PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 10, 2023

NEW **BOND ANTICIPATION NOTES**

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

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

$1,300,000
OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT
FULTON, HERKIMER AND MONTGOMERY COUNTIES, NEW YORK

$1,300,000 Bond Anticipation Notes – 2023

Dated: August 30, 2023 **Due: June 28, 2024**

The Notes are general obligations of the Oppenheim-Ephratah-St. Johnsville Central School District, Fulton, Herkimer and Montgomery Counties, New York, all the taxable real property within which is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount. The faith and credit of the Oppenheim-Ephratah-St. Johnsville Central School District are irrevocably pledged for the payment of the Notes and the interest thereon. See "Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

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

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the offices of the School District, or, at the option of the purchaser, such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, shall be the responsibility of the purchaser. In such case, one fully registered note certificate will be issued for each maturity of the Notes. If the Notes are issued in book-entry-only form, Noteholders will not receive certificates representing their ownership interest in the Notes and payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of such DTC Direct or Indirect Participants, subject to any statutory and regulatory requirements as may be in effect from time to time.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an unqualified legal opinion as to the validity of the Notes of Barclay Damon, LLP, Albany, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or Albany or St. Johnsville, New York on or about August 30, 2023.

Facsimile or telephone bids will be received THURSDAY, August 17, 2023 until 10:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY SAID RULE.
DATED: August _, 2023

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT
FULTON, HERKIMER AND MONTGOMERY COUNTIES, NEW YORK

School District Officials

2023-24 BOARD OF EDUCATION

Neil Clark. - President
Dean Handy - Vice President

Anton Christensen
Steven Polidori
Susanne Sammons
Shannon Smith
Ty Stowell

Adam Heroth - Superintendent of Schools
Billi Jo Stallman - Treasurer
Stephanie Bonk – Clerk

School District Attorney

Girvan & Ferlazzo, PC

BOND COUNSEL

Barclay Damon LLP

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

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:

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OFFICIAL STATEMENT

of the

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

FULTON, HERKIMER AND MONTGOMERY COUNTIES, NEW YORK

Relating To

$1,300,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Oppenheim-Ephratah-St. Johnsville Central School District, Fulton, Herkimer and Montgomery Counties, New York (the "District" or "School District", "County" and "State," respectively) in connection with the sale by the School District of $1,300,000 Bond Anticipation Notes, 2023 (the "Notes).

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

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

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

Description of the Notes

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

The Notes are dated August 30, 2023, and mature, without option of prior redemption, on June 28, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

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

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds by the District at the District offices or, at the option of the purchaser, at a corporate trust office of a bank or trust company located and authorized to do business in the State of New York. The purchaser shall be responsible for the cost of such corporate trust office or bank.

Nature of the Obligation

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

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

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

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

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

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in <u>Flushing National Bank v. Municipal Assistance Corporation for the City of New York</u>, 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 <u>Flushing National Bank</u> (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

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

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

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

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

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a bond resolution dated March 4, 2020, authorizing the issuance of up to $5,831,379 to finance the cost of reconstruction of various district buildings and facilities, including the replacement of doors and windows and the acquisition and installation of technology infrastructure and equipment.

The proceeds of the Notes will provide $1,300,000 in new monies for the aforementioned issue.

Book-Entry Only System

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

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

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

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

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

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

The Notes will be issued registered in the name of the purchaser in denominations of $5,000 each or integral multiples thereof. Principal of and interest on the Notes will be payable at the offices of the School District or at the option of the noteholder, at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as a fiscal agent by the District. Paying agent fees, if any, will be paid by the noteholder. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The School District is located in Upstate New York, approximately 10 miles north of the New York State Thruway (I #90) and midway between the Cities of Utica and Amsterdam. It is approximately 10 miles northeast of the City of Little Falls and 5 miles east of the Village of Dolgeville. It is also approximately 10 miles west of the Cities of Gloversville and Johnstown.

Major highways within, and in close proximity to, the School District include State highways #5, #10, #29 and #331, as well as Interstate #90.

The School District is primarily residential in character with some farming activity to a lesser degree. Many of the residents are employed in, and in close proximity to, the Cities of Little Falls, Gloversville and Johnstown and the Village of Dolgeville. All commercial and professional services are afforded the residents within the School District, as well as within the aforementioned Cities and Village.

Merger

Residents of the Oppenheim-Ephratah and St. Johnsville school districts approved an advisory referendum on November 1, 2011, asking whether the Oppenheim-Ephratah Central School District and St. Johnsville Central School District should be joined together as a single district by centralization.

The District conducted a merger study with St. Johnsville CSD in May of 2011. The merger was voted on by residents of both school districts and approved in the Fall of 2011. The final count was Oppenheim-Ephratah 391 yes, 326 no; St. Johnsville 493 yes, 85 no. Four votes were voided in Oppenheim-Ephratah. Those results were submitted to the New York Department of Education who established the framework for a final referendum that took place on December 7, 2011. The District went through a second study and another vote was held on December 11, 2012 at which time the residents of the Oppenheim-Ephratah Central School District voted in favor of a binding referendum approving a merger with the St. Johnsville Central School District. St. Johnsville voters also approved the merger in December of 2011. .

The newly merged District voted on March 19, 2013, to elect a new seven-member board of education. The newly merged School District officially began operation on July 1, 2013

District Population

The 2021 population of the School District is estimated to be 5,741. (Source: 2021 U.S. Census Bureau estimate).

Selected Wealth and Income Indicators

Per capital 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:						
St. Johnsville	$15,116	$16,767	$23,104	$39,830	$41,453	$59,205
Palatine	17,416	19,146	29,782	40,284	52,321	75,096
Minden	15,099	20,320	21,197	33,654	42,500	55,610
Danube	13,572	17,714	24,371	32,500	40,000	78,646
Oppenheim	13,504	18,034	28,835	34,306	45,484	83,452
Ephratah	14,656	21,511	30,310	36,324	58,068	7,616
Stratford	13,120	18,666	28,896	33,125	39,432	56,250
Johnstown	17,910	27,382	34,854	44,167	62,076	89,932
Manheim	15,429	23,860	26,999	39,032	53,724	74,286
County Of:						
Fulton	16,844	23,147	30,539	39,801	50,425	69,213
Herkimer	16,141	21,908	30,791	40,570	53,288	79,001
Montgomery	17,005	22,347	27,871	40,688	53,476	67,971
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
OESJ Elementary School Building	PK-6	1948	700	2021
DHR Building	K-6	1949	280	2003
OESJ Junior/Senior High School	7-12	1925	239	2021
Agricultural & Industry Arts Building	7-12	1945	50	2021

Source: District Officials

Source: District Officials

District Employees

The School District employs 145 full-time employees and 10 part-time employees. The number of members, the collective bargaining units which represent them, and their current contract expiration dates are as follows:

Bargaining Unit	Employees	Expiration Date
Teachers	90	6/30/2024
CSEA	53	6/30/2025
Administration	3	6/30/2024
Employees not in a bargaining unit	9	N/A

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2018-19	753	2023-24	756
2019-20	724	2024-25	760
2020-21	729	2025-26	764
2021-22	739	2026-27	768
2022-23	752	2027-28	771

Source: District Officials

Employee Pension Benefits

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

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

• Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.

• Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.

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

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

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

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

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2022-2023 and 2023-2024 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	$234,663	$532,259
2018-2019	232,096	590,695
2019-2020	219,963	488,890
2020-2021	206,876	496,253
2021-2022	228,957	571,414
2022-2023 (Budgeted)	287,567	701,782
2023-2024 (Budgeted)	287,567	701,782

Source: District records

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

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

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

A chart of average ERS and TRS rates as a percent of payroll (2018-19 to 2023-24) is show below:

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

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 allows 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 Board of Education approved the creation of the TRS reserve during the 2018-19 year and has deposited $450,686 into the reserve.

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

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

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

Based on the most recent actuarial valuation dated July 1, 2021, and financial data as of June 30, 2022, the School District's beginning year total OPEB liability was $29,550,313, the net change for the year was $1,654,321 resulting in a total OPEB liability of $31,204,634 for the 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[1]

Name	Nature of Business	Estimated Number of Employees
Lexington Center (Fulton Co. ARC)	Residential & Day Treatment	1350
St. Mary's Hospital	Health Care	1124
Nathan Littauer Hospital	Health Care	880
Liberty Enterprises	Food Processing, Cleaning Agents	850
Kasson & Keller/ Keymark Corporation	Aluminum Extrusions	831
Gloversville School District	Education	650
Amsterdam Printing & Litho (Holland USA)	Printing Adv. Specialties	600
Montgomery County	Government	600
Target	Retail Warehouse	551
Greater Amsterdam School District	Education	545
Frontier	Phone Company	481
Beech Nut Nutrition	Candy, Baby Food Cereal	473
HFM BOCES	Education	419
Amsterdam Memorial Hospital	Hospital	410
Taylor Made Custom Products	Manufacturing	400
Canajoharie Central School District	Education	246
Noteworthy Corporation	Paper Products	216
Fulton-Montgomery Community College	Education	215

Note: 1 Major employers within and in close proximity to the School District
Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) are the Counties. 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	Fulton County Unemployment Rate	Herkimer County Unemployment Rate	Montgomery County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2018	5.1%	4.9%	5.1%	4.1%	3.7%
2019	4.8%	4.7%	4.9%	3.8%	3.9%
2020	8.6%	8.2%	8.8%	10.0%	8.1%
2021	5.5%	5.8%	5.7%	6.9%	3.9%
2022	3.9%	4.0%	4.1%	4.3%	3.5%

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

2022-2023 Monthly Figures

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Fulton County	3.6%	3.4%	3.7%	4.0%	4.1%	3.4%	3.2%	3.6%	3.9%	5.3%	5.0%	4.4%
Herkimer County	3.8%	3.3%	3.5%	3.7%	3.8%	3.1%	3.0%	3.5%	4.0%	5.4%	3.8%	4.3%
Montgomery County	3.6%	3.4%	3.7%	4.1%	4.4%	3.5%	3.4%	3.7%	4.1%	4.4%	4.9%	5.0%
New York State	4.2%	4.1%	4.3%	4.8%	4.9%	3.9%	3.6%	3.8%	3.8%	4.6%	4.5%	4.0%

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

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and Bond Anticipation Notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company located and authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes), (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members. In order to stagger the number of seats up for election each year on the new board, only three candidates (those elected with the most votes during the district's first board of education election) were awarded full three-year terms. Based on the number of votes received, three members received three-year terms, two members received two-year terms and two members received one-year terms. Winners in all subsequent elections will receive full three-year terms. Each Board member must be a qualified voter of the School District and no Board member may hold certain other District offices or position 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 2022-23 fiscal year was adopted by the qualified voters by a vote of 208 yes to 71 no. 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 by a vote of 129 yes to 60 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. In its adopted budget for the 2022-23 fiscal year, approximately 75.31% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

The 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.

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.

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

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, including the diversion of federal resources to address the current COVID-19 outbreak.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $2,549,171 in ARP funds and $1,134,234 in CRRSA funds. As of June 30, 2023, the District has received $1,495,477 in ARP funds and $1,134,234 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. The out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020- 2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, and the State released all of the withheld funds prior to June 30, 2021.

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

The State 2022-23 Enacted Budget provided $31.5 billion in State funding to school districts for the 2022-23 school year. This represented 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 programed $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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

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

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

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

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

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for the 2022-23 and 2023-24 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$19,106,796	$13,466,998	70.48%
2018-2019	19,634,538	13,663,777	69.59%
2019-2020	19,558,706	13,787,977	70.50%
2020-2021	20,697,061	15,361,404	74.22%
2021-2022	20,821,487	15,418,158	74.05%
2022-2023 (Budgeted)	21,743,284	16,374,518	75.31%
2023-2024 (Budgeted)	23,257,388	17,728,231	76.23%

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

Fiscal Stress Monitoring

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	3.3
2021	No Designation	20.0
2020	No Designation	10.0
2019	No Designation	13.3
2018	No Designation	13.3

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

State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the Oppenheim-Ephratah Central School District on March 2, 2018. The purpose of our audit was to determine whether the Board of Education adequately managed District finances by adopting realistic budgets and developing and implementing a long-term financial plan, and whether District officials adequately safeguarded fuel inventories and maintained accurate and complete records for the period July 1, 2016, through July 31, 2017.

Key Findings

- The 2014-15 through 2016-17 budgets did not contain realistic estimates of appropriations.
- The District maintained fund balance in excess of the 4 percent statutory limit.
- The District used 973 more gallons of unleaded fuel and 341 more gallons of diesel fuel than it accounted for.

Key Recommendations

- District officials should ensure that all budget estimates are reasonable.
- Reduce unrestricted fund balance to an amount permitted by law.
- The Transportation Supervisor should maintain accurate and complete fuel inventory records and should thoroughly investigate variances between fuel records and tank readings.

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

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

Other Information

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

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

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

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

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2022, and may be found attached hereto as Appendix B.

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

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended June 30:	2019	2020	2021	2022	2023
Assessed Valuations:					
St. Johnsville	$ 31,946,638	$ 31,818,925	$ 31,895,995	$ 32,237,352	$ 33,254,607
Palatine	3,502,695	3,502,195	3,491,972	3,523,411	3,549,953
Minden	9,214,088	9,144,397	9,196,873	9,186,438	9,024,448
Danube	10,662,419	10,666,656	10,860,532	10,972,536	11,216,594
Manheim	18,700,858	18,655,565	18,714,059	18,795,806	18,848,238
Ephratah	39,272,284	39,819,995	40,387,996	40,754,162	41,738,697
Johnstown	6,261,569	6,245,032	6,236,288	6,212,644	6,156,126
Oppenheim	50,956,192	51,705,362	51,930,804	52,489,595	52,568,249
Stratford	792,725	771,395	771,395	730,573	714,963
Total	$ 171,309,468	$ 172,329,522	$ 173,485,914	$ 174,902,517	$ 177,071,875
Equalization Rates:					
St. Johnsville	33.00%	32.00%	32.00%	32.00%	30.50%
Palatine	55.00%	55.00%	55.00%	51.75%	45.60%
Minden	100.00%	100.00%	100.00%	100.00%	92.00%
Danube	79.20%	78.00%	76.00%	72.00%	66.80%
Manheim	67.00%	67.00%	66.00%	64.50%	61.00%
Ephratah	69.00%	69.00%	69.00%	64.90%	61.00%
Johnstown	67.00%	66.00%	65.00%	60.70%	56.50%
Oppenheim	51.42%	51.42%	52.00%	51.00%	40.00%
Stratford	100.00%	97.00%	97.00%	95.50%	85.00%
Full Valuations:					
St. Johnsville	$ 96,807,994	$ 99,434,141	$ 99,674,984	$ 100,741,725	$ 109,031,498
Palatine	6,368,536	6,367,627	6,349,040	6,808,524	7,784,985
Minden	9,214,088	9,144,397	9,196,873	9,186,438	9,809,183
Danube	13,462,650	13,675,200	14,290,174	15,239,633	16,791,308
Manheim	27,911,728	27,844,127	28,354,635	29,140,784	30,898,751
Ephratah	56,916,354	57,710,138	58,533,328	62,795,319	68,424,093
Johnstown	9,345,625	9,462,170	9,594,289	10,234,998	10,895,798
Oppenheim	99,098,001	100,554,963	99,866,931	102,920,775	131,420,623
Stratford	792,725	795,253	795,253	764,998	841,133
Total	$ 319,917,702	$ 324,988,015	$ 326,655,506	$ 337,833,194	$ 385,897,372

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
St. Johnsville	$ 45.75	$ 47.63	$ 47.76	$ 46.18	$ 43.26
Palatine	27.45	27.83	27.79	28.56	28.94
Minden	15.10	15.31	15.28	14.78	14.34
Danube	19.06	19.62	20.11	20.53	19.75
Manheim	22.53	22.85	23.16	22.91	21.63
Ephratah	21.88	22.18	22.15	22.77	21.63
Johnstown	22.53	23.92	23.52	24.35	23.35
Oppenheim	29.36	29.77	29.39	28.98	32.99
Stratford	15.10	15.78	15.76	15.48	15.52

Tax Collection Procedure

Tax payments are due September 1st. Taxes are collected during the period September 1st to November 4th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged if paid by the end of October. On or about November 4th, uncollected taxes are returnable to the Counties for collection. The School District receives this amount of uncollected taxes from the Counties the first week of April in each year, thereby assuring 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:	2019	2020	2021	2022	2023*
Tax Levy	$4,829,668	$4,974,588	$4,992,857	$4,992,857	$5,091,716
Library Levy	70,000	70,000	70,000	70,000	70,000
Total Tax Levy	$4,899,668	$5,044,558	$5,062,857	$5,062,857	$5,161,716
Star Program	905,691	870,736	854,056	829,088	803,099
Amount Uncollected	473,635	503,999	405,007	413,358	405,775
% Uncollected	9.76%	10.00%	8.00%	8.16%	7.86%

Note: * Collection information is as of 11/28/22.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years and budgeted figures for the 2022-2023 and 2023-2024 fiscal years comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2017-2018	$19,106,796	$3,876,158	20.29%
2018-2019	19,634,538	3,932,215	20.03%
2019-2020	19,558,706	4,095,877	20.94%
2020-2021	21,506,719	4,138,801	19.24%
2021-2022	20,821,487	4,163,769	20.00%
2022-2023 (Budgeted)	21,743,284	4,251,716	19.55%
2023-2024 (Budgeted)	23,257,388	4,433,449	19.06%

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

Major Taxpayers 2022

For 2022-23 Tax Roll

For 2022-23 Tax Roll

Name	Type	Assessed Value
ERIE BOULEVARD HYDROPOWER	UTILITIES	$9,133,200
NIAGARA MOHAWK POWER CORP	UTILITIES	7,642,320
NATIONAL GRID	UTILITIES	3,806,260
NEW YORK CENTRAL LINE INC	RAILROAD	2,116,972
ST JOHNSVILLE REALTY LLC	REAL ESTATE	2,000,700
IROQUOIS GAS CO	UTILITIES	1,925,678
ERIE BLVD HYDROPOWER	UTILITIES	1,445,018
CITY OF JOHNSTOWN	GOVERNMENT	1,289,612
STATE OF NEW YORK	GOVERNMENT	1,269,818
TK NYS SOLAR HOLDCO	UTILITIES	947,605
Total		$31,577,183

1. The above taxpayers represent 17.83% of the School District's 2022-23 Assessed value of $177,071,875

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

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2022, is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

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

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

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

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

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

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

TAX LEVY LIMITATION LAW

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

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

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

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy" 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 bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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

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

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

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

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Serial Bonds	$3,030,000	$2,360,000	$21,744,806	$19,880,000	$22,195,000
Bond Anticipation Notes	-	$15,000,000	-	-	-
Total Debt Outstanding	$3,030,000	$17,360,000	$21,744,806	$19,880,000	$22,195,000

Status of Outstanding Bond Issues

Year of Issue:	2005		2017 [2]	
Amount Issued:	$2,450,000		$3,720,000	
Purpose/Instrument:	Construction/Serial Bond		Refunding/DASNY Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2024	$ 20,000	$ 800	$ 490,000	$ 24,500
Totals:	$ 20,000	$ 800	$ 490,000	$ 24,500

Note:

1 Combines debt outstanding for each of the Districts which were merged.

2 The net proceeds of this Advance Refunding Bond issue were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent for all future debt service payments on the original Bond.

Year of Issue:	2020		2022	
Amount Issued:	$19,819,806		$4,045,000	
Purpose/Instrument:	Construction/Serial Bond		DASNY	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2024	$ 1,315,000	$ 317,300	$ 445,000	$ 172,500
2025	1,350,000	291,000	280,000	150,250
2026	1,385,000	264,000	300,000	136,250
2027	1,430,000	236,300	315,000	121,250
2028	1,450,000	207,700	210,000	105,500
2029	1,300,000	178,700	220,000	95,000
2030	1,200,000	152,700	220,000	84,000
2031	1,235,000	128,700	235,000	73,000
2032	1,260,000	104,000	245,000	61,250
2033	1,285,000	78,800	260,000	49,000
2034	1,315,000	53,100	265,000	36,000
2035	1,340,000	26,800	280,000	22,750
2036	-	-	175,000	8,750
Total:	$ 15,865,000	$ 2,039,100	$ 3,450,000	$ 1,115,500

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2024	2,270,000	515,100	2,785,100	12.11%
2025	1,630,000	441,250	2,071,250	21.11%
2026	1,685,000	400,250	2,085,250	30.17%
2027	1,745,000	357,550	2,102,550	39.31%
2028	1,660,000	313,200	1,973,200	47.89%
2029	1,520,000	273,700	1,793,700	55.69%
2030	1,420,000	236,700	1,656,700	62.89%
2031	1,470,000	201,700	1,671,700	70.16%
2032	1,505,000	165,250	1,670,250	77.42%
2033	1,545,000	127,800	1,672,800	84.69%
2034	1,580,000	89,100	1,669,100	91.94%
2035	1,620,000	49,550	1,669,550	99.20%
2036	175,000	8,750	183,750	100.00%
Totals:	$ 19,825,000	$ 3,179,900	$ 23,004,900	

Cash Flow Borrowings

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

Status of Short-Term Indebtedness

The District does not currently have any outstanding short-term indebtedness.

Capital Project Plans

On February 4, 2020, District voters approved a $9,416,000 capital project with use of $3,584,621 of capital reserve funds. The project includes reconstruction of various District buildings and facilities, including site work, and acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such buildings or facilities are used. The project received SED approval on November 23, 2020. The District issued a $4,531,379 Bond Anticipation Note on July 20, 2021. The District issued a $4,045,000 School District (Serial) Bonds through DASNY to redeem the outstanding $4,531,379 Bond Anticipation Note. The proceeds of these Notes will provide $1,300,000 in new monies for the aforementioned issue.

On December 21, 2021, District voters approved a $5,900,000 capital project to be funded using $5,900,000 of capital reserve funds. The project includes construction of a turf athletic facility at the junior-senior high school, including site work, and acquisition of original furnishings, equipment, machinery or apparatus required for the for which such buildings or facilities are used. The project received SED approval on 7/20/22 for the soccer field and storage building. The Press Box and dugouts received SED approval on 8/29/22.

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 98.0%.

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

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

Debt Statement Summary

As of August 3, 2023

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
St. Johnsville	$ 33,254,607	30.50%	$ 109,031,498
Palatine	3,549,953	45.60%	7,784,985
Minden	9,024,448	92.00%	9,809,183
Danube	11,216,594	66.80%	16,791,308
Manheim	18,848,238	61.00%	30,898,751
Ephratah	41,738,697	61.00%	68,424,093
Johnstown	6,156,126	56.50%	10,895,798
Oppenheim	52,568,249	40.00%	131,420,623
Stratford	714,963	85.00%	841,133
Total:			$ 385,897,372
Debt Limit: 10% of Full Valuation			$ 38,589,737
Inclusions:			
Serial Bonds			$ 19,825,000
Bond Anticipation Notes			-
Total Inclusions:			$ 19,825,000
Exclusions:			
Building Aid Estimate			$0
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to This Issue			$ 19,825,000
New Monies This Issue			$ 1,300,000
Total Net Indebtedness After Giving Effect to This Issue			$ 21,125,000
Net Debt Contracting Margin			$ 17,464,737
Percentage of Debt-Contracting Power Exhausted			54.74%

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Fulton	$ 211,581,647					
County	$ 3,697,146,950	5.72%	$ 901,162	N/A	$ 901,162	$ 51,572
Herkimer	$ 47,690,059					
County	$ 5,233,890,786	0.91%	$ 18,560,000	N/A	$ 18,560,000	$ 169,115
Montgomery	$ 126,625,666					
County	$ 2,590,330,009	4.888%	$ 40,430,000	N/A	$ 40,430,000	$ 1,976,380
Town of	$ 109,031,498					
St. Johnsville	$ 109,031,498	100.00%	$ -	N/A	$ -	$ -
Town of	$ 7,784,985					
Palatine	$ 166,241,611	4.68%	$ -	N/A	$ -	$ -
Town of	$ 9,809,183					
Minden	$ 226,227,861	4.34%	$ -	N/A	$ -	$ -
Town of	$ 16,791,308					
Danube	$ 66,572,804	25.22%	$ 281,017	N/A	$ 281,017	$ 70,879
Town of	$ 131,420,623					
Oppenheim	$ 131,420,623	100.00%	$ 128,985	N/A	$ 128,985	$ 128,985
Town of	$ 68,424,093					
Ephratah	$ 97,410,322	70.24%	$ -	N/A	$ -	$ -
Town of	$ 841,133					
Stratford	$ 111,780,936	0.75%	$ 143,128	N/A	$ 143,128	$ 1,077
Town of	$ 10,895,798					
Johnstown	$ 488,171,434	2.23%	$ 312,208	N/A	$ 312,208	$ 6,968
Town of	$ 30,898,751					
Manheim	$ 183,059,753	16.88%	$ 180,000	N/A	$ 180,000	$ 30,382
Total						$ 2,435,358

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

Notes: 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 August 3, 2023:

		Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness	$	21,125,000	$ 3,679.67	5.474%
Net Indebtedness Plus Net Overlapping Indebtedness	$	23,560,358	$ 4,103.88	6.105%

(a) The District's estimated population is 5,741 (Source: 2021 U.S. Census Bureau estimate)
(b) The District's 2022-23 full value of taxable real estate is $385,897,372

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to 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. The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District, could have an impact upon the market price of the Notes.

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

Cyber Security

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

COVID – 19

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

TAX MATTERS

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

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

General

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

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

Certain Collateral Federal Income Tax Consequences

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

Backup Withholding and Information Reporting

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

Legislation

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

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

APPROVAL OF LEGAL PROCEEDINGS

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

CONTINUING DISCLOSURE COMPLIANCE

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as “Appendix D”.

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

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the School District. The School District currently has one pending claim from a student who believes he has suffered personal injuries due to negligence by the School District.

BOND RATING

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

Standard & Poor’s Rating Services has assigned Oppenheim-Ephratah- St. Johnsville Central School District’s outstanding bonds their municipal bond rating of “A+” with a stable outlook to the district’s $19,819,806 School District (Serial) Bonds dated June 16, 2020.

Generally, ratings agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

MUNICIPAL ADVISOR

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this

Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

MISCELLANEOUS

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

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

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

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. R.G. Timbs, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damage caused by viruses in the electronic files on the website.

The School District's contact information is as follows: Billi Jo Stallman, Treasurer phone: (518) 568-9990; email: billijo.stallman@oesj.org.

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

Oppenheim-Ephratah-St. Johnsville Central School District

Dated: August __, 2023
St. Johnsville, New York

____
President, Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022	Budget 2023	
Beginning Fund Balance - July 1	$8,882,626	$9,847,477	$11,757,707	$14,335,982	$15,221,447	$18,508,790	1
Revenues:							
Real Property Taxes	$3,876,158	$3,932,215	$4,095,877	$4,138,801	$4,163,769	$4,251,716	
Appropriated Fund Balance	$0	$0	$0	$0	$0	$0	
Other Tax Items	922,936	920,917	887,310	862,467	837,011	867,050	
Charges for Services	17,789	10,241	6,642	0	0	0	
Use of Money & Property	190,814	240,506	169,591	13,141	9,545	5,000	
Sale of Property/Comp. for Loss	0	0	0	0	0	0	
Miscellaneous	481,865	647,727	425,647	689,457	331,421	205,000	
State Aid	13,466,998	13,663,777	13,787,977	14,694,034	15,418,158	16,374,518	
Federal Aid	150,236	219,155	185,662	458,819	61,583	40,000	
Interfund Transfer	0	0	0	650,000	0	0	
Total Revenues	$19,106,796	$19,634,538	$19,558,706	$21,506,719	$20,821,487	$21,743,284	
Expenditures:							
General Support	$2,410,394	$2,623,673	$2,705,339	$2,624,882	$2,635,069	$3,280,267	
Instruction	8,542,649	8,513,713	7,913,189	7,223,443	7,124,705	9,908,091	
Transportation	1,204,084	1,386,093	1,118,050	1,070,838	1,084,278	1,250,310	
Community Services	0	0	0	0	0	0	
Employee Benefits	4,254,654	4,391,059	4,327,905	3,768,413	4,251,234	5,237,066	
Debt Service	1,040,164	809,770	915,948	2,349,057	2,438,858	2,317,550	
Interfund Transfer	690,000	0	0	3,584,621	0	0	
Total Expenditures	$18,141,945	$17,724,308	$16,980,431	$20,621,254	$17,534,144	$21,993,284	
Adjustments	0		0	0	0	0	
Year End Fund Balance	$9,847,477	$11,757,707	$14,335,982	$15,221,447	$18,508,790	$18,258,790	E
Excess (Deficit) Revenues Over Expenditures	$964,851	$1,910,230	$2,578,275	$885,465	$3,287,343	($250,000)	1

Source: Audited 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	$4,433,449
Other Tax Items	845,708
Use of Money & Property	5,000
Miscellaneous	205,000
State Aid	17,728,231
Federal Aid	40,000
Appropriated Fund Balance	237,000
Total Revenues	$23,494,388
Expenditures:	
General Support	$3,442,293
Instruction	10,313,298
Transportation	1,366,677
Employee Benefits	5,437,020
Debt Service	2,935,100
Interfund Transfers	0
Total Expenditures	$23,494,388

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:					
Unrestricted Cash	$566,121	$580,392	$540,715	$61,124	$1,064,637
Restricted Cash	8,577,271	9,815,227	12,674,726	13,060,997	16,778,940
Other Receivables	0	118	315	0	0
Due from Other Funds	598,526	622,844	871,678	500,499	680,801
Due from State & Federal	1,478,627	1,726,012	831,428	2,321,856	708,575
Due from Fiduciary Funds	73,137	1,179	41,010	0	0
Total Assets	$11,293,682	$12,745,772	$14,959,872	$15,944,476	$19,232,953
Liabilities:					
Accounts Payable	$151,649	$195,447	$28,661	$9,902	$920
Accrued Liabilities	0	0	0	30,721	7,292
Bond Anticipation Notes	0	0	0	0	0
Due to Other Funds	650,000	104,339	0	1,223	0
Due to Other Governments	0	0	0	66,127	0
Due Retirement System	644,556	688,279	595,229	615,056	696,055
Unearned Revenue	0		0	0	19,896
Total Liabilities:	$1,446,205	$988,065	$623,890	$723,029	$724,163
Fund Balances:					
Restricted	$8,577,271	$9,815,227	$12,674,726	$13,060,997	$16,778,940
Assigned	408,084	1,144,302	809,374	1,308,568	445,122
Unassigned	862,122	798,178	851,882	851,882	1,284,728
Total Fund Balance	$9,847,477	$11,757,707	$14,335,982	$15,221,447	$18,508,790
Total Liabilities and Fund Balance	$11,293,682	$12,745,772	$14,959,872	$15,944,476	$19,232,953

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

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2022

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

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

JUNE 30, 2022

C O N T E N T S

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Oppenheim-Ephratah-St. Johnsville Central School District
St. Johnsville, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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 District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

97 North Main St., PO Box 1219, Gloversville, NY 12078-0354 ▪ 60 Railroad Place, Suite 302, Saratoga Springs, NY 12866
www.westcpapc.com

Auditors' 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 auditors' 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 District's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 13 and 50 through 54 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 the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The supplementary information on pages 55 through 57 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
September 7, 2022

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

FINANCIAL HIGHLIGHTS

- The District’s Net Position increased $5,807,873.
- The District overall Fund Balance increased $1,767,794.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

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

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

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

Fiduciary funds statements provide information about the financial relationships, in which the School District acts solely as a custodian for the benefit of others.

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

Table A-1 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information that they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each statement.

Table A-1 Major Features of the District-wide and Fund Financial Statements

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

District-Wide Statements

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

The two District-wide statements report the School District's *net position* and how it has changed. Net position – the difference between the School District's assets, deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the School District's financial health or *position.*

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

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered. In the District-wide financial statements, the School District's activities are shown as Governmental activities. Most of the School District's basic services are included here, such as general and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.

- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.

  Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenues, expenditures and changes in fund balances.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

Condensed Statement of Net Position

	Fiscal Year 2022	Fiscal Year 2021	% Change (Incr.; - Decr.)
Assets			
Current and other assets	$ 27,503,059	$ 20,152,962	36.5%
Capital assets - net	46,667,719	42,049,950	11.0%
Total Assets	74,170,778	62,202,912	19.2%
Deferred Outflows of Resources			
Other post-employment benefits	5,060,912	5,853,009	-13.5%
Pensions	4,119,798	4,181,104	-1.5%
Total Deferred Outflows of Resources	9,180,710	10,034,113	-8.5%
Liabilities			
Current liabilities	3,108,529	2,803,488	10.9%
Long-term liabilities	51,395,605	48,977,598	4.9%
Total Liabilities	54,504,134	51,781,086	5.3%
Deferred Inflows of Resources			
Other post-employment benefits	5,563,226	8,045,514	-30.9%
Pensions	7,478,611	2,412,781	210.0%
Total Deferred Inflows of Resources	13,041,837	10,458,295	24.7%
Net Position			
Net investment in capital assets	24,472,719	22,169,950	10.4%
Restricted	18,660,553	14,940,729	24.9%
Unrestricted	(27,327,755)	(27,113,035)	-0.8%
Total Net Position	$ 15,805,517	$ 9,997,644	58.1%

Changes in Net Position

The School District's 2022 revenue was $24,234,405. Property taxes and New York State aid accounted for the majority of revenue by contributing 17% and 64%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled $18,426,532 for 2022. These expenses (76%) are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative and business activities accounted for 19% of total costs.

Net position from operations increased during the year by $5,807,873.

Table A-3

Changes in Net Position from Operating Results

	Fiscal Year 2022	Fiscal Year 2021	% Change (Incr.; - Decr.)
Revenues			
Program Revenues			
Charges for services	$ 19,395	$ 10,062	92.8%
Operating grants and contributions	3,154,954	1,312,282	140.4%
General Revenues			
Property taxes	5,000,780	5,001,268	0.0%
State formula aid	15,427,905	14,694,034	5.0%
Other	631,371	1,165,215	-45.8%
Total Revenues	24,234,405	22,182,861	9.2%
Expenses			
General support	3,479,092	3,824,354	-9.0%
Instruction	12,553,479	11,697,660	7.3%
Transportation	1,429,842	1,558,696	-8.3%
Debt service	447,479	484,251	-7.6%
Cost of sales – Lunch Program	516,640	413,368	25.0%
Total Expenses	18,426,532	17,978,329	2.5%
Total Increase in Net Position	$ 5,807,873	$ 4,204,532	38.1%

TABLE A-4 – REVENUES

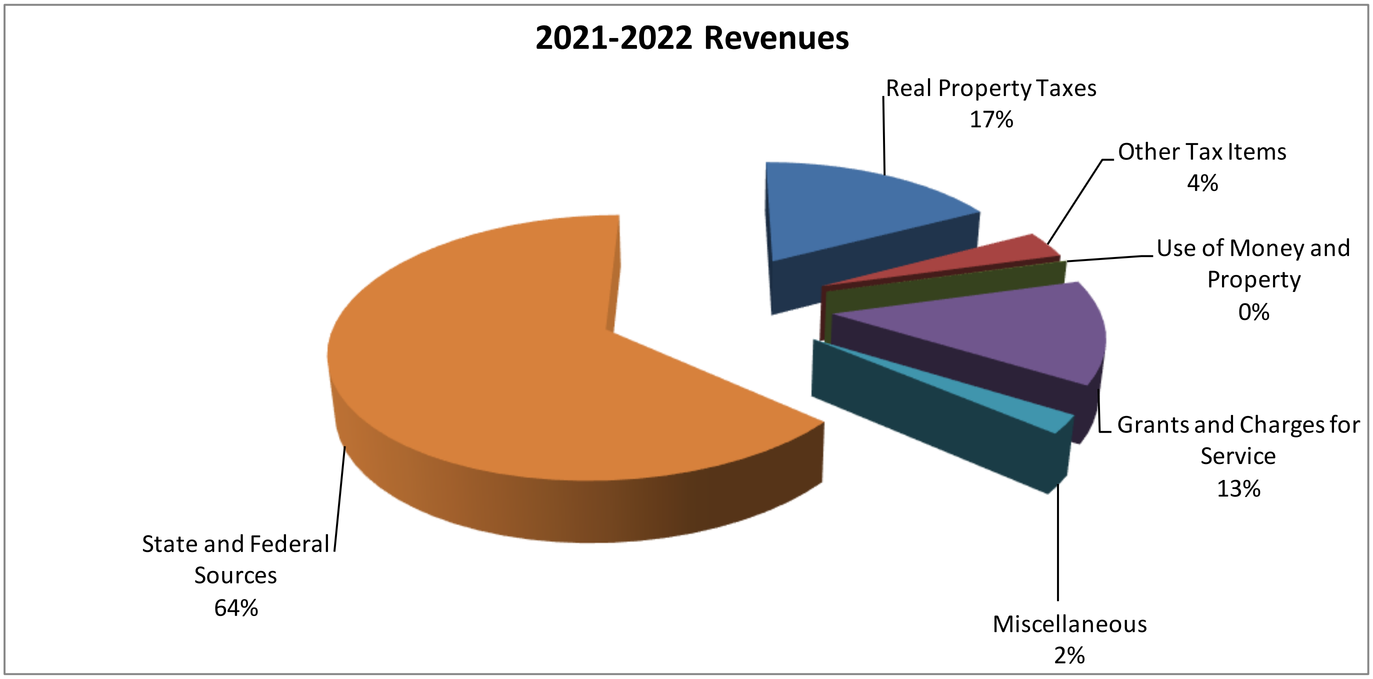
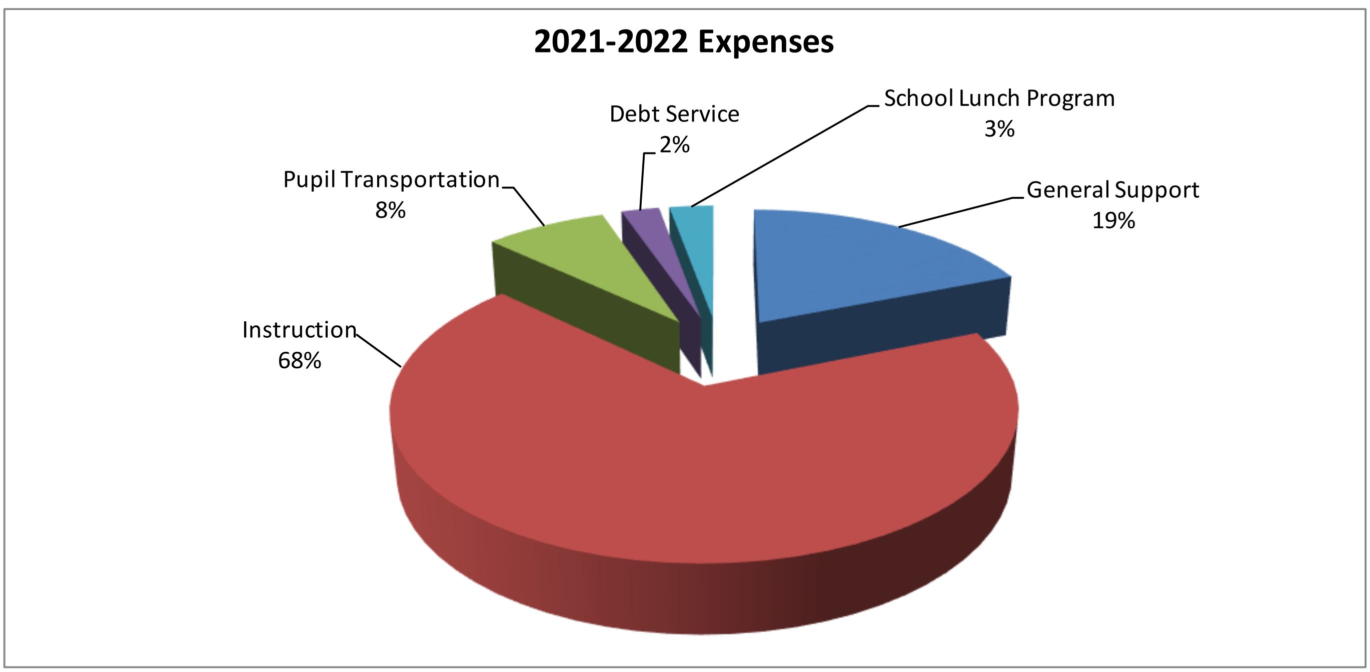


TABLE A-5 – EXPENDITURES



Governmental Activities

Revenue for the School District's governmental activities totaled $24,234,405 while total expenses were $18,426,532. Accordingly, net position increased by $5,807,873.

Table A-6 presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services 2022	Total Cost of Services 2021	% Change (Incr.; -Decr.)	Net Cost of Services 2022	Net Cost of Services 2021	% Change (Incr.; -Decr.)
General support	$ 3,479,092	$ 3,824,354	-9.0%	$ 3,479,092	$ 3,824,354	-9.0%
Instruction	12,553,479	11,697,660	7.3%	10,106,572	10,844,706	-6.8%
Pupil transportation	1,429,842	1,558,696	-8.3%	1,429,842	1,558,696	-8.3%
Debt service - interest	447,479	484,251	-7.6%	447,479	484,251	-7.6%
Cost of sales - lunch program	516,640	413,368	25.0%	(210,802)	(96,022)	119.5%
Totals	$ 18,426,532	$ 17,978,329		$ 15,252,183	$ 16,615,985	

- The cost of all governmental activities for the year was $18,426,532.
- The users of the School District's programs financed $19,395 of the costs.
- The federal and state government grants financed $3,154,954.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of $20,847,268. Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets and the current payments for debt, including the principal and interest payment.

No other significant variances were reflected in the governmental fund financial statements for 2022.

General Fund Budgetary Highlights

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Actual/Budget
REVENUES				
Local Sources	$ 5,210,657	$ 5,210,657	$ 5,341,746	$ 131,089
State Source	14,846,404	14,846,404	15,418,158	571,754
Federal Sources	40,000	40,000	61,583	21,583
Total Revenues	20,097,061	20,097,061	20,821,487	$ 724,426
EXPENDITURES				
General Support	3,061,715	3,152,248	2,635,069	517,179
Instruction	9,696,363	9,698,895	7,124,705	2,574,190
Pupil Transportation	1,184,974	1,200,477	1,084,278	116,199
Employee Benefits	5,035,890	4,915,151	4,251,234	663,917
Debt Service	2,318,119	2,438,858	2,438,858	0
Total Expenditures	21,297,061	21,405,629	17,534,144	$ 3,871,485
Revenues Over (Under) Expenditures	(1,200,000)	(1,308,568)	3,287,343	
Beginning Fund Balance	15,221,447	15,221,447	15,221,447	
Ending Fund Balance	$ 14,021,447	$ 13,912,879	$ 18,508,790	
By Fund Balance Type				
Restricted			$ 16,778,940	
Assigned			445,122	
Unassigned			1,284,728	
Total Fund Balance			$ 18,508,790	

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

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2022, the School District had $46,667,719 invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Table A-7

Capital Assets (Net of accumulated depreciation)

	Fiscal Year 2022	Fiscal Year 2021
Land	$ 13,112	$ 13,112
Buildings, furniture and equipment	38,610,462	16,119,227
Construction in progress	8,044,145	25,917,611
Totals	$ 46,667,719	$ 42,049,950

Long-Term Debt

As of June 30, 2022, the School District had $53,765,605 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding Long-Term Debt

	Fiscal Year 2022	Fiscal Year 2021
General obligation bonds (financed with property taxes)	$ 22,195,000	$ 19,880,000
Other debt	31,570,605	29,935,100
Totals	$ 53,765,605	$ 49,815,100

During 2022, the School District issued bonds of $4,045,000 and paid down $1,730,000 of existing bonds. Other debt represented other post-employment benefits and compensated absences for 2022 and 2021.

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The District will increase taxes by 1.98% for the 2022-2023 school year.
- The District will see another decrease of the merger aid for 2022-2023 of another $146,616.
- The District is anticipating over $3.5 million in federal aid related to the COVID-19 pandemic to be used in the 2022-2023 and 2023-2024 school years.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Oppenheim-Ephratah-St. Johnsville Central School District
44 Center Street
St. Johnsville, New York 13452

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

ASSETS	
Cash	
Unrestricted	$ 1,653,547
Restricted	18,660,553
Receivables	
State and Federal aid	1,261,074
Inventories	10,623
Net pension asset - proportionate share	5,917,262
Capital assets, net of depreciation	46,667,719
Total Assets	74,170,778
DEFERRED OUTFLOWS OF RESOURCES	
Other post-employment benefits	5,060,912
Pensions	4,119,798
Total Deferred Outflows of Resources	9,180,710
LIABILITIES	
Payables	
Accounts payable	920
Accrued liabilities	7,292
Due to other governments	142
Unearned revenue	34,120
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	622,758
Due to Employees' Retirement System	73,297
Bonds payable	2,370,000
Due and payable after one year	
Bonds payable	19,825,000
Other post-employment benefits	31,204,634
Compensated absences payable	365,971
Total Liabilities	54,504,134
DEFERRED INFLOWS OF RESOURCES	
Other post-employment benefits	5,563,226
Pensions	7,478,611
Total Deferred Inflows of Resources	13,041,837
NET POSITION	
Net investment in capital assets	24,472,719
Restricted	
Unemployment insurance reserve	102,417
Reserve for debt service	1,881,613
Workers' compensation reserve	201,080
Capital reserve	12,344,704
Capital reserve - buses	1,491,174
Repair reserve	4,367
Retirement contribution reserve fund - ERS	1,352,796
Retirement contribution reserve fund - TRS	450,686
Employee benefit accrued liability reserve	331,716
Insurance reserve	200,000
Property loss reserve	200,000
Liability reserve	100,000
Unrestricted	(27,327,755)
Total Net Position	$ 15,805,517

See notes to basic financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 3,479,092	$ 0	$ 0	$ (3,479,092)
Instruction	12,553,479	0	(2,446,907)	(10,106,572)
Pupil transportation	1,429,842	0	0	(1,429,842)
Debt service	447,479	0	0	(447,479)
School lunch program	516,640	(19,395)	(708,047)	210,802
Total Functions and Programs	$ 18,426,532	$ (19,395)	$ (3,154,954)	(15,252,183)
GENERAL REVENUES				
Real property taxes				4,163,769
Other tax items				837,011
Use of money and property				11,447
Miscellaneous				558,341
State sources				15,427,905
Federal sources				61,583
Total General Revenues				21,060,056
CHANGE IN NET POSITION				5,807,873
TOTAL NET POSITION - BEGINNING OF YEAR				9,997,644
TOTAL NET POSITION - END OF YEAR				$ 15,805,517

See notes to basic financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2022

	General	Special Aid	School Lunch	Debt Service	Capital	CM Misc. Special Revenue	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 1,064,637	$ 262,465	$ 197,888	$ 0	$ 49,701	$ 78,856	$ 1,653,547
Restricted	16,778,940	0	0	1,881,613	0	0	18,660,553
Due from other funds	680,801	0	0	0	0	0	680,801
State and federal aid receivable	708,575	422,812	119,939	0	9,748	0	1,261,074
Inventories	0	0	10,623	0	0	0	10,623
TOTAL ASSETS	$ 19,232,953	$ 685,277	$ 328,450	$ 1,881,613	$ 59,449	$ 78,856	$ 22,266,598
LIABILITIES							
Accounts payable	$ 920	$ 0	$ 0	$ 0	$ 0	$ 0	$ 920
Accrued liabilities	7,292	0	0	0	0	0	7,292
Due to other funds	0	671,053	0	0	9,748	0	680,801
Due to other governments	0	0	142	0	0	0	142
Due to Employees' Retirement System	73,297	0	0	0	0	0	73,297
Due to Teachers' Retirement System	622,758	0	0	0	0	0	622,758
Unearned revenue	19,896	14,224	0	0	0	0	34,120
Total Liabilities	724,163	685,277	142	0	9,748	0	1,419,330
FUND BALANCE							
Nonspendable							
Inventory	0	0	10,623	0	0	0	10,623
Restricted							
Unemployment insurance reserve	102,417	0	0	0	0	0	102,417
Reserve for debt service	0	0	0	1,881,613	0	0	1,881,613
Workers' compensation reserve	201,080	0	0	0	0	0	201,080
Capital reserve	12,344,704	0	0	0	0	0	12,344,704
Capital reserve - buses	1,491,174	0	0	0	0	0	1,491,174
Repair reserve	4,367	0	0	0	0	0	4,367
Retirement contribution reserve fund - ERS	1,352,796	0	0	0	0	0	1,352,796
Retirement contribution reserve fund - TRS	450,686	0	0	0	0	0	450,686
Employee benefit accrued liability reserve	331,716	0	0	0	0	0	331,716
Insurance reserve	200,000	0	0	0	0	0	200,000
Property loss reserve	200,000	0	0	0	0	0	200,000
Liability reserve	100,000	0	0	0	0	0	100,000
Assigned	445,122	30,960	317,685	0	49,701	78,856	922,324
Unassigned	1,284,728	(30,960)	0	0	0	0	1,253,768
Total Fund Balance	18,508,790	0	328,308	1,881,613	49,701	78,856	20,847,268
TOTAL LIABILITIES AND FUND BALANCE	$ 19,232,953	$ 685,277	$ 328,450	$ 1,881,613	$ 59,449	$ 78,856	$ 22,266,598

See notes to basic financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2022

Total balance - governmental funds balance sheet (page 16)	$	20,847,268
Add:		
Land, building and equipment, net of accumulated depreciation		46,667,719
Pensions		2,558,449
Total		49,226,168
Deduct:		
Compensated absences		365,971
Other post-employment benefits		31,706,948
Long-term bonds payable		22,195,000
Total		54,267,919
NET POSITION, GOVERNMENTAL ACTIVITIES	$	15,805,517

See notes to basic financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	General	Special Aid	School Lunch	Debt Service	Capital	CM Misc. Special Revenue	Total Governmental Funds
REVENUES							
Real property taxes	$ 4,163,769	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,163,769
Other tax items	837,011	0	0	0	0	0	837,011
Use of money and property	9,545	0	0	1,881	0	21	11,447
Miscellaneous	331,421	0	0	0	225,000	1,920	558,341
State sources	15,418,158	168,657	12,853	0	9,747	0	15,609,415
Federal sources	61,583	2,278,250	626,110	0	0	0	2,965,943
Surplus food	0	0	69,084	0	0	0	69,084
Sales - school lunch	0	0	19,395	0	0	0	19,395
Total Revenues	20,821,487	2,446,907	727,442	1,881	234,747	1,941	24,234,405
EXPENDITURES							
General support	2,635,069	0	0	0	0	4,215	2,639,284
Instruction	7,124,705	2,394,849	0	0	0	0	9,519,554
Pupil transportation	1,084,278	0	0	0	0	0	1,084,278
Employee benefits	4,251,234	52,058	29,886	0	0	0	4,333,178
Debt service							
Principal	1,991,379	0	0	0	0	0	1,991,379
Interest	447,479	0	0	0	0	0	447,479
Cost of sales	0	0	490,053	0	0	0	490,053
Capital outlay	0	0	0	0	6,267,785	0	6,267,785
Total Expenditures	17,534,144	2,446,907	519,939	0	6,267,785	4,215	26,772,990
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,287,343	0	207,503	1,881	(6,033,038)	(2,274)	(2,538,585)
OTHER FINANCING SOURCES AND USES							
Proceeds from debt	0	0	0	0	4,045,000	0	4,045,000
BANs redeemed from appropriations	0	0	0	0	261,379	0	261,379
Total Other Sources (Uses)	0	0	0	0	4,306,379	0	4,306,379
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	3,287,343	0	207,503	1,881	(1,726,659)	(2,274)	1,767,794
FUND BALANCE - BEGINNING OF YEAR	15,221,447	0	120,805	1,879,732	1,776,360	81,130	19,079,474
FUND BALANCE - END OF YEAR	$ 18,508,790	$ 0	$ 328,308	$ 1,881,613	$ 49,701	$ 78,856	$ 20,847,268

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

REVENUES - GOVERNMENTAL FUNDS AND STATEMENT OF ACTIVITIES		$ 24,234,405
EXPENDITURES	$ 26,772,990	
Add:		
Depreciation	1,510,707	
Other post-employment benefits	(35,870)	
	1,474,837	
Deduct:		
Decrease in compensated absences	18,816	
Pensions	1,682,624	
Change in fixed assets	6,128,476	
Principal payments of long-term debt	1,991,379	
	9,821,295	
EXPENDITURES - STATEMENT OF ACTIVITIES		18,426,532
CHANGE IN NET POSITION		$ 5,807,873

See notes to basic financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022

		Custodial Funds
ASSETS		
Cash	$	68,669
Total Assets	$	68,669
NET POSITION		
Reserved for extraclassroom activity funds	$	68,669

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2022

ADDITIONS		
Interest	$	587
Extraclassroom reciepts		89,746
Total additions		90,333
DEDUCTIONS		
Extraclassroom disbursements		80,730
Total deductions		80,730
Change in Net Position		9,603
NET POSITION - BEGINNING OF YEAR		59,066
NET POSITION - END OF YEAR	$	68,669

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Oppenheim-Ephratah-St. Johnsville Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity

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

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

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found included with these financial statements. The District accounts for these funds in the Custodial Fund.

B) Joint Venture

The District is one of 15 component districts in Hamilton, Fulton and Montgomery Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B) Joint Venture – (Continued)

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

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

During the year, the District was billed $2,034,866 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued no serial bonds on behalf of BOCES. As of year-end, the District had no outstanding BOCES debt.

The District's share of BOCES aid amounted to $873,533.

Financial statements for the BOCES are available from the BOCES administrative office.

C) Basis of Presentation

1) District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C) Basis of Presentation – (Continued)

2) Funds Statements

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

The District reports the following major governmental funds:

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

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

Miscellaneous Special Revenue Fund: Miscellaneous Special Revenue Fund is used to account for those revenues that are legally restricted to expenditures for a specific purpose.

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

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following fiduciary fund:

Custodial Fund: Fiduciary activities are those in which the District acts as custodian for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D) Measurement Focus and Basis of Accounting

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

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

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

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

E) Property Taxes

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

Uncollected real property taxes are subsequently enforced by the Counties of Herkimer, Montgomery and Fulton in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

F) Restricted Resources

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

G) Interfund Transactions

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

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

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

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates

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

I) Cash (and Cash Equivalents)/Investments

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

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

J) Accounts Receivable

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

K) Inventories and Prepaid Items

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

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

A reserve for these nonliquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L) Capital Assets

Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	SL	40
Building improvements	5,000	SL	40
Site improvements	5,000	SL	20
Furniture and equipment	5,000	SL	8

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M) Deferred Outflows and Inflows of Resources

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

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

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

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

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
District's proportionate share of the net pension asset (liability)	$ 365,504	$ 5,551,758
District's portion of the Plan's total net pension asset (liability)	0.0044712%	0.032037%
Change in proportion since the prior measurement date	(0.0002208)%	(0.000093)%

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M) Deferred Outflows and Inflows of Resources – (Continued)

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)

For the year ended June 30, 2022, the District recognized its proportionate share of pension expense of $228,957 for ERS and $571,414 for TRS. At June 30, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 27,680	$ 765,251	$ 35,903	$ 28,844
Changes of assumptions	609,986	1,826,089	10,293	323,374
Net difference between projected and actual earnings on pension plan investments	0	0	1,196,874	5,810,489
Changes in proportion and differences between the District's contributions and proportionate share of contributions	46,799	199,282	48,502	24,332
District's contributions subsequent to the measurement date	73,297	571,414	0	0
Total	$ 757,762	$ 3,362,036	$ 1,291,572	$ 6,187,039

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

Year ended:	ERS	TRS
2023	$ (85,730)	$ (797,128)
2024	(134,838)	(1,024,555)
2025	(319,411)	(1,379,414)
2026	(67,128)	268,824
2027	0	185,699
Thereafter	0	0

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M) Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 Systems experience	July 1, 2015 - June 30, 2020 Systems experience
Inflation rate	2.7%	2.40%
Projected cost of living adjustments	1.4%	1.3%

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M) Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions – (Continued)

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Asset type		
Domestic equity	3.30%	6.8%
International equity	5.85	7.6
Global equities	0	7.1
Real estate	5.00	6.5
Domestic fixed income securities	0	1.3
Global fixed income securities	0	0.8
High-yield fixed income securities	0	3.8
Real estate debt	0	3.3
Private debt	0	5.9
Credit	3.78	0
Private equity/alternative investments	6.50	10.0
Absolute return strategies	4.10	0
Opportunistic portfolio	4.10	0
Cash	(1.00)	(0.2)
Real assets	5.80	0

Discount Rate

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M) Deferred Outflows and Inflows of Resources – (Continued)

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	$ (940,804)	$ 365,504	$ 1,458,169

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	$ 582,576	$ 5,551,758	$ 9,727,995

Pension Plan Fiduciary Net Position

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

	(Dollars in thousands)		
	ERS	TRS	Total
Measurement date	March 31, 2022	June 30, 2021	
Employers' total pension asset (liability)	$(223,874,888)	$(130,819,415)	$(354,694,303)
Plan fiduciary net position asset (liability)	232,049,473	148,148,457	380,197,930
Employers' net pension asset (liability)	8,174,585	17,329,042	25,503,627
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	103.65%	113.2%	107.19%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $73,297.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amount to $622,758.

Additional pension information can be found in Note 9.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N) Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had $34,120 in unearned revenue as of June 30, 2022.

O) Vested Employee Benefits

Compensated Absences

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

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

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

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

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

P) Other Benefits

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Q) Short-Term Debt

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

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

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

R) Accrued Liabilities and Long-Term Obligations

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

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

S) Equity Classifications

District-Wide Statements

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

i) Net Investment in Capital Assets

Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

S) Equity Classifications – (Continued)

District-Wide Statements – (Continued)

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $10,623.

2. Restricted

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance.

The District has established the following restricted fund balances:

Currently Utilized by the District:

Capital

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

S) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Debt Service

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

Employee Benefit Accrued Liability

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

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed reported of the operation and condition of the fund must be provided to the Board. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Unemployment Insurance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

S) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Workers' Compensation

According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Repairs

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

Insurance

According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund under Restricted Fund Balance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

S) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Property Loss and Liability Reserve

According to Education Law 1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This reserve is accounted for in the General Fund under Restricted Fund Balance.

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

Order of Use of Fund Balance

The District's policy is to annually determine the appropriate use of fund balance upon recommendation of the Superintendent and Board of Education.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T) New Accounting Standards

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

GASB has issued Statement No. 87, *Leases,* effective for the year ending June 30, 2022. This statement requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with recognition of inflows and outflows of resources, as appropriate.

GASB has issued Statement No. 89, *Accounting Interest Cost Incurred before the End of a Construction Period,* effective for the year ending June 30, 2022. This statement requires that interest cost incurred during construction be expensed in that period rather than being included in the cost of the capital asset.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No, 32,* portions of the statement are effective for the year ending June 30, 2022. This statement increases consistency and comparability related to the reporting of fiduciary component units which do not have a governing board.

U) Future Changes in Accounting Standards

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023. This statement provides a single method of reporting conduit debt obligations by issuers.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for the year ending June 30, 2023. This statement improves the financial reporting related to Public-Private and Public-Public Partnerships to provide services.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the year ending June 30, 2023. This statement requires the recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription-based information technology arrangements for government end users.

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance.

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

A) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

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

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

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

i) Long-Term Revenue and Expense Differences

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

ii) Capital Related Differences

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

iii) Long-Term Debt Transaction Differences

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

iv) Pension Differences

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

v) OPEB Differences

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

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

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

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

Encumbrances

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

Excess Fund Balance – Real Property Tax Law Limit

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year.

NOTE 4 – CASH (AND CASH EQUIVALENTS), CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

NOTE 4 – CASH (AND CASH EQUIVALENTS), CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS – (CONTINUED)

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	16,240,190

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $18,660,553 within the governmental funds and $68,669 in fiduciary funds.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 13,112	$ 0	$ 0	$ 13,112
Construction in process	25,917,611	6,267,785	24,141,251	8,044,145
Total nondepreciable historical cost	25,930,723	6,267,785	24,141,251	8,057,257
Capital assets that are depreciated:				
Buildings	34,440,257	24,897,905	0	59,338,162
Furniture and equipment	6,664,364	336,013	2,040,562	4,959,815
Total depreciable historical cost	41,104,621	25,233,918	2,040,562	64,297,977
Less accumulated depreciation:				
Buildings, furniture and equipment	24,985,394	1,510,707	808,586	25,687,515
Total accumulated depreciation	24,985,394	1,510,707	808,586	25,687,515
Net depreciable historical cost	16,119,227	23,723,211	1,231,976	38,610,462
Total historical cost, net	$ 42,049,950	$ 29,990,996	$ 25,373,227	$ 46,667,719

Depreciation was allocated to the following programs as follows:

General support	$ 289,328
Instruction	1,045,237
Pupil transportation	119,053
School lunch program	57,089
Total	$ 1,510,707

NOTE 6 – SHORT-TERM DEBT

Interest on short-term debt for the year was $9,360.

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/28/2022	0.22%	$ 0	$ 4,531,379	$4,531,379	$ 0

NOTE 7 – LONG-TERM DEBT

Interest on long-term debt for the year was $438,119.

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation debt					
2010 Serial Bonds	$ 1,405,000	$ 0	$ 450,000	$ 955,000	$ 490,000
2005 Serial Bonds	70,000	0	25,000	45,000	20,000
2020 Serial Bonds	18,405,000	0	1,255,000	17,150,000	1,285,000
2022 Serial Bonds	0	4,045,000	0	4,045,000	575,000
Total bonds and notes payable	19,880,000	4,045,000	1,730,000	22,195,000	2,370,000
Other liabilities:					
Other post-employment benefits	29,550,313	1,654,321	0	31,204,634	0
Compensated absences, net	384,787	0	18,816	365,971	0
TOTAL LONG-TERM LIABILITIES	$49,815,100	$ 5,699,321	$ 1,748,816	$ 53,765,605	$2,370,000

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

NOTE 7 – LONG-TERM DEBT – (CONTINUED)

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Serial Bond	Serial Bond	Serial Bond	Serial Bond
Issue date	6/15/2010	2/15/2005	6/16/2020	6/15/2022
Final maturity	6/15/2024	6/15/2024	6/15/2035	6/30/2036
Interest rate	2.00-5.00%	3.375-4.000%	2.000%	5.000%
Outstanding at year-end	$ 955,000	$ 45,000	$ 17,150,000	$ 4,045,000

	Principal	Interest	Total
Fiscal year ended June 30,			
2023	$ 2,370,000	$ 654,351	$ 3,024,351
2024	2,270,000	515,100	2,785,100
2025	1,630,000	441,250	2,071,250
2026	1,685,000	400,250	2,085,250
2027	1,745,000	357,550	2,102,550
2028-2032	7,575,000	1,190,550	8,765,550
2033-2036	4,920,000	275,200	5,195,200
TOTALS	$ 22,195,000	$ 3,834,251	$ 26,029,251

NOTE 8 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 680,801	$ 0	$ 0	$ 0
Special Aid Funds	0	671,053	0	0
School Lunch Fund	0	0	0	0
Debt Service Fund	0	0	0	0
Capital Projects Fund	0	9,748	0	0
Total Governmental Activities	680,801	680,801	0	0
Custodial Fund	0	0	0	0
Totals	$ 680,801	$ 680,801	$ 0	$ 0

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

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

NOTE 9 – PENSION PLANS

General Information

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

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

NOTE 9 – PENSION PLANS – (CONTINUED)

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

The District is required to contribute at a rate determined actuarially by the Systems. The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions for the current and two preceding years were:

	NYSTRS	NYSERS
2021-2022	$ 571,414	$ 228,957
2020-2021	496,253	206,876
2019-2020	488,890	219,963

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

Additional pension information can be found in Note 1 M.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collected bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

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

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	116
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	136
Total	252

Net OPEB Liability:

The District's total OPEB liability of $31,204,634 was measured as of July 1, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.2%
Salary Increases	3.5%, average, including inflation
Discount Rate	2.14%
Healthcare Cost Trend Rates	10% for 2022 per year to an ultimate rate of 4.04% for 2091.

The discount rate is now an input tied to a 20-year high-quality tax-exempt municipal bond index as of each Measurement Date.

Mortality rates were based on the RPH-2014 Mortality Table with generational mortality adjusted to 2006 using scale MP-2014 and projected forward with scale MP-2020.

Changes in the Total OPEB Liability:

Balance at June 30, 2021	$ 29,550,313
Changes for the year:	
Service cost	1,313,443
Interest	674,024
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	396,753
Benefit payments	(729,899)
Net changes	1,654,321
Balance at June 30, 2022	$ 31,204,634

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% in 2021 to 2.14% in 2022.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14%) or 1 percentage point higher (3.14%) than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 37,722,550	$ 31,204,634	$ 26,144,074

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (9.0% decreasing to 3.04%) or 1 percentage point higher (11.0% decreasing to 5.04%) than the current healthcare cost trend rate:

	1% Decrease 9.00% Decreasing to 3.04%)	Healthcare Cost Trend Rates 10.00% Decreasing to 4.04%)	1% Increase 11.00% Decreasing to 5.04%)
Total OPEB Liability	$ 25,248,018	$ 31,204,634	$ 39,212,784

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

For the year ended June 30, 2022, the District recognized a negative OPEB expense of $35,870. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 0	$ 3,755,519
Changes of assumptions or other inputs	4,367,358	1,807,707
Employer contributions subsequent to the measurement date	693,554	0
Total	$ 5,060,912	$ 5,563,226

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – (Continued)

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

Fiscal Year Ending June 30:	
2023	$ (636,229)
2024	(662,640)
2025	354,770
2026	385,302
2027	56,483
Thereafter	0
Total	$ (502,314)

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

Consortiums and Self Insured Plans

The District participates in CASHIC (Capital Area Schools Health Insurance Consortium), a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 14 individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide unlimited coverage for its members for each insured event. The pool obtains independent coverage for insured events in excess of the co-payment and deductible, and the District has essentially transferred all related risk to the pool.

The District participates in Madison-Oneida-Herkimer Workers' Compensation Consortium, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is $24,214.

NOTE 12 – DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of scholarships.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 13 – CONTINGENCIES AND COMMITMENTS

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

The District does not accrue a liability for accumulating, nonvesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB #16, the value for accumulating, nonvesting sick leave is considered a contingent liability. The District reports $649,072 for accumulating, nonvesting sick leave.

NOTE 14 – TAX ABATEMENTS

The County of Fulton enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced $46,531. The District received Payment in Lieu of Tax (PILOT) payment totaling $4,456.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance date of the of the audit report. There were no issues to report that would have a material effect on the financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Revenues	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:				
Local Sources				
Real property taxes	$ 4,001,812	$ 4,001,812	$ 4,163,769	$ 161,957
Real property tax items	998,845	998,845	837,011	(161,834)
Use of money and property	5,000	5,000	9,545	4,545
Miscellaneous	205,000	205,000	331,421	126,421
Total Local Sources	5,210,657	5,210,657	5,341,746	131,089
State Sources	14,846,404	14,846,404	15,418,158	571,754
Federal Sources	40,000	40,000	61,583	21,583
Total Revenues	20,097,061	20,097,061	20,821,487	$ 724,426

See paragraph on supplementary schedules included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Expenditures	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	45,283	45,543	32,720	$ 0	$ 12,823
Central administration	201,844	205,841	189,577	18	16,246
Finance	175,003	170,015	145,774	0	24,241
Staff	227,459	239,100	203,185	8,193	27,722
Central services	2,049,403	2,127,006	1,716,281	63,536	347,189
Special items	362,723	364,743	347,532	0	17,211
Instructional					
Instruction, administration and improvements	496,988	564,540	475,049	0	89,491
Teaching – regular school	4,244,891	4,230,125	3,560,671	13,995	655,459
Programs for children with handicapping conditions	3,407,294	3,356,227	1,800,001	46,836	1,509,390
Occupational education	232,470	232,470	232,470	0	0
Teaching - special school	5,505	5,505	0	0	5,505
Instructional media	738,393	738,736	570,753	62,460	105,523
Pupil services	570,822	571,292	485,761	0	85,531
Pupil Transportation	1,184,974	1,200,477	1,084,278	84	116,115
Employee Benefits	5,035,890	4,915,151	4,251,234	0	663,917
Debt Service	2,318,119	2,438,858	2,438,858	0	0
Total Expenditures	21,297,061	21,405,629	17,534,144	$ 195,122	$ 3,676,363
NET CHANGE IN FUND BALANCE	(1,200,000)	(1,308,568)	3,287,343		
FUND BALANCE – BEGINNING	15,221,447	15,221,447	15,221,447		
FUND BALANCE – ENDING	$ 14,021,447	$ 13,912,879	$ 18,508,790		

See paragraph on supplementary schedules included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2022, 2021, 2020, 2019 AND 2018

Measurement Date	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability					
Service cost	$ 1,313,443	$ 950,975	$ 920,997	$ 1,091,628	$ 1,398,860
Interest	674,024	947,219	964,127	1,127,134	973,748
Change of benefit terms	0	0	0	0	0
Differences between expected and actual experience	0	(3,287,683)	0	(4,510,178)	0
Change of assumptions or other inputs	396,753	5,276,721	1,110,193	(3,107,148)	(4,147,296)
Benefit payments	(729,899)	(898,648)	(850,853)	(803,604)	(747,168)
Net change in total OPEB liability	1,654,321	2,988,584	2,144,464	(6,202,168)	(2,521,856)
Total OPEB Liability - beginning	29,550,313	26,561,729	24,417,265	30,619,433	33,141,289
Total OPEB Liability - ending	$ 31,204,634	$ 29,550,313	$ 26,561,729	$ 24,417,265	$ 30,619,433
Covered-employee payroll	$ 7,323,567	$ 7,813,190	$ 7,338,297	$ 7,686,376	$ 7,182,968
Total OPEB liability as a percentage of covered-employee payroll	426.09%	378.21%	361.96%	317.67%	426.28%
Plan's fiduciary net position	$ 0	$ 0	$ 0	$ 0	$ 0
Net OPEB Liability	$ 31,204,634	$ 29,550,313	$ 26,561,729	$ 24,417,265	$ 30,619,433

See paragraph on supplementary schedule included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE YEARS ENDED JUNE 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

NYS Teachers' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.032037%	0.032130%	0.032588%	0.033953%	0.036082%	0.037096%	0.040069%	0.037702%
District's proportionate share of the net pension liability (asset)	$ (5,551,758)	$ 887,826	$ (846,645)	$ (613,965)	$ (274,263)	$ 397,315	$ (4,161,841)	$ (4,199,822)
District's covered-employee payroll	5,768,437	5,530,234	5,750,748	5,556,999	5,607,069	5,817,803	5,826,817	6,173,605
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.2%	16.1%	14.7%	11.0%	4.9%	6.8%	71.4%	68.0%
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%	111.48%

NYS Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0044712%	0.0046920%	0.0051603%	0.0050707%	0.0050709%	0.0048807%	0.0052701%	0.0035102%
District's proportionate share of the net pension liability (asset)	$ (365,504)	$ 4,672	$ 1,366,477	$ 359,272	$ 163,661	$ 458,600	$ 845,858	$ 118,582
District's covered-employee payroll	1,641,407	1,505,179	1,674,527	1,822,731	1,733,856	1,656,645	1,592,459	1,572,027
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	22.3%	0.3%	81.6%	19.7%	9.4%	27.7%	53.1%	7.5%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See paragraph on supplementary schedule included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

NYS Teachers' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 565,307	$ 527,045	$ 509,516	$ 590,695	$ 549,493	$ 681,847	$ 815,285	$ 1,055,101
Contributions in relation to the contractually required contribution	565,307	527,045	509,516	590,695	549,493	681,847	815,285	1,055,101
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 5,768,437	$ 5,530,234	$ 5,750,748	$ 5,556,999	$ 5,607,069	$ 5,817,803	$ 5,826,817	$ 6,173,605
Contribution as a percentage of covered-employee payroll	9.80%	9.53%	8.86%	10.63%	9.80%	11.72%	13.99%	17.09%

NYS Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 228,957	$ 206,876	$ 219,963	$ 232,096	$ 234,663	$ 259,840	$ 289,828	$ 288,499
Contributions in relation to the contractually required contribution	228,957	206,876	219,963	232,096	234,663	259,840	289,828	288,499
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 1,641,407	$ 1,505,179	$ 1,674,527	$ 1,822,731	$ 1,733,856	$ 1,656,645	$ 1,592,459	$ 1,572,027
Contribution as a percentage of covered-employee payroll	13.95%	13.74%	13.14%	12.73%	13.53%	15.68%	18.20%	18.35%

See paragraph on supplementary schedule included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND AND THE REAL PROPERTY TAX LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2022

ADOPTED BUDGET	$	21,297,061
ADDITIONS:		
Prior year's encumbrances		108,568
FINAL BUDGET	$	21,405,629

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 voter-approved expenditure budget	$	21,993,284
Maximum allowed (4% of 2022-2023 budget)		879,731
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance		445,122
Unassigned fund balance		1,284,728
Total unrestricted fund balance		1,729,850
Less:		
Appropriated fund balance		250,000
Encumbrances included in assigned fund balance		195,122
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$	1,284,728
Actual percentage		5.8%

See paragraph on supplementary schedules included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2022

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	Bond Proceeds	Local Sources	State Aid	Total	Fund Balances
Reconstruction	$ 9,416,000	$ 9,416,000	$ 1,808,261	$ 6,029,132	$ 7,837,393	$ 1,578,607	$ 4,270,000	$ 3,846,000	$ 0	$ 8,116,000	$ 278,607
Athletic Facilities	5,900,000	5,900,000	0	228,906	228,906	5,671,094	0	0	0	0	(228,906)
Smart Schools	1,194,883	1,194,883	0	9,747	9,747	1,185,136	0	0	9,747	9,747	0
TOTALS	$ 16,510,883	$ 16,510,883	$ 1,808,261	$ 6,267,785	$ 8,076,046	$ 8,434,837	$ 4,270,000	$ 3,846,000	$ 9,747	$ 8,125,747	$ 49,701

See paragraph on supplementary schedules included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS, NET		$ 46,667,719
DEDUCT:		
Short-term portion of bonds payable	2,370,000	
Long-term portion of bonds payable	19,825,000	
		22,195,000
NET INVESTMENT IN CAPITAL ASSETS		$ 24,472,719

See paragraph on supplementary schedules included in independent auditors' report.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

FEDERAL AWARD PROGRAM INFORMATION
(SINGLE AUDIT)

(UNIFORM GUIDANCE)

JUNE 30, 2022

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

To the President and the Other Members
of the Board of Education of the
Oppenheim-Ephratah-St. Johnsville Central School District
St. Johnsville, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Oppenheim-Ephratah-St. Johnsville Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 7, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oppenheim-Ephratah-St. Johnsville Central 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

WEST & COMPANY CPAs PC

Gloversville, New York
September 7, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the President and the Other Members
of the Board of Education of the
Oppenheim-Ephratah-St. Johnsville Central School District
St. Johnsville, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the District complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

WEST & COMPANY CPAs PC

Gloversville, New York
September 7, 2022

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Pass-through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through NYS Education Department:			
Special Education Cluster:			
Special Education Grants to States	84.027	0032220400	$ 226,625
Special Education Preschool Grants	84.173	0033220400	6,373
COVID-19 Special Education Preschool Grants	84.173X	5533220400	3,232
Total Special Education Cluster			236,230
Covid-19 Education Stabilization Funds			
CRRSA, ESSER	84.425D	5891211440	697,663
ARP, ESSER	84.425U	5880211440	748,726
ARP, ESSER, Summer Enrichment	84.425U	5882211440	27,128
ARP, ESSER, Comprehensive	84.425U	5883211440	17,480
ARP, ESSER, Learning Loss	84.425U	5884211440	99,500
Total Covid-19 Education Stabilization Fund Grants			1,590,497
Title I Grants to Local Educational Agencies	84.010	0021221440	363,256
Supporting Effective Instruction State Grants	84.367	0147221440	46,767
Student Support and Academic Enrichment Program	84.424	0204221440	25,509
Rural Education	84.358	0006221440	15,991
Total U.S. Department of Education			2,278,250
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	Not Applicable	69,084
Cash Assistance			
School Breakfast Program	10.553	Not Applicable	198,418
National School Lunch Program	10.555	Not Applicable	359,947
Covid-19 National School Lunch Program, School Programs Emergency Operational Costs Reimbursement Program	10.555	Not Applicable	42,976
Covid-19 National School Lunch Program, Supply Chain Assistance	10.555	Not Applicable	19,608
Summer Food Service Program for Children	10.559	Not Applicable	3,959
Total Child Nutrition Cluster			693,992
Covid-19 Pandemic EBT Administrative Costs	10.649	Not Applicable	1,202
Total U.S. Department of Agriculture			695,194
TOTAL FEDERAL AWARDS EXPENDED			$ 2,973,444

See notes to schedule of expenditures of federal awards.

NOTE A – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

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

NOTE B – SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTE C – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, the District had food commodities totaling $5,312 in inventory.

NOTE D – INDIRECT COST RATE

The District has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE E – CLUSTERS

The Special Education Cluster consists of Special Education – Grants to States and Special Education – Preschool Grants. The Child Nutrition Cluster consists of Food Distribution, School Breakfast Program, National School Lunch Program and Summer Food Service Program for Children.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. Type of auditors' report issued: unmodified
2. Internal control over financial reporting:
   a. Material weakness(es) identified? ___ Yes _X_ No
   b. Significant deficiency(ies) identified? ___ Yes _X_ No
3. Noncompliance material to financial statements noted? ___ Yes _X_ No

Federal Awards

1. Internal control over major programs:
   a. Material weakness(es) identified? ___ Yes _X_ No
   b. Significant deficiency(ies) identified? ___ Yes _X_ No
2. Type of auditors' report issued on compliance for major programs: unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? ___ Yes _X_ No
4. Identification of major programs:

CFDA Number	Name of Federal Program
84.425	Covid-19 Education Stabilization Funds

5. Dollar threshold used to distinguish between type A and B programs: $750,000.
6. Auditee qualified as low-risk auditee? _X_ Yes ___ No

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2022

WEST & COMPANY CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Oppenheim-Ephratah-St. Johnsville Central School District
St. Johnsville, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Oppenheim-Ephratah-St. Johnsville Central School District (the District) as of June 30, 2022, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2022, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Responsibilities of Management for the Financial Statements

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

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

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Auditors' 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 auditors' 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 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, we:

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

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

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

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

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

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

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
September 7, 2022

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2022

ASSETS		
Cash	$	68,669
TOTAL ASSETS	$	68,669
LIABILITIES AND CLUB BALANCES		
Club balances	$	68,669
TOTAL LIABILITIES AND CLUB BALANCES	$	68,669

See notes to financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2022

	Balance July 1, 2021	Receipts	Disbursements	Balance June 30, 2022
Art Club	$ 266	$ 149	$ 185	$ 230
Bowling Club	10	0	0	10
Boys basketball	9	0	0	9
Boys soccer	51	0	0	51
Cheerleaders	179	1,736	915	1,000
Class of 2019	6	0	6	0
Class of 2020	8,333	0	8,333	0
Class of 2021	376	0	376	0
Class of 2022	5,063	20,714	24,409	1,368
Class of 2023	3,018	6,342	3,414	5,946
Class of 2024	987	6,123	2,935	4,175
Class of 2025	2,048	1,448	1,021	2,475
Class of 2026	1,685	8,457	2,730	7,412
Class of 2027	0	4,755	605	4,150
Drama Club	1,069	695	0	1,764
Elementary Yearbook	1,584	2,888	3,518	954
FFA	8,698	16,600	15,342	9,956
Foreign Language Club	1,436	0	0	1,436
Girls basketball	196	0	0	196
HS Band	7,850	2,425	118	10,157
HS Chorus	2,797	4,985	3,323	4,459
Library Club	1,823	0	1,823	0
Life Skills Class	205	0	0	205
National Honor Society	1,408	469	181	1,696
National Junior Honor Society	451	10	225	236
Pay it Forward	25	0	25	0
Prom Activity Account	2,776	3,006	4,054	1,728
Ski Club	458	0	0	458
Student Council	2,238	3,046	1,181	4,103
The Wolf Den	664	0	0	664
Yearbook	2,377	4,237	3,948	2,666
Volleyball	111	1	1	111
Sales tax withholding	433	1,660	1,039	1,054
Interest earned	436	587	1,023	0
TOTALS	$ 59,066	$ 90,333	$ 80,730	$ 68,669

See notes to financial statements.

OPPENHEIM-EPHRATAH-ST. JOHNSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Oppenheim-Ephratah-St. Johnsville Central School District represent funds of 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. However, since the Board of Education does exercise general oversight, these funds and their corresponding cash accounts are reflected in the Custodial Fund on the Statement of Fiduciary Net Position associated with the basic financial statements of the District.

The books and records of Oppenheim-Ephratah-St. Johnsville Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

NOTE 2 – MANAGEMENT LETTER

The management letter items for the Extraclassroom Activity Funds are included in the management letter associated with the basic financial statements.

September 7, 2022

To the President and the Other Members
of the Board of Education of the
Oppenheim-Ephratah-St. Johnsville Central School District
St. Johnsville, New York

Re: Management Letter
June 30, 2022

Dear Board Members:

In planning and performing our audit of the basic financial statements of the Oppenheim-Ephratah-St. Johnsville Central School District for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The following summarizes our comments and recommendations regarding those matters. We previously reported on the District's internal control in our report dated September 7, 2022. This letter does not affect our report dated September 7, 2022, on the financial statements of Oppenheim-Ephratah-St. Johnsville Central School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

Prior-Year Findings

(1) Extraclassroom Activity Funds

Prior Condition: We noted a number of inactive clubs.

Status: This condition remains unchanged for the year ended June 30, 2022.

Recommendation: We recommend that the District remove all dormant clubs from the Extraclassroom Activities Funds and, at the discretion of the Board, distribute funds from these dormant clubs to other active clubs.

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(2) Extraclassroom Activity Funds

Prior Condition: During our audit we noted that the classes of 2019 and 2020 are still showing balances. These classes have graduated and are no longer a part of the Extraclassroom Activity Fund.

Status: This condition has been corrected for the year-ended June 30, 2022.

Current-Year Findings

(1) Unassigned General Fund Balance

Prior Condition: The District's unassigned General Fund balance at June 30, 2022, was in excess of the New York State Real Property Tax Law limit, which restricts this balance to an amount not greater than 4% of the District's appropriation budget for the upcoming year.

Recommendation: We recommend that the Board review and modify its plan to reduce the District's unassigned General Fund balance to the statutory limit.

* * * * * * * * * * *

We appreciate the courtesies, assistance and cooperation given us during our audit by Business Office personnel.

Please feel free, at your convenience, to contact us regarding our comments and recommendations, or any other matters that may come to your attention.

Very truly yours,

WEST & COMPANY CPAs PC

WEST & COMPANY CPAs PC

APPENDIX C

Form of Legal Opinion

FORM OF BOND COUNSEL OPINION

August [__], 2023

Board of Education of the
Oppenheim-Ephratah-St. Johnsville Central School District
Fulton, Herkimer And Montgomery Counties, New York

Re: Oppenheim-Ephratah-St. Johnsville Central School District
<u>$1,300,000 Bond Anticipation Notes, 2023 (New Issue)</u>

Dear Board Members:

We have acted as bond counsel to the Oppenheim-Ephratah-St. Johnsville Central School District, a school district of the State of New York, situated in Fulton, Herkimer And Montgomery Counties, New York (the "Issuer"), in connection with the issuance of $1,300,000 Bond Anticipation Notes, 2023 (New Issue), dated August 30, 2023 (the "Note"). In such capacity, we have examined such law and such proceedings and other documents as we have deemed necessary to render this opinion.

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

APPENDIX D

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.

For the purpose 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.

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.

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.