taxes	$ 37,807,966	$ -	$ -	$ -	$ -	$ 37,807,966
Other Tax Items	2,519,814	-	-	-	-	2,519,814
Charges for Services	471,884	-	-	-	-	471,884
Use of Money and Property	22,311	-	-	21	18,648	40,980
Sale of Property and Compensation for Loss	122,262	-	-	-	-	122,262
State Aid	23,126,937	699,223	-	14,649	-	23,840,809
Federal Aid	567,163	2,225,899	-	870,397	-	3,663,459
Food Sales	-	-	-	127,813	-	127,813
Miscellaneous	657,921	-	-	35	330,355	988,311
Total Revenues	65,296,258	2,925,122	-	1,012,915	349,003	69,583,298
Expenditures:						
General Support	5,618,532	298,895	10,599,620	-	-	16,517,047
Instruction	32,490,276	2,626,227	-		-	35,116,503
Pupil Transportation	3,598,406	-	-	-	-	3,598,406
Employee Benefits	16,609,963	-	-	394,097	-	17,004,060
Cost of Food Sales	-	-	-	814,071	-	814,071
Debt Service	2,265,500	-	-	-	1,822,500	4,088,000
Capital Outlay	694,743	-	7,147,018	-	-	7,841,761
Total Expenditures	61,277,420	2,925,122	17,746,638	1,208,168	1,822,500	84,979,848
Excess/(Deficiency) of Revenues Over Expenditures	4,018,838	-	(17,746,638)	(195,253)	(1,473,497)	(15,396,550)
Other Financing Sources/(Uses):						
BANs Redeemed from Appropriations	-	-	1,880,000	-	-	1,880,000
Operating Transfers In	-	-	250,000	243,035	4,034,700	4,527,735
Operating Transfers Out	(4,527,735)	-	-	-	-	(4,527,735)
Total Other Financing Sources/(Uses)	(4,527,735)	-	2,130,000	243,035	4,034,700	1,880,000
Change in Fund Balances	(508,897)	-	(15,616,638)	47,782	2,561,203	(13,516,550)
Fund Balances - Beginning, as previously stated	13,932,413	-	(11,307,442)	(209,534)	2,331,722	4,747,159
Prior Period Adjustment (Note XVI)	-	-	-	-	(1,000,000)	(1,000,000)
Fund Balances - Beginning, as restated	13,932,413		(11,307,442)	(209,534)	1,331,722	3,747,159
Fund Balances - Ending	$ 13,423,516	$ -	$ (26,924,080)	$ (161,752)	$ 3,892,925	$ (9,769,391)

See accompanying notes to basic financial statements.

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

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	$ 37,807,966	$ -	$ -	$ -	$ -	$ 37,807,966
Other Tax Items	2,519,814	-	-	-	-	2,519,814
Charges for Services	471,884	-	-	-	-	471,884
Use of Money and Property	40,980	-	-	-	-	40,980
Sale of Property and Compensation for Loss	122,262	-	-	-	-	122,262
Loss on Disposal of Assets	-	-	(12,199)	-	-	(12,199)
State Aid	23,840,809	-	-	-	-	23,840,809
Federal Aid	3,663,459	-	-	-	-	3,663,459
Food Sales	127,813	-	-	-	-	127,813
Miscellaneous	988,311	-	-	(330,355)	-	657,956
Total Revenues	69,583,298	-	(12,199)	(330,355)	-	69,240,744
Expenditures:						
General Support	16,517,047	-	124,877	-	2,409,465	19,051,389
Instruction	35,116,503	-	1,276,938	-	16,025,118	52,418,559
Pupil Transportation	3,598,406	-	-	-	82,333	3,680,739
Employee Benefits	17,004,060	2,006,311	-	-	(19,010,371)	-
Cost of Food Sales	814,071	-	-	-	493,455	1,307,526
Debt Service	4,088,000	(291,219)	-	(3,565,000)	-	231,781
Capital Outlay	7,841,761	-	(7,841,761)	-	-	-
Total Expenditures	84,979,848	1,715,092	(6,439,946)	(3,565,000)	-	76,689,994
Excess/(Deficiency) of Revenues Over Expenditures	(15,396,550)	(1,715,092)	6,427,747	3,234,645	-	(7,449,250)
Other Financing Sources/(Uses)						
BANS Redeemed from Appropriations	1,880,000	-	-	(1,880,000)	-	-
Operating Transfers In	4,527,735	-	-	-	(4,527,735)	-
Operating Transfers Out	(4,527,735)	-	-	-	4,527,735	-
Total Other Financing Sources/(Uses)	1,880,000	-	-	(1,880,000)	-	-
Change in Fund Balances	$ (13,516,550)	$ (1,715,092)	$ 6,427,747	$ 1,354,645	$ -	$ (7,449,250)

See accompanying notes to basic financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Agency Fund
ASSETS	
Cash and Cash Equivalents	$ 50,033
Total Assets	50,033
NET POSITION	
Student Activity Funds	50,033
Total Net Position	$ 50,033

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Extraclassroom Activity Funds
ADDITIONS	
Contributions	$ 53,562
Interest Earned	5
Total Additions	53,567
DEDUCTIONS	
Scholarships and Awards	58,080
Total Deductions	58,080
Change in Fiduciary Net Position	(4,513)
Net Position - Beginning of Year	54,546
Net Position - End of Year	$ 50,033

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rondout Valley Central School District (the "School District"), as presently constituted, was established in 1938 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, which is the School District, (b) organizations for which the School District is financially accountable and (c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency, and financial accountability. Based upon the application of these criteria, there is one other entity that should be included in the financial statements.

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

The School District participates in the Ulster County Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined by Education Law. Copies of BOCES' financial statement can be requested from Ulster County BOCES, 175 Route 32 North, New Paltz, New York 12561.

B. District-wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

A. District-wide Financial Statements (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (2) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities

B. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, reconciliations are presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation.

Fund Categories

Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds.

The following represents the School District's governmental funds:

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with federal, State or local funds.

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

The School District has elected to present the Special Aid, School Lunch, and Debt Service funds as major funds. Custodial Funds - These funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investment trust funds or private purpose trust funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C. Fund Financial Statements – (Continued)

Fund Categories – (Continued)

The School District reports the following fiduciary funds:

These funds are used to account for fiduciary activities. Fiduciary activities are those in which the School 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 School District, and are not available to be used.

a. Custodial Funds - These funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investment trust funds or private purpose trust funds.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The 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 (current assets less current liabilities) or economic resources (all assets and liabilities). 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to judgments and claims, compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition. The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – (Continued)

Cash and Equivalents, Investments and Risk Disclosure – (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*" which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's same. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable mid-September through mid-October. The school taxes from the property owners of the Towns of Marbletown, Rosendale, Rochester and Wawarsing are collected by the School District. Ulster County guarantees the full payment of the School District tax warrant and assumes responsibility for uncollected taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – (Continued)

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food at a stated value which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by non-spendable fund balance, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by non-spendable fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight-line method over the following estimated useful lives ranging from 5 to 50 years.

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the district wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – (Continued)

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows and inflows of resources have been reported on the district-wide Statement of Net Position for the following:

The School District reported deferred outflows of resources for a deferred loss on refunding bonds. This amount results from the difference in the carrying value of the 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 amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the School District's pension obligations and other post-employment benefits are detailed in Note X, and XI, respectively.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district wide Statement of Net Position as a long-term liability. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*".

Net Position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – (Continued)

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints. on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision-making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying non-spendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as non-spendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as non-spendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to determine the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 15, 2022.

I. Tax Abatements

The School District does not have any real property tax abatement agreements exempt under Real Property Tax Law, Section 412-a and General Municipal Law, Section 874.

II. EXPLANATION OF CERTAIN DIFFERNCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

A. Total Fund Balances of the Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the School District’s governmental funds differ from “net position” of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance sheet.

II. EXPLANATION OF CERTAIN DIFFERNCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)

A. Total Fund Balances of the Governmental Funds vs. Net Position of Governmental Activities – (Continued)

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statements of Net Position. In the description below, positive numbers represent increases to the Balance Sheet line items and negative numbers represent decreases.

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

Original Cost of Capital Assets	$ 92,330,652
Accumulated Depreciation	(27,091,407)
Capital Assets, Net	$ 65,239,245

(2) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds Payable	$ 5,190,000
Unamortized Bond Premium	43,271
Unamortized BAN Premium	330,355
Compensated Absences	982,694
Other Postemployment Benefits	147,719,987
	$ 154,266,307

(3) Deferred outflows and inflows of resources are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Deferred Outflows of Resources	$ 45,888,042
Deferred Inflows of Resources	$ 74,162,889

(4) Workers' compensation costs are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes additional prepaid amounts in the assets of the School District as a whole.

Workers' Compensation - Prepaid Expenses	$ 326,797

I. EXPLANATION OF CERTAIN DIFFERNCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities

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

- 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 use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.

- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

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

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	$ 69,583,298
Loss on disposal of assets	(12,199)
Unamortized BAN premium	(330,355)
Total revenues reported in the Statement of Activities	$ 69,240,744

II. EXPLANATION OF CERTAIN DIFFERNCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities – (Continued)

<u>Total Expenditures/Expenses</u>

Total expenditures reported in governmental funds	$ 84,979,848
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences changed during the year.	129,940
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the change in actuarially determined OPEB liability and related deferred inflows/outflows of resources of the School District. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which OPEB expense exceeded the amount of financial resources used during the year.	6,244,976
In the Statement of Activities, pension expense related to ERS and TRS defined benefit plans is measured as the change in the School District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was less then the amount of financial resources expended during the year.	(4,283,952)
The cost of prepaid assets are generally reported as expenditures in the year they incurred and the assets do not appear on the balance sheet, but the Statement of Net Position includes all prepaid assets of the School District as a whole. This is the amount by which the workers' compensation pool prepaid asset increased during the year.	(84,653)
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $7,841,761 was greater than depreciation expense of $1,401,815 in the current year.	(6,439,946)
Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(3,565,000)
The loss on refunding and debt premium are deferred and amortized into expense over the life of the debt. This is the current amortization expense for the bond and BAN premiums and the bond refunding loss.	(291,219)
Total expenses reported in the Statement of Activities	$ 76,689,994

III. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.

b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.

c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.

d) The voters are permitted to vote upon the General Fund budget at the annual meeting.

e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

f) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.

g) Budgets for General Fund are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch or Debt Service funds.

h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

i) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Final Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, 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 4% of the prior year's budget or 120% of the consumer price index ("CPI").

III. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – (CONTINUED)

C. Property Tax Limitation – (Continued)

Under the Tax Levy Limitation Law, there is now 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 subject to certain exclusions. A budget with a tax levy that does 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 budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. Capital Projects Fund Deficits

Deficits in individual capital projects sometimes arise either because of expenditures exceeding current financing on the projects or from capital projects exceeding their budgetary authorization. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

IV. CASH

At June 30, 2022, the carrying amount of the District's deposits (cash, certificates of deposit and interest-bearing savings accounts) was $41,517,052 and the bank balance was $43,762,216. The School District's deposits at June 30, 2022, and during the year ended, were covered by FDIC Insurance or by pledged collateral held by the School District's agent bank in the School District's name. Petty Cash is included in Cash and Cash Equivalents and totaled $909 at year end.

V. INTERFUND ACTIVITY

The interfund receivables and payables at June 30, 2022 were as follows:

Funds	Interfund Receivables	Interfund Payables
General	$ 1,920,808	$ 2,864,076
Capital Projects	1,880,000	3,794
Special Aid	-	700,068
Debt Service	389,294	-
School Lunch	43,035	665,199
TOTAL	$ 4,233,137	$ 4,233,137

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Interfund transfers for the year ended June 30, 2022 were as follows:

Funds	Transfers In	Transfers Out
General	$ -	$ 4,527,735
Capital Projects	250,000	-
Debt Service	4,034,700	-
School Lunch	243,035	-
TOTAL	$ 4,527,735	$ 4,527,735

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch funds expenditures.

VI. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 5,272,122	$ -	$ -	$ -	$ 5,272,122
Construction in Progress	11,961,374	-	-	(10,599,621)	1,361,753
Total capital assets, not being depreciated	17,233,496	-	-	(10,599,621)	6,633,875
Capital assets, being depreciated:					
Buildings and Improvements	64,381,210	7,139,368	-	10,599,621	82,120,199
Machinery and Equipment	2,387,653	501,787	(53,370)	-	2,836,070
Vehicles	598,562	200,606	(58,660)	-	740,508
Total capital assets being depreciated	67,367,425	7,841,761	(112,030)	10,599,621	85,696,777
Accumulated depreciation for:					
Buildings and Improvements	(23,610,011)	(1,208,618)	-	-	(24,818,629)
Machinery and Equipment	(1,676,678)	(162,339)	99,831	-	(1,739,186)
Vehicles	(502,734)	(30,858)	-	-	(533,592)
Total accumulated depreciation	(25,789,423)	(1,401,815)	99,831	-	(27,091,407)
Total capital assets, being depreciated, net	41,578,002	6,439,946	(12,199)	10,599,621	58,605,370
Governmental activities capital assets, net	$ 58,811,498	$ 6,439,946	$ (12,199)	$ -	$ 65,239,245

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	$ 124,877
Instruction	1,276,938
Total Depreciation Expense	$ 1,401,815

VII. SHORT-TERM DEBT

State law requires that Bond Anticipation Notes ("BANs") issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of the School District's outstanding bond anticipation notes for the year ended June 30, 2022:

Description	Date of Issue	Original Borrowing	Interest Rate	Date of Final Maturity	Outstanding Principal 2022
Improvements to Buildings and Fields	06/29/22	$45,460,000	3.01%	06/29/22	$ 45,460,000
Unamortized Premium on BAN					330,355
			TOTAL		$ 45,790,355

Interest expense on short-term debt recorded during the year was:

Interest Paid	$ 385,500
Less: BAN Premium Amortization	(328,754)
	$ 56,746

VIII. LONG-TERM DEBT

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

Governmental Activities	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Serial Bonds	$ 6,875,000	$ -	$ (1,685,000)	$ 5,190,000	$ 1,720,000
Unamortized Premium on Bonds	57,694	-	(14,423)	43,271	14,423
	6,932,694	-	(1,699,423)	5,233,271	1,734,423
Other liabilities:					
Compensated Absences	852,754	129,940	-	982,694	-
Other Postemployment Benefits	180,301,504	-	(32,581,517)	147,719,987	-
Total long-term liabilities	$188,086,952	$ 129,940	$ (34,280,940)	$153,935,952	$ 1,734,423

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately.

Each governmental fund's liability for general obligation bonds payable, judgments and claims, compensated absences, net pension liability and other post-employment benefit obligations is liquidated by the General Fund.

VIII. LONG-TERM DEBT – (CONTINUED)

The following is a summary of the maturity of serial bonds:

	Principal	Interest	Total
2023	$ 1,720,000	$ 103,800	$ 1,823,800
2024	1,725,000	69,400	1,794,400
2025	1,745,000	34,900	1,779,900
Total	$ 5,190,000	$ 208,100	$ 5,398,100

Interest expense on long-term debt recorded during the year was:

Interest Paid	$ 137,500
Less: Interest accrued - prior year	-
Less: Bond Premium Amortization	(14,423)
Plus: Loss on Refunding Amortization	51,958
	$ 175,035

IX. JUDGMENTS AND CLAIMS PAYABLE

The School District participates in a risk pool for workers' compensation claims. This is a public entity risk pool created under Article 5 of Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The risk pool reported a net asset for the year ended December 31, 2022. The School District's share of this asset was $326,797. The district-wide financial statements reflect this asset. The School District's share of the workers compensation estimated incurred but not reported ("IBNR") as of December 31, 2022 was $314,180. However, this IBNR does not meet the criteria for reporting it as a liability.

X. PENSION PLANS

Plan Description

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, 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 School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS 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.ustretire/about us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

IX. PENSION PLANS – (CONTINUED)

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten-member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, 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 TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976, and before January 1, 2010, contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010, generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2022 are as follows:

	Tier/Plan	Rates
ERS	3 A14	15.9%
	3 A15	15.9%
	5 A15	13.3%
	6 A15 41J1	9.4%
	6 A15 41J2	9.4%
TRS	1-6	10.6%

At June 30, 2022, the School District reported the following for its proportionate share of the net pension asset/(liability) for ERS and TRS:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Net Pension asset/(liability)	$ 1,458,503	$ 23,178,843
School District's proportion of the net pension asset/(liability)	0.01784190%	0.13375700%

The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS and the total pension liability used to calculate the net pension asset/(liability) was determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2022, the School District recognized pension expense in the district-wide financial statements of ($212,687) for ERS and $(1,214,276) for TRS. Pension expenditures of $3,276,859 (877,545 for ERS and $2,399,314 for TRS) were recorded in the fund financial statements and were charged to the General and School Lunch Funds.

IX. PENSION PLANS – (CONTINUED)

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

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 110,454	$ 3,194,958	$ 3,305,412
Changes of assumptions	2,434,078	7,624,006	10,058,084
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and difference between the District's contributions and proportionate share of contributions	314,650	519,498	834,148
School District's contributions subsequent to the measurement date	169,554	2,400,165	2,569,719
Total	$ 3,028,736	$ 13,738,627	$ 16,767,363

	Deferred Inflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 143,266	$ 120,424	$ 263,690
Changes of assumptions	41,072	1,350,099	1,391,171
Net difference between projected and actual earnings on pension plan investments	4,775,985	24,259,057	29,035,042
Changes in proportion and difference between the District's contributions and proportionate share of contributions	10,309	81,639	91,948
Total	$ 4,970,632	$ 25,811,219	$ 30,781,851

IX. PENSION PLANS – (CONTINUED)

Deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended:	ERS	TRS
2023	$ (256,113)	$ (2,877,549)
2024	(447,140)	(3,412,966)
2025	(1,178,436)	(4,357,775)
2026	(229,761)	(5,794,108)
2027	-	1,163,279
Thereafter	-	806,362
Total	$ (2,111,450)	$ (14,472,757)

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Investment Rate of Return	5.90% compounded annually net of investment expense	6.95% compounded annually net of investment expense
Projected Salary Increases	4.40%	1.95%-5.18%
Cost of Living Adjustments	1.4% annually	1.3% annually
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience Study	June 1, 2015 - June 30, 2020 System's Experience Study
Inflation Rate	2.70%	2.40%
Mortality Improvement	Society of Actuaries Scale MP - 2020	Society of Actuaries Scale MP - 2020

IX. PENSION PLANS – (CONTINUED)

For ERS, 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 return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For TRS, 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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocations are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2022		June 30, 2021	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Asset Class:				
Domestic Equity	32%	3.30%	33%	6.80%
International Equity	15%	5.85%	16%	7.60%
Private Equity	10%	6.50%	8%	10.00%
Real Estate	9%	5.00%	11%	6.50%
Domestic Fixed Income Securities	0%	0.00%	16%	1.30%
Global Bonds	0%	0.00%	2%	0.80%
High Yield Bonds	0%	0.00%	1%	3.80%
Global Equities	0%	0.00%	4%	7.10%
Private Debt	0%	0.00%	1%	5.90%
Real Estate Debt	0%	0.00%	7%	3.30%
Opportunistic/Absolute Return Strategy	3%	4.10%	0%	0.00%
Credit	4%	3.78%	0%	0.00%
Real Assets	3%	5.80%	0%	0.00%
Bonds and Mortgages	23%	0.00%	0%	0.00%
Cash	1%	-1.00%	1%	-0.20%
Inflation-indexed Bonds	0%	0.00%	0%	0.00%
Total	100%		100%	

IX. PENSION PLANS – (CONTINUED)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for ERS and 5.95% for TRS) or 1 percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (3,754,170)	$ 1,458,503	$ 5,818,652

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ 2,432,282	$ 23,177,652	$ 40,614,822

The components of the collective net pension liability as of the March 31, 2022 ERS measurement date and the June 30, 2021 TRS measurement date were as follows.

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' total pension liability	$ (223,874,888)	$ (130,819,415)
Plan net position	232,049,473	148,148,457
Employers' net pension asset/(liability)	$ 8,174,585	$ 17,329,042
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	97.80%

IX. PENSION PLANS – (CONTINUED)

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2022 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. 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 employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2022 were $172,927 to ERS and $2,624,266 to TRS.

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of $75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participate in the program.

X. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS ("OPEB")

Plan Description

The School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2020, the valuation date, the following employees were covered by the benefit terms:

Active Employees	377
Inactive Employees currently receiving benefit payments	350
Total Employees Covered by Benefit Terms	727

The School District's total OPEB liability of $147,719,987 measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021.

X. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS ("OPEB") – (CONTINUED)

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

Inflation Rate	2.50%
Projected Salary Increases, Including Wage Inflation	Varies by years of service and retirement system
Discount Rate	3.54%
Healthcare Cost Trend Rates	5.70% for 2020 decreasing to 4.04% by 2075
Retiree's Share of Benefit Related Costs	Varies depending on age, date of retirement and bargaining unit

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index. With an average rating of AA/Aa or higher.

Mortality rates were based on recent mortality tables published by SOA (Pub-2010), which were based on the public pension plan's mortality experience projected using MP.2020.

The actuarial assumptions used in the June 30, 2022 valuation were based on the NYS ERS assumptions first adopted on April 1, 2020 and NYS TRS assumptions first adopted on June 30, 2015 with the exception of mortality rates.

The School District's change in the total OPEB liability for the year ended June 30, 2022 is as follows:

Balance - Beginning	$	180,301,504
Changes for the Year:		
Service Cost		6,568,569
Interest		3,991,623
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience		369,044
Changes in Assumptions or Other Inputs		(39,343,066)
Benefit Payments		(4,167,687)
Net Changes		(32,581,517)
Balance - Ending	$	147,719,987

X. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS ("OPEB") – (CONTINUED)

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	$ 174,905,823	$ 147,719,987	$126,152,894

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.7% decreasing to 3.04%) or 1 percentage point higher (6.7% decreasing to 5.04%) than the current healthcare cost trend rates:

	1% Decrease 4.7% decreasing to 3.04%	Healthcare Cost Trend Rate 5.7% decreasing to 4.04%	1% Increase 6.7% decreasing to 5.04%
Total OPEB Liability	$ 122,085,034	$ 147,719,987	$181,108,966

For the year ended June 30, 2022, the School District recognized OPEB expense of $10,412,663 in the district-wide financial statements. At June 30, 2022, the School 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	$ 4,303,063	$ (7,276,301)
Changes of Assumptions or other inputs	24,661,740	(36,104,737)
Total	$ 28,964,803	$ (43,381,038)

X. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS ("OPEB") – (CONTINUED)

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

	Year Ending June 30,		Amount
	2023	$	(147,529)
	2024		246,333
	2025		766,525
	2026		(8,785,897)
	2027		(6,495,667)
Total		$	(14,416,235)

XI. EQUITY

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted:

Restricted for ERS Retirement Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York. The restricted net position for ERS Retirement Contributions at June 30, 2021 was $3,744,536.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York. The restricted net position for TRS Retirement Contributions at June 30, 2021 was $924,179.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of General Municipal Law of the State of New York. The restricted net position for Unemployment Benefits at June 30, 2021 was $383,765.

Restricted for Capital Projects - the component of net position that reports unexpended BAN or bond proceeds was $21,022,111. In addition, the restricted net position for Capital Projects at June 30, 2022 was $4,124,230.

Restricted for Debt Service - the component of net position that reports assets with constraints placed on their use by Local Finance Law (i.e. unused debt premiums). The restricted net position for Debt Service at June 30, 2022 was $330,355.

Restricted for Workers Compensation - the component of net position that has been established to set aside funds to be used for workers compensation claims. The restricted net position for Workers Compensation at June 30, 2021 was $250,000.

Restricted for Employee Benefits - the component of net position that has been established to set aside funds to be used to pay out accrued leave time to employees retiring/leaving School District service. The restricted net position for Employee Benefits at June 30, 2021 was $1,119,511.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

XI. EQUITY – (CONTINUED)

	2022					
	General Fund	Special Aid Fund	Capital Projects Fund	School Lunch Fund	Debt Service Fund	Total
Nonspendable						
Inventories	$ -	$ -	$ -	$ 30,208	$ -	$ 30,208
Prepaid Expenditures	214,790	-	-	-	-	214,790
Total Nonspendable	214,790	-	-	30,208	-	244,998
Restricted						
Employee Benefit Accrued Liability	1,119,511	-	-	-	-	1,119,511
Retirement System Contributions						
ERS Retirement Contribution	3,744,536	-	-	-	-	3,744,536
TRS Retirement Contribution	924,179	-	-	-	-	924,179
Unemployment Benefits	383,765	-	-	-	-	383,765
Workers Compensation	250,000	-	-	-	-	250,000
Future Capital Projects	4,124,230	-	-	-	-	4,124,230
Debt Service -						
BAN Premium	-	-	-	-	330,355	330,355
Capital Projects - Unexpended BAN Proceeds	-	-	21,022,111	-	-	21,022,111
Total Restricted	10,546,221	-	21,022,111	-	330,355	31,898,687
Assigned						
Purchases on Order						
General Government Support	259,251	-	-	-	-	259,251
Instruction	1,157,122	-	-	-	-	1,157,122
Pupil Transportation	257,348	-	-	-	-	257,348
Employee Benefits	43,645	-	-	-	-	43,645
	1,717,366	-	-	-	-	1,717,366
Debt Service	-	-	-	-	3,562,570	3,562,570
Assigned - Debt Service	1,717,366	-	-	-	3,562,570	5,279,936
Unassigned	945,139	-	(47,946,191)	(191,960)	-	(47,193,012)
Total Fund Balances	$ 13,423,516	$ -	$ (26,924,080)	$ (161,752)	$ 3,892,925	$ (9,769,391)

XII. CONTINGENCIES

Tax Certiorari Proceedings

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School 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.

Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. Accordingly, the School District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

Risk Management

The School District and other school districts have formed a reciprocal insurance company (the “Company”) to be owned by these districts. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery, and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an “assessable” insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to $1 million and an excess catastrophe liability policy with coverage up to $20 million. The School District maintains liability coverage for school board members up to $1 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

XIII. NEW ACCOUNTING STANDARDS

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The School District implemented this standard for the year ending June 30, 2022.

GASB has also issued Statements 91 through 100 none of which are expected to have any substantive effects on the School District’s net position. GASB 95 extended the implementation date of several standards. The dates above are reflective of those changes.

XIV. PRIOR PERIOD ADJUSTMENTS

A. Adoption of Change in Accounting Principal

For fiscal year ended June 30, 2022, the School District adopted GASB 87, *Leases* and it did not have a material impact to the financial statements.

B. Debt Service Fund:

The School District recorded a prior period adjustment reflecting prior year BAN principal payments.

REQUIRED SUPPLEMENTARY INFORMATION

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS

Total OPEB Liability	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Service Cost	$ 6,568,569	$ 7,016,714	$ 4,528,002	$ 2,735,178	$ 2,853,380
Interest	3,991,623	4,284,007	5,156,342	4,628,623	4,252,784
Change of Benefit Terms	-	(2,027,826)	-	-	-
Differences Between Expected and Actual Experience	369,044	(10,914,451)	43,014	9,272,707	-
Changes in Assumptions or Other Inputs	(39,343,066)	(2,826,895)	38,633,037	12,472,191	(6,004,537)
Benefit Payments	(4,167,687)	(4,097,188)	(3,707,216)	(3,491,304)	(2,595,800)
Net Change in Total OPEB Liability	(32,581,517)	(8,565,639)	44,653,179	25,617,395	(1,494,173)
Total OPEB Liability - Beginning	180,301,504	188,867,143	144,213,964	118,596,569	120,090,742
Total OPEB Liability - Ending (a)	$ 147,719,987	$ 180,301,504	$ 188,867,143	$ 144,213,964	$ 118,596,569
Plan Fiduciary Net Position					
Contributions - Employer	$ 4,167,687	$ 4,097,188	$ 3,707,216	$ 3,491,304	$ 2,595,800
Benefit Payments	(4,167,687)	(4,097,188)	(3,707,216)	(3,491,304)	(2,585,800)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ -	$ -	$ -	$ -	$ -
District's Net OPEB Liability - Ending (a) - (b)	$ 147,719,987	$ 180,301,504	$ 188,867,143	$ 144,213,964	$ 118,596,569
Plan Fiduciary Net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered Payroll	$ 30,003,722	$ 29,350,079	$ 29,821,384	$ 26,884,664	$ 29,625,799
Total OPEB Liability as a percentage of covered payroll	492.3%	614.3%	633.3%	536.4%	400.3%

Notes to Schedule:

Changes in Assumptions:

Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

6/30/22	3.54%
6/30/21	2.16%
6/30/20	2.21%
6/30/19	3.51%

No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) AND RELATED RATIOS

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
ERS					
3/31/2022	0.01784190%	$ 1,458,503	$ 5,996,283	24.32%	103.65%
3/31/2021	0.01775200%	$ (17,676)	$ 5,828,700	(0.30%)	99.95%
3/31/2020	0.01743190%	$ (4,616,055)	$ 5,841,093	(79.03%)	86.39%
3/31/2019	0.01756070%	$ (1,244,232)	$ 5,717,362	(21.76%)	96.27%
3/31/2018	0.01821280%	$ (587,808)	$ 5,445,550	(10.79%)	98.24%
3/31/2017	0.01817810%	$ (1,708,051)	$ 5,427,044	(31.47%)	94.70%
3/31/2016	0.01855260%	$ (2,977,747)	$ 5,448,012	(54.66%)	90.70%
3/31/2015	0.01759460%	$ (594,388)	$ 4,823,539	(12.32%)	97.90%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
TRS					
6/30/2021	0.13375700%	$ 23,177,652	$ 25,084,063	92.40%	97.80%
6/30/2020	0.14127000%	$ (3,903,682)	$ 23,147,148	(16.86%)	97.76%
6/30/2019	0.14456100%	$ 3,755,703	$ 23,855,122	15.74%	101.53%
6/30/2018	0.14267900%	$ 2,580,010	$ 24,712,290	10.44%	101.53%
6/30/2017	0.14505400%	$ 1,102,557	$ 23,761,746	4.64%	100.66%
6/30/2016	0.14795500%	$ (1,584,663)	$ 23,459,697	(6.75%)	99.01%
6/30/2015	0.14924600%	$ 15,501,915	$ 23,261,908	66.64%	110.46%
6/30/2014	0.14890200%	$ 16,586,705	$ 22,500,910	73.72%	111.48%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not available for 10 years.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
ERS					
3/31/2022	$ 949,550	$ 949,550	$ -	$ 5,996,283	15.84%
3/31/2021	$ 886,274	$ 886,274	$ -	$ 5,828,700	15.21%
3/31/2020	$ 825,764	$ 825,764	$ -	$ 5,841,093	14.14%
3/31/2019	$ 826,701	$ 826,701	$ -	$ 5,717,362	14.46%
3/31/2018	$ 877,024	$ 877,024	$ -	$ 5,445,550	16.11%
3/31/2017	$ 815,966	$ 815,966	$ -	$ 5,427,044	15.04%
3/31/2016	$ 988,956	$ 988,956	$ -	$ 5,448,012	18.15%
3/31/2015	$ 975,577	$ 975,577	$ -	$ 4,823,539	20.23%

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
TRS					
6/30/2021	$ 2,163,585	$ 2,163,585	$ -	$ 25,084,063	8.63%
6/30/2020	$ 2,124,456	$ 2,124,456	$ -	$ 23,147,148	10.62%
6/30/2019	$ 2,731,433	$ 2,731,433	$ -	$ 23,855,122	10.62%
6/30/2018	$ 2,624,445	$ 2,624,445	$ -	$ 24,712,290	10.62%
6/30/2017	$ 2,328,651	$ 2,328,651	$ -	$ 23,761,746	9.80%
6/30/2016	$ 2,749,476	$ 2,749,476	$ -	$ 23,459,697	11.72%
6/30/2015	$ 3,084,529	$ 3,084,529	$ -	$ 23,261,908	13.26%
6/30/2014	$ 3,944,410	$ 3,944,410	$ -	$ 22,500,910	17.53%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not fully available for 10 years. The data will be accumulated over time and presented according to GASB 68.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
Revenues:				
Real Property Taxes	$ 40,290,552	$ 40,290,552	$ 37,807,966	$ (2,482,586)
Other Tax Items	25,000	25,000	2,519,814	2,494,814
Charges for Services	481,600	481,600	471,884	(9,716)
Use of Money and Property	30,000	30,000	22,311	(7,689)
Sale of Property and Compensation for Loss	29,500	29,500	122,262	92,762
State Aid	24,810,827	24,810,827	23,126,937	(1,683,890)
Federal Aid	50,000	50,000	567,163	517,163
Miscellaneous	1,027,000	1,027,000	657,921	(369,079)
Total Revenues	66,744,479	66,744,479	65,296,258	(1,448,221)
Expenditures:				
General Support	6,419,178	6,577,429	5,618,532	958,897
Instruction	33,260,346	33,702,534	32,490,276	1,212,258
Pupil Transportation	5,210,269	5,606,656	3,598,406	2,008,250
Employee Benefits	17,528,886	17,556,370	16,609,963	946,407
Debt Service	4,034,700	4,034,700	2,265,500	1,769,200
Capital Outlay	91,100	148,221	694,743	(546,522)
Total Expenditures	66,544,479	67,625,910	61,277,420	6,348,490
Excess/(Deficiency) of Revenues Over Expenditures	200,000	(881,431)	4,018,838	4,900,269
Other Financing Sources/(Uses):				
Operating Transfers In	250,000	250,000	-	(250,000)
Operating Transfers Out	(450,000)	(450,000)	(4,527,735)	(4,077,735)
Total Other Financing Sources/(Uses)	(200,000)	(200,000)	(4,527,735)	(4,327,735)
Net Change in Fund Balance	-	(1,081,431)	(508,897)	572,534
Appropriated Fund Balance	-	1,081,431	-	(1,081,431)
Change in Fund Balance	$ -	$ -	$ (508,897)	$ (508,897)

OTHER INFORMATION

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
YEAR ENDED JUNE 30, 2022

Adopted Budget	$ 66,994,479
Additions:	
Encumbrances from Prior Year	1,081,431
Original Budget	68,075,910
Budget Amendments - Transfers Out	-
Budget Amendments - Other	-
Final Budget	$ 68,075,910

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
GENERAL FUND
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
YEAR ENDED JUNE 30, 2022

2022-2023 Voter-approved expenditure budget maximum allowed		$ 71,481,896
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance		
Assigned Fund Balance	$ 1,717,366	
Unassigned Fund Balance	945,139	
Total Unrestricted Fund Balance	2,662,505	
Less:		
Appropriated Fund Balance	-	
Encumbrances Included in Assigned Fund Balance	-	
Total Adjustments	-	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,662,505
Actual Percentage		3.72%

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets, net		$	65,239,245
Deductions:			
Short-term Portion of Bonds Payable	1,720,000		
Long-term Portion of Bonds Payable	3,470,000		
Bond Anticipation Notes	45,460,000		
Unspent BAN Proceeds	(21,022,111)		29,627,889
Net Investment in Capital Assets		$	35,611,356

SUPPLEMENTARY INFORMATION

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2022

	Year of Issue	Year of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Refinanced During Fiscal Year	Outstanding End of Fiscal Year	Amount of Interest Paid During Fiscal Year	Due Within the Next Year
BOND ANTICIPATION NOTE										
Improvements to Buildings and Fields	2021	2022	1.25%	$ 30,840,000	$ -	$ 1,880,000	$ 28,960,000	$ -	$ 385,500	$ -
Improvements to Buildings and Fields	2022	2023	3.01%	-	45,460,000	-	-	45,460,000	-	45,460,000
				30,840,000	45,460,000	1,880,000	28,960,000	45,460,000	385,500	45,460,000
SERIAL BONDS										
Advance Refunding	2018	2025	2.00%	6,875,000	-	1,685,000	-	5,190,000	137,500	1,720,000
TOTAL SERIAL BONDS				6,875,000	-	1,685,000	-	5,190,000	137,500	1,720,000
TOTAL INDEBTEDNESS				$ 37,715,000	$ 45,460,000	$ 3,565,000	$ 28,960,000	$ 50,650,000	$ 523,000	$ 47,180,000

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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*

Board of Education
Rondout Valley Central School District
P.O. Box 9
122 Kyserike Road
Accord, NY 12404

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rondout Valley Central School District (the "School District") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-01 and 2022-02.

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.

RBT CPAs, LLP

Newburgh, NY
November 15, 2022

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

Board of Education
Rondout Valley Central School District
P.O. Box 9
122 Kyserike Road
Accord, NY 12404

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

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

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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 Rondout Valley Central School District's federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on Rondout Valley Central School 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 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 a material noncompliance 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. 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 Rondout Valley Central School 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 Rondout Valley Central School 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 Rondout Valley Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Rondout Valley Central School 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, any significant audit deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-01 and 2022-02. Our opinion on each major federal program is not modified with respect to these matters.

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

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 purpose 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.

RBT CPAs, LLP

Newburgh, NY
November 15, 2022

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number		Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:					
Passed through New York State Department of Education:					
Child Nutrition Cluster					
National School Lunch Program - Cash	10.555	*	N/A	$ -	$ 719,222
School Breakfast Program	10.553	*	N/A	-	151,175
Total U.S. Department of Agriculture				-	870,397
U.S. Department of Education:					
Passed through New York State Department of Education:					
Special Education Cluster (IDEA)					
Special Education - Grants to States (IDEA, Part B)	84.027		0032-21-0997	-	631,945
Special Education - Preschool Grants (IDEA Preschool)	84.173		0033-21-0997	-	17,960
					649,905
Title I Grants to Local Educational Agencies (LEAs)	84.010		0011-20-3120	-	18,569
Title I Grants to Local Educational Agencies (LEAs)	84.010		0011-21-3120	-	70,473
Title I Grants to Local Educational Agencies (LEAs)	84.010		0021-20-3410	-	1,192
Title I Grants to Local Educational Agencies (LEAs)	84.010		0021-21-3410	-	462,624
Supporting Effective Instruction State Grant	84.367		0147-20-3410	-	4,750
Supporting Effective Instruction State Grant	84.367		0147-21-3410	-	68,188
Student Support and Academic Enrichment Grants	84.424		0204-20-3410	-	21,485
Student Support and Academic Enrichment Grants	84.424		0204-21-3410	-	30,425
					677,706
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act Cluster					
Coronavirus Response and Relief Supplemental Appropriation Act 2021 (CRRSA) - ESSER II	84.425D	*	5890-21-3435	-	561,628
Coronavirus Response and Relief Supplemental Appropriation Act 2021 (CRRSA) - GEER	84.425C	*	5895-21-3435	-	35,718
Coronavirus Response and Relief Supplemental Appropriation Act 2021 (CRRSA) - ESSR	84.425C	*	5891-21-3435	-	433,616
American Rescue Plan - (ARP) - ESSER 3	84.425C	*	5880-21-3435	-	273,149
American Rescue Plan - (ARP)	84.425U	*		-	55,564
American Rescue Plan - (ARP)	84.425U	*		-	7,949
					1,367,624
Total U.S. Department of Education				-	2,695,235
Total All Programs				$ -	$ 3,565,632

* Major Program

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Rondout Valley Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2022. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this 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"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

NOTE 3 - Reconciliation to Financial Statements

Federal Expenditures as reported in the Schedule	$	3,565,632
Reconciling Item:		
Medicare Reimbursement		97,827
Federal Aid as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance	$	3,663,459

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

A. Internal Control Findings

None Noted

B. Compliance Findings

Finding 2021-01:	Collateral
Condition:	The School District was not properly collateralized at June 30, 2021.
Criteria:	General Municipal Law requires School Districts to have sufficient collateral to cover deposits in excess of FDIC coverage. Although the School District's agent bank pledged collateral, $8,614,213 was not held in the School District's name.
Cause:	The School District never signed the collateral agreement with one of their banks.
Effect:	The School District's funds were under-collateralized.
Recommendation:	RBT recommends that the School District sign a collateral agreement as soon as possible to ensure that all School District funds are properly collateralized.
Current Status:	Resolved.

Finding 2021-02:	New York State Education Department Requirements
Condition:	The School District did not submit its audited financial statements on time.
Criteria:	The New York State Office of Audit Services ("OAS") reviews financial statements for School Districts and BOCES to ensure that the statements conform to the major reporting provisions of GASB and require that School Districts other than Buffalo, Rochester, Syracuse, Yonkers and New York City and BOCES submit audited financial statements by October 15.
Cause:	The School District did not provide audit documentation in a timely manner.
Effect:	The School District was not in compliance with OAS requirements.
Recommendation:	RBT recommends that the School District comply with the filing requirements imposed by the State Education Department.
Current Status:	See corrective action plan.

Finding 2021-03:	Unassigned Fund Balance
Condition:	The School District's unassigned fund balance as of June 30, 2021, was approximately 9.28% of the 2022 budgeted expenditures.
Criteria:	Section 1318 of the NYS Real Property Tax Law requires that school districts maintain no more than 4% of the subsequent year's budgeted expenditures in unassigned fund balance in the General fund.
Cause:	The School District decreased its spending during the year because it was unsure if it would receive all of its state funding.
Effect:	The School District was not in compliance with Section 1318 of the NYS Real Property Tax Law.
Recommendation:	RBT recommends that the School District maintain an unassigned fund balance percentage in accordance with Section 1318 of the NYS Real Property Tax Law.

B. Compliance Findings Continued

Current Status: Resolved.

Finding 2021-04: Fund Balance Deficit

Condition: The School District's School Lunch fund balance reported a deficit of $209,534 as of June 30, 2021.

Criteria: The School District should provide sufficient revenues to cover the School Lunch Fund expenditures.

Cause: The School Lunch Fund revenues were insufficient to cover all the fund's expenditures.

Effect: The School District is incurring deficits which should be covered by the General Fund. The General Fund's fund balance is therefore overstated by the amount of the subsidy to be provided to the School Lunch Fund.

Recommendation: RBT recommends that the School District maintain a positive unassigned fund balance in the School Lunch Fund by transferring sufficient revenues to the School Lunch Fund during the year such that the fund does not report a deficit.

Current Status: See corrective action plan.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I. SUMMARY OF INDEPENDENT AUDIT RESULTS

Financial Statements

Type of auditors' report the auditor issued: Unmodifed

Internal control over financial reporting:

• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified?		Yes	X	No
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major Federal programs:

• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified?		Yes	X	No

Type of auditors' report issued on compliance for major federal 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 Federal programs:

CFDA Number	Name of Federal Program or Cluster
10.555	National School Lunch Program - Cash and Commodities
10.553	School Breakfast Program
84.425D	Coronavirus Response and Relief Supplemental Appropriation Act 2021 (CRRSA) - ESSER II
84.425C	Coronavirus Response and Relief Supplemental Appropriation Act 2021 (CRRSA) - GEER
84.425C	Coronavirus Response and Relief Supplemental Appropriation Act 2021 (CRRSA) - ESSR
84.425C	American Rescue Plan - (ARP) - ESSER 3
84.425U	American Rescue Plan - (ARP)
84.425U	American Rescue Plan - (ARP)

Dollar threshold used to distinguish between Type A and Type B programs $ 750,000

Auditee qualified as low-risk auditee?	X	Yes		No

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

II. FINANCIAL STATEMENT FINDINGS

Compliance Findings

Finding 2022-01:	New York State Education Department Requirements
Condition:	The School District did not submit its audited financial statements on time.
Criteria:	The New York State Office of Audit Services ("OAS") reviews financial statements for School Districts and BOCES to ensure that the statements conform to the major reporting provisions of GASB and require that School Districts other than Buffalo, Rochester, Syracuse, Yonkers and New York City and BOCES submit audited financial statements by October 15.
Cause:	The School District was awaiting additional required information necessary for the financial statement completion.
Effect:	The School District was not in compliance with OAS requirements.
Recommendation:	RBT recommends that the School District comply with the filing requirements imposed by the State Education Department.
Management's Response:	See corrective action plan.

Finding 2022-02:	Fund Balance Deficit
Condition:	The School District's School Lunch fund balance reported a deficit of $161,752 as of June 30, 2022.
Criteria:	The School District should provide sufficient revenues to cover the School Lunch Fund expenditures.
Cause:	The School Lunch Fund revenues were insufficient to cover all the fund's expenditures.
Effect:	The School District is incurring deficits which should be covered by the General Fund. The General Fund's fund balance is therefore overstated by the amount of the subsidy to be provided to the School Lunch Fund.
Recommendation:	RBT recommends that the School District maintain a positive unassigned fund balance in the School Lunch Fund by transferring sufficient revenues to the School Lunch Fund during the year such that the fund does not report a deficit.
Management's Response:	See corrective action plan.

III. FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

MANAGEMENT'S RESPONSES TO THE FINDINGS AND CORRECTIVE ACTION PLAN

RONDOUT Valley CENTRAL SCHOOL DISTRICT
PO BOX 9
ACCORD, NY 12404
(845) 687-2400

Joseph Morgan, Ed.D.
Superintendent
Ext. 4803

Lisa I. Pacht
Assistant Superintendent
Ext. 4805

Megan Braren
Assistant Superintendent
Ext. 4863

Alyssa Hasbrouck
School Business Official
Ext. 4812

Nicole Kappes-Levine
Director of DEI
Ext. 4114

November 15, 2022

RBT CPAs, LLP
11 Raquet Road
Newburgh, NY 12550

To whom it may concern:

The following is in response to your comments on the audit of the Rondout Valley Central School District for the year ending June 30, 2022.

Food Service Fund Deficit: The District will continue to work with the contracted Food Service Management Company to increase meal participation to increase the revenues to balance operations for June 30, 2023.

New York State Education Department Requirements: The District will ensure the audit firm completes the 2023-2024 audit of the financial statements timely. We will assist by ensuring all the documents provided to the audit firm are submitted by October 15, 2023.

Sincerely,

Alyssa Hasbrouck
School Business Official
Rondout Valley Central School District

EXTRACLASSROOM
ACTIVITIES FUND

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Rondout Valley Central School District
P.O. Box 9
122 Kyserike Road
Accord, NY 12404

Opinion

We have audited the accompanying cash basis financial statements of the Extraclassroom Activity Funds (the "Funds"), a component unit of the Rondout Valley Central District (the "District"), State of New York, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Funds' 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 cash basis financial position of the Funds as of June 30, 2022, and the changes in the cash basis financial position for the year then ended in accordance with the cash basis of accounting, described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Funds, 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 opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the Funds on the cash basis of accounting, as prescribed by the New York State Education Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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51 Sullivan Street
Wurtsboro, NY 12790

590 Madison Avenue
21st Floor
New York, NY, 10022

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 Funds' ability to continue as a going concern for twelve months beyond the report 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Funds' 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 Funds' 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.

RBT CPAs, LLP

Newburgh, NY
November 15, 2022

ROUNDOUT VALLEY CNETRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2022

ASSETS

Cash	$ 50,033

FUND BALANCE

Fund Balance, End of Year	$ 50,033

See accompanying notes to basic financial statement

ROUNDOUT VALLEY CNETRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	Cash Balances Beginning	Receipts	Disbursements	Cash Balances Ending
HIGH SCHOOL				
Class of 2019	$ 500	$ -	$ 500	$ -
Class of 2020	3,886	-	3,886	-
Class of 2021	4,943	277	5,022	198
Class of 2022	7,425	23,346	26,946	3,825
Class of 2023	2,086	15,521	13,596	4,011
Class of 2024	-	3,182	2,739	443
Class of 2025	-	1,795	111	1,684
Council Fires	11,307	1,909	85	13,131
Interest Earned	687	5	-	692
National Honor Society	790	-	129	661
Student Congress	11,528	6,707	3,156	15,079
Synthesis/Diversity	257	-	257	-
Paws Club	96	-	96	-
Human Rights Club	401	279	196	484
Total High School	43,906	53,021	56,719	40,208
MIDDLE SCHOOL				
4-5-6 Student Council	9,652	281	549	9,384
7-8 Student Council	394	264	263	395
Interest Earned	45	1	-	46
Memory Book	549	-	549	-
Total Middle School	10,640	546	1,361	9,825
Total All Schools	$ 54,546	$ 53,567	$ 58,080	$ 50,033

See accompanying notes to basic financial statement

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the extraclassroom activity funds are considered part of the reporting entity of the Rondout Valley Central School District, New York (the “School District”). These funds are reflected in the financial statements of the School District within the Custodial Fund.

Basis of Accounting

This financial statement was prepared on the cash basis of accounting as prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposits accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The extraclassroom activity funds investment and deposit policies follow the School District’s policies. The School District’s investment and deposit polices are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposits accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 72, “*Fair Value Measurement and Application*”, which defines fair value and establishes a fair value hierarchy organized into 3 levels based on the input assumptions used in pricing levels. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted price for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent observable inputs do not exist.

Risk Disclosure

Interest Rate Risk – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term obligation.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. GASB Statement No. 40, “*Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3*”, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institutions trust department but not in the School District’s name. The Extraclassroom Activity Funds’ aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2022.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Credit Risk – Credit Risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the School District's compete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk – Concentration of credit risk is attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

APPENDIX C

Form of Legal Opinion

DRAFT

June 27, 2023

Rondout Valley Central School District at Accord,
County of Ulster
State of New York

Re: Rondout Valley Central School District at Accord
Ulster County, New York
$55,676,634 Bond Anticipation Note, 2023 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $55,676,634 Bond Anticipation Note, 2023 Series A (the "Obligation"), of the Rondout Valley Central School District at Accord, Ulster County, New York (the "Obligor"), dated June 27, 2023, numbered 1, of the denomination of $55,676,634, bearing interest at the rate of _______% per annum, payable at maturity, and maturing June 27, 2024.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/S/ORRICK, HERRINGTON & SUTCLIFFE LLP

/zmt

DRAFT

July 11, 2023

Rondout Valley Central School District at Accord,
County of Ulster
State of New York

Re: Rondout Valley Central School District at Accord, Ulster County, New York
$497,931 Bond Anticipation Note, 2023 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $497,931 Bond Anticipation Note, 2023 Series B (the "Obligation"), of the Rondout Valley Central School District at Accord, Ulster County, New York (the "Obligor"), dated July 11, 2023, numbered 1, of the denomination of $497,931, bearing interest at the rate of _______% per annum, payable at maturity, and maturing June 26, 2024.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/S/ORRICK, HERRINGTON & SUTCLIFFE LLP

/zmt

APPENDIX D

Material Event Notices

Material Event Notices

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) Defeasances

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

(k) rating changes

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

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

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

(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 District, any of which affect Note 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 District, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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