PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 1, 2020

NEW ISSUE
SERIAL BONDS

BOOK-ENTRY-ONLY BONDS
RATING – MOODY'S INVESTOR SERVICE: " "
See "Bond Rating", herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the District, under existing statues, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The District will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK
(the "District")

$4,000,000* SCHOOL DISTRICT SERIAL BONDS – 2020
(the "Bonds")

See Bond Maturity Schedule Herein

The Bonds are 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 interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount.

The Bonds maturing on June 1, 2029 and thereafter are subject to redemption, prior to maturity, at the option of the District, on June 1, 2028 and thereafter on any date, in accordance with terms described herein. (See "*Optional Redemption*", herein).

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. DTC will act as the securities depository for the Bonds. Individual purchases of the Bonds may be made in denominations of $5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. Payment of the principal of and interest on the Bonds will be made by the District to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. (See "*Book-Entry-Only System*" under "THE BONDS," herein.)

Proposals for the Bonds will be received at 11:00 A.M. (Prevailing Time) on December 10, 2020 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC on or about December 22, 2020 in New York, New York.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

November , 2020

*Preliminary, subject to change.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

$4,000,000* SCHOOL DISTRICT SERIAL BONDS – 2020

BOND MATURITY SCHEDULE

Dated: Date of Delivery

Principal Due: **June 1, 2022-2036, inclusive**
Interest Due: **December 1, 2021 and semiannually thereafter on June 1 and December 1 in each year to maturity**

Amount**	Maturity	Rate	Price or Yield	CUSIP #
$ 480,000	June 1, 2022			
520,000	June 1, 2023			
200,000	June 1, 2024			
205,000	June 1, 2025			
210,000	June 1, 2026			
215,000	June 1, 2027			
220,000	June 1, 2028			
225,000	June 1, 2029**			
230,000	June 1, 2030**			
235,000	June 1, 2031**			
240,000	June 1, 2032**			
245,000	June 1, 2033**			
250,000	June 1, 2034**			
260,000	June 1, 2035**			
265,000	June 1, 2036**			

*Preliminary, subject to change

**Amounts are subject to adjustment by the District following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 21.00 of the Local Finance Law.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

278 Route 32
Central Valley, New York 10917
Telephone: 845/460-6000

BOARD OF EDUCATION

Staci McCleary President
Daniel A. Ezratty, Vice President

Anthony Andersen
Don Beeler
Michael Ciriello
Suzanne Donahue
Dawn Tauber
Donna Vitucci, District Clerk

Superintendent of Schools
Elsie Rodriguez

Assistant Superintendent for Business & Management Services
Patrick Cahill

District Treasurer
Tawnya Muhlrad

* * *

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

* * *

MUNICIPAL ADVISOR

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: http://www.munistat.com

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information 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 District since the date hereof.

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OFFICIAL STATEMENT

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

$4,000,000* SCHOOL DISTRICT SERIAL BONDS – 2020

[BOOK–ENTRY ONLY BONDS]

This Official Statement and appendices hereto presents certain information relating to the Monroe-Woodbury Central School District in the County of Orange, in the State of New York (the "District", "County" and "State," respectively) in connection with the sale of $4,000,000* School District Serial Bonds - 2020 (the "Bonds").

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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

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

THE BONDS

Description of the Bonds

The Bonds will be dated the date of delivery, and will mature on June 1 in each of the years 2022 to 2036, inclusive, in the principal amounts as set forth on the inside cover page hereof. Interest on the Bonds will be payable December 1, 2021 and semi-annually thereafter on June 1 and December 1 in each year until maturity.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. DTC will act as the securities depository for the Bonds. Individual purchases of the Bonds may be made in denominations of $5,000 or integral multiples thereof. Bondholders will not receive certificates representing their respective interests in the Bonds purchased. Payment of the principal of and interest on the Bonds will be made by the District to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. (See "*Book-Entry-Only System*" under "THE BONDS," herein.)

The Record Date (whether or not a business day) of the Bonds will be the fifteenth calendar day of the month immediately preceding each interest payment date.

The District will act as Paying Agent for the Bonds. The District's contact information is as follows: Tawnya Muhlrad, District Treasurer, Monroe-Woodbury Central School District, 278 Route 32, Central Valley, New York 10917, telephone number 845/460-6000 Ext. 2651 and email: tmuhlrad@mw.k12.ny.us.

Optional Redemption

The Bonds maturing on or before June 1, 2028 will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2029 and thereafter, will be subject to redemption, prior to maturity, at the option of the District, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after June 1, 2028, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

*Preliminary, subject to change

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the District.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Description of Book-Entry System

DTC will act as securities depository for the Bonds. Such Bonds will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and deposited with DTC.

DTC is 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 facilities 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 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" and together with Direct Participant, the "Participants"). Effective August 9, 2011, Standard & Poor's assigns a rating of "AA+" to DTC. 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that u se of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts 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 the Bonds may wish to take certain steps to augment the transmission to them or notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC), and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the District takes no responsibility for the accuracy thereof. In addition, the District will not have any responsibility or obligation to participants, to indirect participants or to any beneficial owner with respect to: (i) the accuracy of any records maintained by DTC, and participant or any indirect participant; (ii) the payments by DTC or any participant or any indirect participant of any amount with respect to the principal of, or premium, if any, or interest on the bonds or (iii) any notice which is permitted or required to be given to Bondowners.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OR ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; OR (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, and a replacement book-entry securities depository is not appointed, the Bonds will be issued in registered form in denominations of $5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the District as the fiscal agent; certificated Bonds may be transferred or exchanged at no cost to the owner of such bonds at any time prior to maturity at the corporate trust office of the fiscal agent for bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the President of the Board authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

Authorization and Purpose

The Bonds are being issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and a Bond Resolution duly adopted by the Board of Education of the District on November 14, 2018, following the approval of a proposition by a majority of the qualified voters of the District at the Special District Meeting held on October 23, 2018, authorizing the issuance of bonds in the amount of $4,000,000 and the expenditure of $4,391,000 from a capital reserve fund, for the construction of various alterations and improvements to the Monroe-Woodbury High School.

For further information regarding bond authorizations of the District for capital purposes and other matters relating thereto see "Indebtedness of the District", herein.

Security and Source of Payment

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

The Bonds 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 of and interest thereon. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property in the District subject to taxation without limitation as to rate or amount.

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 Bonds, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. Chapter 97 of the New York Laws of 2011, as amended, (the "Tax Levy Limit Law") imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy above a certain specified amount. However, the Tax Levy Limit Law expressly provides an exception from the annual tax levy limitation for any taxes levied to pay debt service on bonds or notes issued to finance voter approved capital expenditures or the refinancing or refunding of such bonds or notes. As the Bonds are being issued to finance voter-approved capital expenditures, the Bonds qualify for such exception to the Tax Levy Limit Law annual tax levy limitation. (See "*The Tax Levy Limit Law*," herein.)

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the District default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. The Bonds are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as

to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owner of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bondholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "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. In *Quirk* v. *Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), 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 the 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 or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the 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.

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

SECTION 99-B OF THE STATE FINANCE LAW APPLICABLE TO SCHOOL DISTRICTS

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, 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 or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note 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 or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes 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 and notes 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 the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes 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 or notes pursuant to said section of the SFL.

NO PAST DUE DEBT

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

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes 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 become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

THE DISTRICT

Description

The District, located approximately 35 miles north of New York City, is situated in Orange County on the west bank of the Hudson River. The District has a land area of approximately 100 square miles and is comprised of the Town of Monroe (46.6% of the full value of the District) and portions of the Towns of Woodbury (32.2%), Blooming Grove (6.0%), Chester (8.8%) and Tuxedo (6.5%) collectively, the "Towns." The character of the District is suburban residential in nature with significant retail and some industrial activity. The Woodbury Commons Shopping Outlet is currently comprised of 215 stores with additional stores to be added. Approximately 1,249 fulltime and part-time persons are employed there. Several industrial plants which employ over 100 persons are located within the District. Among these are Alcatel Wire & Cable, Audax Automotive Interiors, Kookabuna USA and Monroe Tube Co. The majority of homes within the District are single-family. Many residents of the District commute to New York City by train or bus in times ranging from one to one and a quarter hours. Fire protection is furnished throughout the District by volunteer fire companies and through fire protection districts. The New York State Police force maintains a barracks within the District and furnishes police protection throughout the area, while the Villages of Monroe, Harriman and Woodbury maintain their own police departments. Electricity throughout the District is provided by Orange & Rockland Utilities and Central Hudson Gas & Electric. Telephone service for most of the area is provided by Frontier Communications. The District is served by an excellent road network including the New York State Thruway which bisects the District north and south. Route 17, a non-toll express highway, connects with the Thruway in the District at the Harriman exit. Route 17 runs west through Orange County serving Goshen, Middletown, Port Jervis and Pennsylvania, with connections to other major arteries. The District also has a well-established interior road network, including State, County and town roads.

District Organization

The District is an independent entity governed by an elected Board of Education comprised of nine members. District operations are subject to the provisions of the Education Law of the State affecting central school districts and school districts in general; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law. Members of the Board of Education are elected on a rotating basis by the qualified voters at the annual elections of the District. The term of office for each Board Member is 3 years and the number of terms that may be served is unrestricted. A President is selected by the Board from its members and serves as the chief fiscal officer of the District. The Board of education is vested with various powers and duties as set forth in the Education Law. Among these are: the adoption of annual budgets (subject to voter approval), the levy and collection of real property taxes (see "*The Tax Levy Limit Law*," herein), the authorization of the issuance of indebtedness (also generally subject to voter approval except in limited cases, the appointment of such employees as may be necessary, and such other duties as may be reasonably required to fulfill the responsibilities provided by law. The Board of Education appoints the Superintendent of Schools. The Superintendent serves at the pleasure of the Board of Education and is the chief executive officer of the school district and the educational system. In addition, the Superintendent is an ex-officio member of the Board of Education with the right to speak on all matters before the Board but not to vote. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the school and other educational, social and recreational activities under the direction of the Board of Education.

Enrollment History

The following table presents the past school enrollment for the District.

School Year	School Enrollment
2016-2017	6,738
2017-2018	6,973
2018-2019	6,859
2019-2020	6,826
2020-2021	6,656

Source: District Officials

Projected Future Enrollment

The following table presents the projected future school enrollment for the District.

School Year	School Enrollment
2021-2022	6,633
2022-2023	6,610
2023-2024	6,587

Source: District Officials.

District Facilities

Name of School	Grades	Date of Construction	Date of Most Recent Improvements	Capacity
High School	9-12	1999	2003	2,500
Middle School	6-8	1970	1982/2000	2,000
Central Valley Elementary	2-5	1954	1970/1983	632
North Main Elementary	2-5	1928	1972	650
Pine Tree Elementary	2-5	1962	1966	949
Sapphire Elementary	K-1	1994	-	415
Smith Clove Elementary	K-1	1969	-	610

Employees

The collective bargaining units, if any, which represent employees and the dates of expiration of the various collective bargaining agreements are as follows:

Name of Union	Expiration Date of Contract	Approx. No. of Members
Civil Services Employees' Association	06/30/2021	218
Monroe-Woodbury Teacher's Association	06/30/2022	679
Monroe-Woodbury Employee's Association	06/30/2021	316
Monroe-Woodbury Administrator's Association	06/30/2021	31
Other Various	06/30/2021	22
Assistant Superintendents	06/30/2022	4

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population Trends

Population statistics are not available for the District as such. The District is located within the Town of Monroe (46.6% of the full value of the District) and portions of the Towns of Woodbury (32.2%), Blooming Grove (6.0%), Chester (8.8%) and Tuxedo (6.5%). The following table sets forth population statistics for the Towns of Woodbury and Monroe, the County and the State.

Year	Town of Woodbury	Town of Monroe	Orange County	New York State
1990	8,304	22,989	307,647	17,990,455
2000	9,460	31,407	341,367	18,976,457
2010	11,353	38,679	372,813	19,378,102
2018	11,520	19,781	378,227	19,618,453

Source: U.S. Bureau of the Census.

Income Data

Income data are not available for the District as such. The District is located within the Town of Monroe (46.6% of the full value of the District) and portions of the Towns of Woodbury (32.2%), Blooming Grove (6.0%), Chester (8.8%) and Tuxedo (6.5%). The information set forth below with respect to such the Towns of Woodbury and Monroe, the County and State is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the District is necessarily representative of the Towns, County or State or vice versa.

	Per Capita Money Income			
	1990	2000	2010	2018[a]
Town of Woodbury	$18,871	$28,566	$40,966	$42,111
Town of Monroe	12,735	16,569	21,167	39,033
Orange County	15,198	21,597	29,044	36,641
New York State	16,501	23,389	30,791	41,857

	Median Household Income			
	1990	2000	2010	2018[a]
Town of Woodbury	-	-	$106,084	$125,082
Town of Monroe	-	-	62,826	102,126
Orange County	-	-	69,144	84,458
New York State	-	-	55,217	72,108

Source: United States Bureau of the Census
a. Based on American Community Survey 1-Year Estimate (2018)

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The District is located within the Town of Monroe (46.6% of the full value of the District) and portions of the Towns of Woodbury (32.2%), Blooming Grove (6.0%), Chester (8.8%) and Tuxedo (6.5%). The information set forth below with respect to such the Towns of Monroe, the County and State is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the District

Annual Averages:	Town of Monroe (%)	Orange County (%)	New York State (%)
2014	4.6	5.5	6.4
2015	3.9	4.7	5.3
2016	3.6	4.2	4.9
2017	3.9	4.6	4.7
2018	4.5	4.1	4.2
2019	4.4	3.8	4.0
2020 (9 Month Average)	13.9	8.5	10.5

Source: Department of Labor, State of New York.

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Selected Listing of Larger Employers in the County

Name	Type	Estimated Number Of Employees
United States Military Academy at West Point	Colleges & Technical Institutes	4000
Orange Regional Medical Center	Healthcare	2524
Crystal Run Health	Healthcare	2050
Access: Supports for Living	Non-Profit Organizations	1400
SUNY Orange*	Education	1295
St Luke's Cornwall Hospital	Healthcare	1247
Elant, Inc.	Healthcare	1200
Amscan, Inc.	Manufacturing & Distribution	800
C & S Wholesale Grocers, Inc.	Distribution	800
Empire Blue Cross/Blue Shield	Service	795
Spectrum Enterprise	Communications	750
Bon Secours Community Hospital	Healthcare	598
Cornerstone Family Healthcare	Healthcare	550
Amscan, Inc.	Distribution	525
The ARC of Orange County	Non-Profit Organizations	525
Horizon Family Medical Group	Healthcare	500
Kolmar Laboratories Inc	Manufacturing	500
Mirabito Energy Products	Distribution	500
Staples, Inc.	Distribution	460
Verla International LTD	Manufacturing	445
YRC Worldwide	Cargo & freight	435
Adecco	Service	400
United Natural Foods, Inc (UNFI)	National Distributor of Natural, Organic and Specialty Foods	400
Mediacom Communications Corp	Communications	395
Times Herald Record	Distribution/Publishing	395
Crystal Run Village Inc	Non-Profit Organizations	391
Mid-Hudson Processing and Distribution USPS	Distribution	359
Allegiance Healthcare-Cardinal Health	Distribution	350
IBM Business Continuity & Resiliency Services	Service	350
Mount Saint Mary College	Education	350
Precision Pipeline Solutions	Utilities	350
St. Anthony Community Hospital	Healthcare	342
Medline Industries, Inc.	Distribution	340
Superior Pack Group Inc.	Packaging & labeling	325
BFY Brands – Popcorners	Food Manufacturing	311
CoachUSA	Transportation	300
Milmar Food Group	Manufacturing	300
Newburgh Auto Auction	Service	300
Pratt & Whitney	Proprietary thermal barrier coating for Pratt & Whitney engines only	300
President Container Inc.	Manufacturing	300

Source: OC Partnership as of 02/11/20.
*SUNY Orange as of 03/05/20.

INDEBTEDNESS OF THE DISTRICT

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Bonds:

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

The District may contract indebtedness only for a 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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 period of probable usefulness of the object or purpose determined by statute or in the alternative the weighted average maturity of the several objects or purposes for which indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. 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, bond anticipation notes and capital notes.

General. 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 to prevent abuses in the exercise of such power; 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. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. (See *"The Tax Levy Limit Law"* herein).

Statutory Procedure

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

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Bonds.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Bonds. However, such finance board may delegate the power to sell the Bonds to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose authorized by the Legislature of the State of New York provided the aggregate 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 such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the computation of the debt limit of the District and its debt contracting margin:

Computation of Debt Limit and Debt Contracting Margin
(As of December 1, 2020)

In Town of (2020-21)[a]	Assessed Valuation	State Equalization Rate (%)	Full Valuation
Blooming Grove	$ 41,347,886	14.75	$ 280,324,651
Chester	230,565,046	54.73	421,277,263
Monroe	395,393,089	17.59	2,247,828,818
Tuxedo	48,353,154	16.18	298,845,204
Woodbury	701,932,090	35.75	1,963,446,406
	$1,417,591,265		$5,211,722,341
Debt Limit - 10% of Average Full Valuation			521,172,234
Inclusions:[1]			
Outstanding Bonds			22,130,000
Bond Anticipation Notes			
Total Indebtedness			22,130,000
Exclusions (Estimated Building Aid)[2]			6,639,000
Total Net Indebtedness Prior to the Issuance of the Bonds			15,491,000
The Bonds			4,000,000
Net Effect of the Bonds			4,000,000
Total Net Indebtedness After the Issuance of the Bonds			19,491,000
Net Debt Contracting Margin			501,681,234
Per Cent of Debt Contracting Margin Exhausted			3.74%

a. The latest completed assessment roll for which a State Equalization Rate has been established.
b. Tax Anticipation Notes, Energy Performance Lease and Revenue Anticipation Notes are not included in computation of the debt contracting margin of the District.
c. Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes, based on the most recent information received by the District from the State Department of Education. The amount shown is not necessarily the amount the District will ultimately receive. The District has not applied for a building aid exclusion certificate from the Commissioner of Education and therefore may not exclude such amount from its total indebtedness on the Debt Statement form required to be filed with the Office of the State Comptroller when bonds are to be issued.

Trend of Outstanding Indebtedness
As at June 30:

	2016	2017	2018	2019	2020
Bonds	$ 36,500,000	$ 33,190,000	$ 29,740,000	$ 26,150,000	$ 22,395,000
BANs					
Total	$ 36,500,000	$ 33,190,000	$ 29,740,000	$ 26,150,000	$ 22,395,000

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending June 30:	Principal	Interest	Total
2021	$ 3,940,000	$ 890,731	$ 4,830,731
2022	3,490,000	717,200	4,207,200
2023	3,665,000	559,425	4,224,425
2024	2,650,000	399,425	3,049,425
2025	2,790,000	266,925	3,056,925
2026	2,890,000	183,225	3,073,225
2027	2,970,000	96,525	3,066,525
Totals	$22,395,000	$ 3,113,456	$25,508,456

Debt Service Requirements – Energy Performance Contract

Fiscal Year Ending June 30:	Principal	Interest	Total
2021	$ 902,274	$ 104,317	$1,006,591
2022	919,997	86,593	1,006,591
2023	938,069	68,522	1,006,591
2024	956,495	50,095	1,006,591
2025	975,284	31,307	1,006,591
2026	994,441	12,149	1,006,591
Totals	$5,686,560	$ 352,983	$6,039,543

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the District has no short-term debt outstanding.

Revenue and Tax Anticipation Notes

The District has not found it necessary to borrow each year in anticipation of taxes and revenues.

Authorized and Unissued Debt

As of the date of this Statement the District has authorized and unissued debt in the amount of $4,000,000. Such amount will be financed by the issuance of the Bonds.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Orange	06/26/2020	14.1%	$40,977,702	$38,982,552
Town of Blooming Grove	05/15/2020	15.7	965,671	455,543
Town of Chester	06/01/2020	29.7	1,839,519	1,515,449
Town of Monroe	07/23/2020	81.4	6,200,186	5,612,405
Town of Tuxedo	12/31/2019	23.4	690,264	690,264
Town of Woodbury	06/15/2020	94.2	1,535,786	0
Village of Harriman	11/01/2020	100.0	4,055,000	3,390,000
Village of Monroe	10/28/2020	100.0	5,994,000	1,754,000
Totals			$62,258,128	$52,400,214

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Debt Ratios
(As of December 1, 2020)

	Amount	Per Capita[a]	Percentage Of Full Value (%)[b]
Total Direct Debt	$22,130,000	$ 583	0.42
Net Direct Debt	15,491,000	408	0.30
Total Direct & Applicable Total Overlapping Debt	84,388,128	2,223	1.62
Net Direct & Applicable Net Overlapping Debt	67,891,214	1,788	1.30

a. The current estimated population of the District is 37,960.
b. The full valuation of taxable real property in the District for 2019-20 is $5,211,722,341.

FINANCES OF THE DISTRICT

Impact of COVID-19

The District has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs related to personal protective equipment and for cleaning supplies, equipment and computers, the aggregate cost of which total approximately $1,635,717. The District has paid such costs from budgetary appropriations and/or available funds. The District's State Aid for the 2019-2020 school year has been reduced and the District also expects a reduction of up to 20% in State aid during the 2020-2021 fiscal year. The District does not believe that the increased costs or the potential reductions in State aid described above will have a material adverse impact on the finances of the District. See also "*State Aid*" herein.

Independent Audit

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The financial statements of the District are audited each year by an independent public accountant. The last such audit covers the fiscal year ended June 30, 2020. A copy of such report is included herein as Appendix B.

Investment Policy

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

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

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

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

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund, school lunch fund, special purpose fund and debt service fund. In addition, a capital projects fund is used to record capital facility projects, while an agency fund accounts for assets received by the District in a fiduciary capacity.

Basis of Accounting

The district-wide and fiduciary fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. 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 transaction, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

Source: Audited Financials of the District.

Budget Process

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring, the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See "*The Levy Limit Law*" herein). On June 9, 2020, a majority of the voters of the District approved the District's budget for the 2019-2020 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2019-2020 and 2020-2021 may be found in Appendix A, herein.

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State aid. A summary of such revenues for the five most recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See *"Tax Information"* herein.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the school districts can be paid only if the State has such monies available for such payment.

The following table sets forth the amounts of the District's General Fund revenue comprised of State aid for each of the fiscal years 2016 through 2020, inclusive and the amount budgeted for the 2021 fiscal year.

Fiscal Year Ending June 30:	General Fund Total Revenue	State Aid	State Aid to Revenues (%)
2016	$160,684,214	$47,041,664	29.28
2017	165,377,637	49,605,185	30.00
2018	171,652,525	50,736,192	29.56
2019	175,872,059	52,466,351	29.83
2020	179,945,052	53,608,595	29.79
2021 (Budgeted)	183,999,908	51,131,466	27.79

Source: Audited Financial Statements of the District and Adopted Budgets of the District.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See "*STAR – School Tax Exemption*" herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

On October 30, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a $14.9 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of $63 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has 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. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in 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.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Enacted Budget continues authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan repaired by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

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 federal 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.

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 or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Litigation regarding apportionment of State aid. In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity* ("CFE") v. *State of 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 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 State Legislature as an amount sufficient to provide a sound basic education - was reasonably determined. State legislative reforms enacted in the wake of the decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York*, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled *NYSER* v. *State of New York* has been filed recently on behalf of the State's public-school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in *CFE* v. *State of New York*. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER's claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments. It is not possible to predict the outcome of this litigation.

Recent Events Affecting State Aid to New York School Districts

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

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The State's 2014-2015 Budget included a $1.1 billion or 5.3% increase in State aid to school districts for the 2014-2015 school year. High-need school districts received 70% of the State aid increase. The State's 2014-2015 Budget restored $602 million of Gap Elimination Adjustment reductions that had been imposed on school districts from 2010-2011 to 2012-2013. The State's 2014-2015 Budget invested $1.5 billion over five years to support the phase-in of a Statewide universal full-day pre-kindergarten program.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. Said budget included an increase of $1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process.

School district fiscal year (2016-2017): The State's 2016-2017 Budget included a school aid increase of $991 million over 2015-2016, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the State's 2016-2017 Budget included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment (the "GEA"). The majority of the remaining increase ($100 million) related to Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. Such funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School district fiscal year (2017-2018): The State's 2017-2018 Budget provided for school aid of approximately $25.8 billion, an increase of $1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases were targeted to high need school districts. 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's 2017-18 Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans.

School district fiscal year (2018-2019): The State's 2018-2019 Budget provided for school aid of approximately $26.7 billion, an increase of approximately $1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases were targeted to high need school districts. 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 5.2% and building aid increased by 4.7%. The State 2018¬2019 Budget continued to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans.

School district fiscal year (2019-2020): The State's 2019-2020 school year, the State's Enacted Budget included a total of $27.9 billion for School Aid, a year-to-year funding increase of approximately $1.2 billion. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education continued in full, as is the State's usual practice. Transportation aid increased by approximately 4.5% and building aid will increase by approximately 3.7%. The State 2019¬2020 Enacted Budget continues to link school aid increases for 2019-2020 and 2020-2021 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

The State provides annual State aid to school districts in the State, including the District, on the basis of various formulas. Due to the State's own budgetary crisis in 2009 and to assist the State in mitigating the impacts of its own revenue shortfall, the State reduced the allocation of State aid to school districts as part of a program known as the Gap Elimination Adjustment ("GEA"). The GEA was a negative number (funds that were deducted from the State aid originally due to the District under State aid formulas). The District's State aid was reduced as a result of the GEA program starting in 2009. Subsequent State budgets decreased the amount of the GEA deduction and the State's 2016-2017 Budget eliminated the remaining balance of the GEA.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds by the State to finance improved educational technology and infrastructure to enhance learning and opportunity for students throughout the State. The District's estimated allocation of funds is $4,494,641.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Risk Factors*").

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews

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

The fiscal stress scores are based on financial information submitted as part of each school ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the Office of the State Comptroller (OSC). Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible 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 most current applicable report of OSC designates the District as "No Designation" (Fiscal Score: 0.0%, Environmental Score: 10.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit was released on January 17, 2020. The purpose of the audit was to determine whether extra-classroom activity (ECA) clubs and central treasurers safeguarded funds by properly recording and disbursing funds.. The complete report may be found on the State Comptroller's official website.

Employee Pension System

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service 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 State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010 and before March 31, 2012. ERS employees contribute 3% of their salaries and TRS employees contribute 3.5% of their salaries. There is no provision for these employee contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier 6 for employees hired after April 1, 2012. This new pension tier has progressive employee contribution rates between 3% and 6% and such employee contributions continue so long as the employee continues to accumulate pension credits; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. To help mitigate the impact of such increases, various forms of legislation have been enacted that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund in the 2018-2019 fiscal year.

The following chart represents the TRS and ERS required contributions for each of the last five completed fiscal years and budgeted for the 2021 fiscal year.

Fiscal Year Ending June 30:	TRS	ERS
2016	$3,664,061	$11,197,190
2017	3,171,697	8,494,043
2018	3,127,360	7,694,601
2019	3,209,613	6,658,296
2020	3,189,269	7,355,366
2021 (Budgeted)	3,199,000	7,356,000

Source: Audited Financial Statements and Adopted Budgets of the District.

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 Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, 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. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended June 30, 2018, the District adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The District's total OPEB liability at June 30, 2020 is as follows:

Changes in Total OPEB Liability	Fiscal Year Ending June 30, 2020:
Total OPEB liability as of July 1, 2019	$317,321,663
Changes for the year:	
Service Cost	11,668,851
Interest	12,590,477
Differences between expected and actual experience	83,498
Changes in assumptions or other inputs	21,223,458
Benefit payments	(7,380,433)
Total Changes	38,185,851
Total OPEB liability as of June 30, 2020	$355,507,514

The OSC has recently proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The District cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the District has decided to continue funding the expenditure on a pay-as-you-go basis.

Should the District be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

TAX INFORMATION

Real Property Taxes

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

The following table sets forth the percentage of the District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2016 through 2020 and the 2021 budgeted amounts.

Year Ended June 30:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2016	$160,684,214	$100,359,854	62.46
2017	165,377,637	102,611,252	62.05
2018	171,652,525	107,198,948	62.45
2019	175,872,059	111,017,867	63.12
2020	179,945,052	115,590,725	64.24
2021 (Budgeted)	183,999,908	124,735,000	67.79

Note: Budgeted estimates for real property taxes include STAR.

Tax Collection Procedure

The real property taxes of the District are levied by the District and collected by the District Tax Collector. Such taxes are due and payable on September 1 but may be paid through October 4 without penalty. Tax payments are subject to a 2% penalty from October 5 through October 31 and a 3% penalty from November 1 until paid. On November 15, the District files a report of any uncollected taxes with the County. The County thereafter, on or before April 1, pays to the District the amount of its uncollected taxes. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes in order to reimburse any uncollected taxes to the District.

The District is not responsible for the collection of taxes of any other unit of government.

As a result of the COVID-19 pandemic, in certain counties in the State, during the first half of the 2020 fiscal year, the deadline to pay property taxes, without interest or penalty, was extended in certain circumstances. No assurance can be given that similar extensions with respect to the deadlines to pay property taxes, without interest or penalty, may occur during the 2021 fiscal year. Any such extensions may result in a delay in the receipt of taxes collected.

The Tax Levy Limit Law

Chapter 97 of the New York Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

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").

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $66,800 for the 2018-19 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

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. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. 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 State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

The 2019-20 Enacted State Budget makes 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 of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

Approximately 8% of the District's 2019-2020 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 8% of the District's 2020-2021 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2021. (See *"State Aid"* herein).

Valuations, Rates, Levies and Collections

A summary of Valuations, Rates, Levies and collections is contained in Appendix A.

Selected Listing of Large Taxable Properties
2020 Assessment Roll

Name	Type	Full Valuation
Chelsea Gca Realty	Shopping Center	$422,737,000
Orange & Rockland	Utility	140,728,593
State Of New York	State Land	97,185,466
Woodbury Centre Harriman LLC	Shopping Center	27,313,700
Palisades Interstate Park Comm	State Park	20,741,000
Centro NP Monroe Plaza LLC	Shopping Center	15,363,600
Frontier Communications	Utility	14,338,704
FBG Harriman Upper Retail LLC	Shopping Center	12,128,900
FBG Wall LLC	Shopping Center	11,599,700
Extra Space of Central Valley	Storage Units	11,281,400
	Total [a]	$773,418,063

a. Represents 14.8% of the 2020-21 full valuation of $5,211,722,341.

CYBERSECURITY

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 operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against 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.

The District experienced a cyber event on September 2, 2019. Due to its cybersecurity precautions, the District was able to mitigate and quarantine the threat very quickly. To date, there has been no evidence that any personal information was breached.

LITIGATION

In common with other school districts, the District from time to time receives various notices of claim and is party to litigation. In the opinion of the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

Various property owners have filed certiorari claims under Article 7 of the Real Property Tax Law. These taxpayers assert that their property values, as presently determined, are excessive and request assessment reductions and, in most actions, a refund of property taxes previously paid. It is not possible to provide an estimate of the District's ultimate financial exposure but historically tax certiorari settlements have resulted in assessment reductions and related tax refunds for amounts less than the original claim. As of June 30, 2020, the District had $3,635,351 in a tax certiorari reserve. In any event, pursuant to applicable law the District may issue bonds to finance tax certiorari refunds should the amount of the refunds exceed the amount on hand therefore.

The District has several claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

Child Victim's Act Claims – A lawsuit has been commenced against the District under the Child Victim's Act. In the lawsuit, the plaintiff alleges instances of sexual assault by a former District employee. The District denies all allegations and liability in the lawsuit. The District is in the process of determining whether there is insurance coverage from its prior carrier for this claim. Should the plaintiff be successful in its action against the District, any liability in excess of any insurance coverage that may be available will be a District charge and would be funded either through budgetary appropriations or through the issuance of bonds.

RISK FACTORS

There are certain potential risks associated with an investment in the Bonds, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak 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. (See "*Impact of COVID-19*", "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. 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 has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds. (See "*The Tax Levy Limit Law*" under "TAX INFORMATION" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Bonds, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. 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, exclusion from gross income for federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of the Bonds is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the note premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto in Appendix C.

DISCLOSURE UNDERTAKING

In order to assist the purchasers of the Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will execute an "Undertaking to Provide Continuing Disclosure", substantially in the form of which is attached hereto as Appendix D.

RATING

The District has applied to Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, for a rating on the Bonds and such rating is pending at this time. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds 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 Bonds 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.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the business office of the District: Tawnya Muhlrad, District Treasurer, Monroe-Woodbury Central School District, 278 Route 32, Central Valley, New York 10917, telephone number 845/460-6000 Ext. 2651 and email: tmuhlrad@mw.k12.ny.us or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

By: s/s STACI McCLEARY
President of the Board of Education
and Chief Fiscal Officer

December , 2020

APPENDIX A

FINANCIAL INFORMATION

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and Fund Balances
General Fund

	2016	2017	2018	2019	2020
Revenues:					
Real Property Taxes	$ 100,359,854	$ 102,611,252	$ 107,198,948	$ 111,017,867	$ 115,590,725
Other Real Property Tax Items	10,759,686	9,832,002	9,502,890	9,130,776	7,690,107
Charges for Services	608,979	532,379	639,189	714,247	537,533
Use of Money and Property	239,190	305,991	1,563,427	1,232,755	787,936
Sale of Property and Compensation for Loss	1,049	154,806	722,028	193,096	460,894
Miscellaneous	1,496,071	1,249,046	988,184	891,322	936,346
State Sources	47,041,664	50,432,308	50,736,192	52,466,351	53,608,595
Federal Sources	177,721	259,853	301,667	225,645	332,916
Total Revenues	160,684,214	165,377,637	171,652,525	175,872,059	179,945,052
Expenditures:					
General Support	15,786,556	16,924,199	17,257,603	17,999,576	18,145,651
Instruction	83,959,773	86,617,750	89,672,797	92,536,243	95,122,393
Pupil Transportation	10,091,478	8,979,971	10,183,535	10,633,899	9,297,631
Community Service	157,949	139,972	147,414	156,623	109,624
Employee Benefits	38,864,035	40,311,415	42,964,062	44,732,359	42,739,308
Debt Service	5,791,371	5,785,971	5,793,371	5,806,046	5,816,422
Total Expenditures	154,651,162	158,759,278	166,018,782	171,864,746	171,231,029
Other Sources (Uses):					
Operating Transfers In					
Operating Transfers Out	(1,910,907)	(3,034,196)	(2,114,333)	(6,081,589)	(987,244)
Total Other Sources (Uses):	(1,910,907)	(3,034,196)	(2,114,333)	(6,081,589)	(987,244)
Excess (Deficit) Revenues & Other Sources Over Expenditures & Other Uses	4,122,145	3,584,163	3,519,410	(2,074,276)	7,726,779
Fund Balances Beg. of Fiscal Year	15,489,123	19,611,268	23,195,431	26,714,841	24,640,565
Prior Period Adjustments					
Fund Balances End of Fiscal Year	$ 19,611,268	$ 23,195,431	$ 26,714,841	$ 24,640,565	$ 32,367,344

Source: Audited Annual Financial Reports of the District (2016-2020)
NOTE: This table NOT audited

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

Balance Sheet - General Fund

	2019	2020
ASSETS:		
Cash and Equivalents	$ 31,562,978	$ 25,235,757
Due From Fiduciary Funds	7,358	1,436
State & Federal Aid Receivable	3,838,538	3,790,334
Due From Other Funds	3,642,056	14,073,876
Due From Other Governments	274,296	613,882
Prepaid Expenditures		2,278,285
Other Receivables	68,621	118,342
Total Assets	$ 39,393,847	$ 46,111,912
LIABILITIES:		
Accounts Payable	$ 4,005,814	$ 3,473,955
Accrued Liabilities	682,892	315,777
Due To Other Governments		
Due to Other Funds	1,212,867	46,849
Compensated Absences Payable		1,351,920
Due to Teachers' Retirement System	7,682,630	6,715,523
Due to Employees' Retirement System	802,404	821,696
Deffered Revenue	128,907	120,582
Total Liabilities & Deferred Revenue	14,515,514	12,846,302
DEFERRED INFLOWS OF RESOURCES:		
Deferred Revenue:	237,768	898,266
FUND EQUITY:		
Fund Balances:		
Nonspendable		2,278,285
Restricted	14,711,615	16,145,139
Assigned	2,847,304	5,530,817
Unassigned	7,081,646	8,413,103
Total Fund Equity and Other Credits	24,640,565	32,367,344
Total Liabilities and Fund Equity	$ 39,393,847	$ 46,111,912

Source: Audited Annual Financial Reports (2019-2020)
NOTE: This table NOT audited

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

Budget Summaries

	2019-2020[b]	2020-2021[b]
Revenues:		
Real Property Taxes	$ 122,878,000	$ 124,735,000
Other Tax Items		
Charges For Services		
Use of Money and Property		
Sale of Property and Compensation for Loss		
Miscellaneous	1,760,505	1,833,442
Federal Sources		
State Sources	53,419,591	51,131,466
Appropriated Fund Balance	1,900,000	3,800,000
Tuition	95,000	50,000
Health Services	100,000	150,000
Intrest	650,000	650,000
Penalty on Taxes	248,213	225,000
Reserves	225,000	1,425,000
Total	$ 181,276,309	$ 183,999,908
Expenditures:		
General Support	$ 19,365,233	$ 19,155,576
Instruction	96,340,752	99,427,454
Pupil Transportation	11,186,702	11,680,469
Community Service	152,300	
Employee Benefits		
Debt Service		
Interfund Transfers		
Undistributed	54,231,322	53,736,409
Total	$ 181,276,309	$ 183,999,908

(a) The adopted budget for the 2019-20 fiscal year was approved by the voters on May 21, 2019.
(b) The adopted budget for the 2019-20 fiscal year was approved by the voters on June 9, 2020.

Sources: Adopted Budgets of the District.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

ASSESSED AND FULL VALUATIONS, TAX RATES AND LEVIES

	Fiscal Year Ending June 30:				
	2017	2018	2019	2020	2021
Assessed Valuation:					
Town of:					
Blooming Grove	$ 40,860,626	$ 41,175,228	$ 40,716,245	$ 41,572,222	$ 41,347,886
Chester	226,561,745	228,307,423	231,104,784	231,043,518	230,565,046
Monroe	396,599,472	396,371,221	396,450,562	392,156,591	395,393,089
Tuxedo	40,648,589	42,862,414	42,056,897	42,014,447	48,353,154
Woodbury	654,356,318	681,288,282	689,679,172	695,460,075	701,932,090
Total Assessed Valuation	$ 1,359,026,750	$ 1,390,004,568	$ 1,400,007,660	$ 1,402,246,853	$ 1,417,591,265
Equalization Rates:					
Town of:					
Blooming Grove	18.60%	18.85%	17.15%	16.17%	14.75%
Chester	63.00%	62.50%	59.00%	58.20%	54.73%
Monroe	19.00%	19.50%	18.55%	18.15%	17.59%
Tuxedo	17.02%	16.80%	16.60%	16.55%	16.18%
Woodbury	42.75%	41.70%	38.23%	37.71%	35.75%
Full Valuation:					
Town of:					
Blooming Grove	$ 219,680,785	$ 218,436,223	$ 237,412,507	$ 257,094,756	$ 280,324,651
Chester	359,621,817	365,291,877	391,703,024	396,981,990	421,277,263
Monroe	2,087,365,642	2,032,672,928	2,137,199,795	2,160,642,375	2,247,828,818
Tuxedo	238,828,373	255,133,417	253,354,801	253,863,728	298,845,204
Woodbury	1,530,658,054	1,633,784,849	1,804,026,084	1,844,232,498	1,963,446,406
Total Full Valuation	$ 4,436,154,671	$ 4,505,319,294	$ 4,823,696,211	$ 4,912,815,347	$ 5,211,722,342
Tax Rates Per $1000					
Town of:					
Blooming Grove	$ 135.93	$ 137.15	$ 144.81	$ 154.593214	162.219699
Chester	40.13	41.36	42.08	42.965382	43.699999
Monroe	133.06	132.48	133.83	137.756543	136.012050
Tuxedo	148.55	153.87	149.61	151.127634	147.920560
Woodbury	59.14	61.99	64.95	66.322887	66.942765
Total Tax Levy	$ 112,154,152	$ 116,432,979	$ 119,765,848	$ 122,878,000	$ 122,878,000

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

APPENDIX B

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
JUNE 30, 2020
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Monroe-Woodbury Central School District
Central Valley, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Monroe-Woodbury Central School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Monroe-Woodbury Central School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary funds of the Monroe-Woodbury Central School District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 16 and 71 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe-Woodbury Central School District's basic financial statements. The supplemental schedules on pages 76 through 78 are required by the New York State Education Department and 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 supplemental schedules on pages 76 through 78 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, supplemental schedules on pages 76 through 78 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2020, on our consideration of the Monroe-Woodbury Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Monroe-Woodbury Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe-Woodbury Central School District's internal control over financial reporting and compliance.

Nugent & Haeussler, P.C.

Montgomery, New York
October 7, 2020

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Monroe-Woodbury Central School District's financial performance for the fiscal year ended June 30, 2020. This section is a summary of Monroe-Woodbury Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2020 are as follows:

The General Fund total expenditures and encumbrances were $8,298,152 under budget, reflecting a budget accuracy of 95.5%. It should be noted that due to the COVID-19 related school closure on March 13, 2020 several categories of operational expenses were lower than usual. These expenses included contract transportation, instructional materials and supplies, professional development and salary expenses for hourly and per diem employees. Some of these operational savings were applied to the 2020-2021 budget with an increase in assigned fund balance from $1.9 to $3.8 million.

The General Fund total revenues were greater than budget by $770,114, which was primarily due to actual revenue exceeding projected revenue in the following categories: miscellaneous revenue such as BOCES refund and state aid that exceeded New York State Education Department (NYSED) projections. Approximately $898,000 in state aid due to the District in July and August was reclassified as deferred revenue to account for New York State's decision to withhold 20% of this state aid due to school districts. The deferred payment to school districts and local governments is related to current and projected budget deficits for New York State as a result of decreasing tax revenues caused by the COVID-19 pandemic and the resulting economic downturn.

$5,681,931 of federal money was received to provide financial assistance and supplemental academic support for the District's low-income students, special education programs and school breakfast and lunch assistance primarily targeted for free and reduced priced lunch eligible students and families.

Outstanding encumbrances as of June 30, 2020 were $1,730,817, which is an increase from the prior year balance of $947,305. This increase is largely due to the need to purchase COVID-19 related supplies and technology equipment. These technology investments have enabled the District to enact a one-to-one student device initiative providing a Chromebook or similar device to every student in the District that needs one. This has been a costly and labor-intensive undertaking; however, it allows the District to provide the same technology tools and learning opportunities to every student regardless of their socio-economic status.

The overall year-over-year change to the District's General Fund restricted fund balance (reserves) was an increase of $1,433,524 from $14,711,615 to $16,145,139.

Debt Service - The District did not issue any new debt in the 2019-2020 fiscal year. Furthermore, the District as part of the normal debt repayment process has reduced our indebtedness during the 2019-2020 fiscal year by $4,644,206 from a beginning balance of $32,501,840 to an ending balance of $27,857,634.

Financial Highlights (Continued)

Changes in Reserves:

Capital Reserve - At the end of the 2019-2020 fiscal year, the capital reserve balance stands at $5,416,355. This is an increase from the prior year of $975,838 due to interest earnings of the reserve and the eventual receipt of the $925,000 State and Municipal (SAM) Grant through Senator James Skoufis' office. These grant funds were used to partially fund the athletic facility improvement project at the high school. The funds are being refunded to the capital reserve because capital reserve funds were used to cover capital expenses during the project. There continue to be many areas of deferred maintenance that will require capital investment in the near future making funding of the capital reserve when possible vitally important.

Tax Certiorari Reserve – The District added $566,903 to the reserve. This net addition accounts for pending tax certiorari assessment challenges and the resulting refund exposure. This addition brings the reserve balance to approximately $3.63 million. Pending tax certiorari cases with largest refund exposure include: the former Nepara chemical plant site currently owned by ELT Harriman with a refund exposure of approximately $2.14 million and Town of Palm Tree water pipeline with a refund exposure approximately $363,000. The pipeline runs under the public right of way from Cornwall through Woodbury to Palm Tree. The Palm Tree pipeline is claiming overassessment of the real property and Palm Tree is also seeking a municipal water system exemption rendering the property wholly exempt. For ELT Harriman the claim is the "cost to cure" exceeds the market value of the property clean, rendering the property worthless.

Overview of the Financial Statements

This annual report consists of three parts: 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 District:

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

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

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

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

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

Overview of the Financial Statements (Continued)
The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

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 District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and 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 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 Financial Statements

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

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

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

- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

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

- 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 District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided in the notes to the financial statements explains the relationship (or differences) between them.

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

Financial Analysis of the District as a Whole

The District's net position at June 30, 2020 is ($261,674,915). This is a $15,255,243 decrease from last year's net position of ($246,419,672). The following table provides a summary of the District's net position:

Summary of Net Position

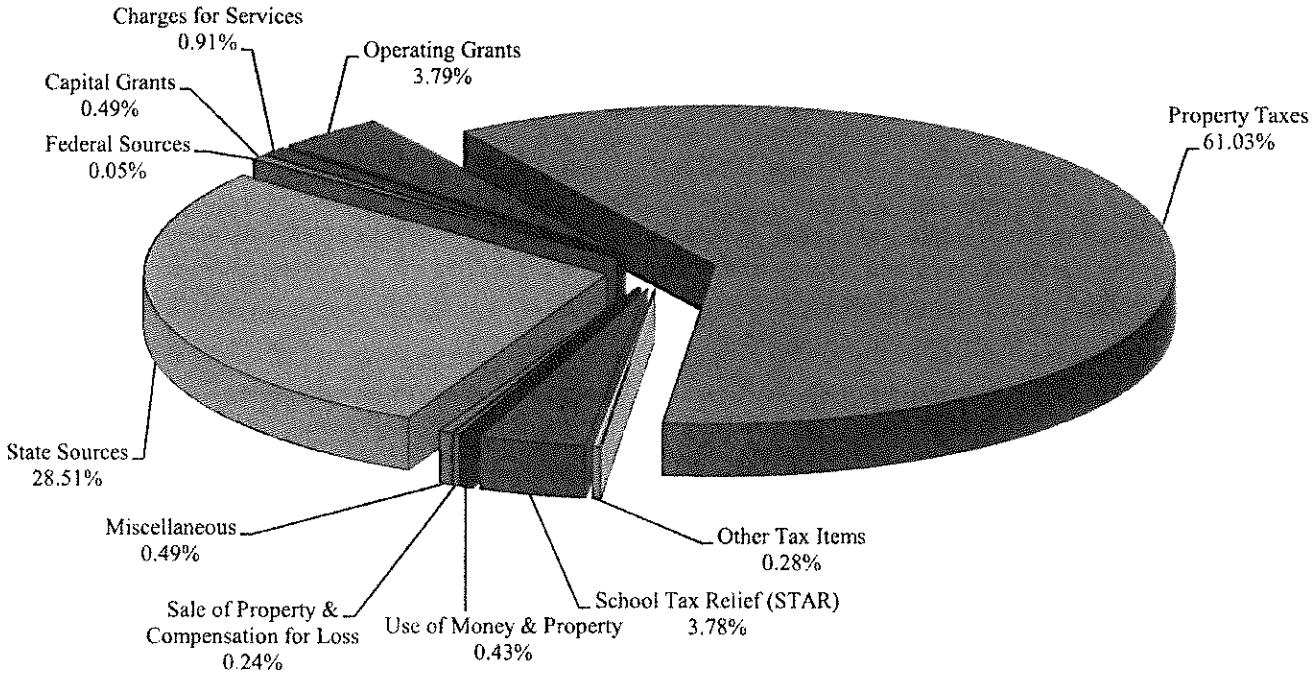
	School District Activities		
	June 30, 2020	June 30, 2019	% Change
Current Assets	$ 41,805,423	$ 43,218,039	-3.27%
Non-Current Assets	98,222,499	90,006,367	9.13%
Total Assets	140,027,922	133,224,406	5.11%
Deferred Outflows of Resources	84,252,137	64,546,894	30.53%
Current Liabilities	18,791,312	20,292,175	-7.40%
Long-Term Liabilities	418,708,467	371,226,940	12.79%
Total Liabilities	437,499,779	391,519,115	11.74%
Deferred Inflows of Resources	48,455,195	52,671,857	-8.01%
Net Position:			
Net Investment in Capital Assets	58,569,734	48,794,834	20.03%
Restricted	29,595,901	25,470,279	16.20%
Unrestricted	(349,840,550)	(320,684,785)	-9.09%
Total Net Position	$ (261,674,915)	$ (246,419,672)	-6.19%

The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the fiscal year ended June 30, 2020 and 2019:

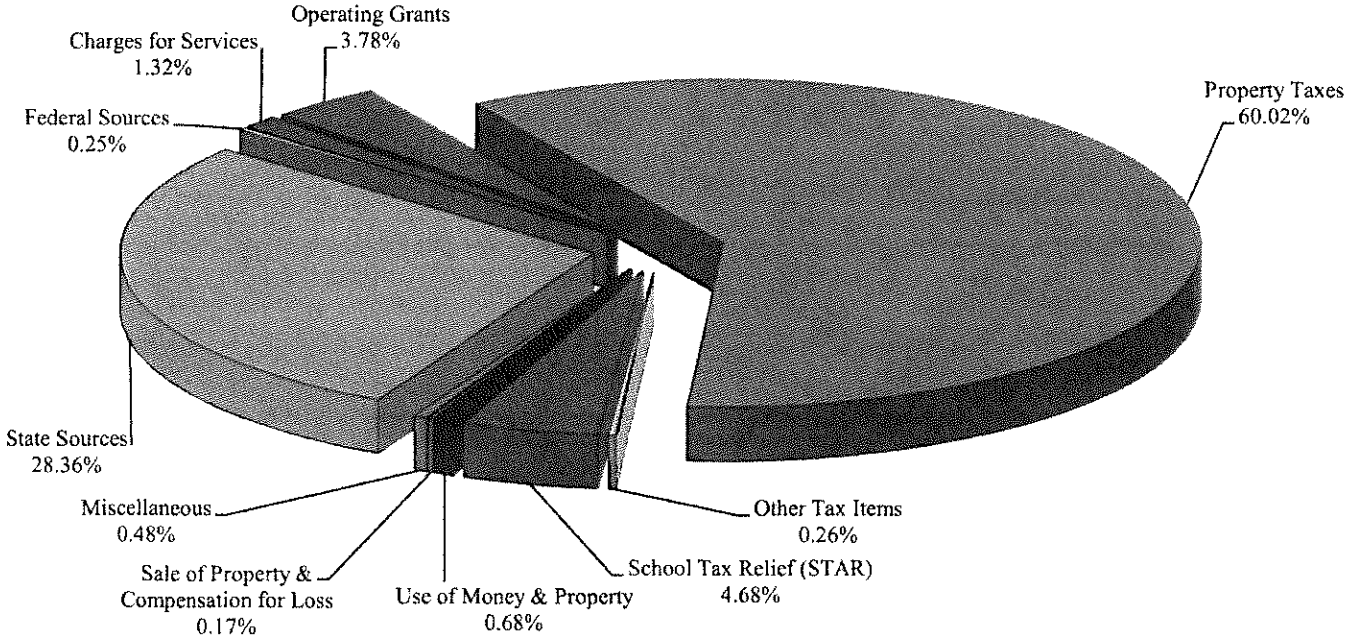
MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SUMMARY OF CHANGES IN NET POSITION

	FOR THE YEAR ENDED JUNE 30, 2020	%	FOR THE YEAR ENDED JUNE 30, 2019	%	$ Change	% Change
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 1,716,372	0.91%	$ 2,439,816	1.32%	$ (723,444)	-29.65%
Capital Grants	925,000	0.49%	0	0.00%	925,000	N/A
Operating Grants	7,188,365	3.79%	6,992,098	3.78%	196,267	2.81%
GENERAL REVENUES:						
Property Taxes	115,590,725	61.03%	111,017,867	60.02%	4,572,858	4.12%
Other Tax Items	523,053	0.28%	473,950	0.26%	49,103	10.36%
School Tax Relief (STAR)	7,167,054	3.78%	8,656,826	4.68%	(1,489,772)	-17.21%
Use of Money & Property	820,356	0.43%	1,266,787	0.68%	(446,431)	-35.24%
Sale of Property & Compensation for Loss	460,894	0.24%	316,602	0.17%	144,292	45.58%
Miscellaneous	936,346	0.49%	891,322	0.48%	45,024	5.05%
State Sources	54,014,650	28.51%	52,466,351	28.36%	1,548,299	2.95%
Federal Sources	95,148	0.05%	463,413	0.25%	(368,265)	-79.47%
TOTAL REVENUES	189,437,963	100.00%	184,985,032	100.00%	4,452,931	2.41%
EXPENSES						
General Support	17,718,405	8.66%	17,283,117	9.20%	435,288	2.52%
Instruction	101,140,056	49.43%	98,576,577	52.45%	2,563,479	2.60%
Pupil Transportation	9,630,701	4.70%	10,938,599	5.82%	(1,307,898)	-11.96%
Community Services	109,624	0.05%	156,623	0.08%	(46,999)	-30.01%
Employee Benefits	68,621,800	33.52%	52,744,556	28.07%	15,877,244	30.10%
Debt Service - Interest	967,912	0.47%	1,142,419	0.61%	(174,507)	-15.28%
Depreciation	4,635,862	2.26%	4,789,561	2.55%	(153,699)	-3.21%
School Lunch Program	1,868,846	0.91%	2,294,620	1.22%	(425,774)	-18.56%
TOTAL EXPENSES	204,693,206	100.00%	187,926,072	100.00%	16,767,134	8.92%
CHANGE IN NET POSITION	$ (15,255,243)		$ (2,941,040)		$(12,314,203)	

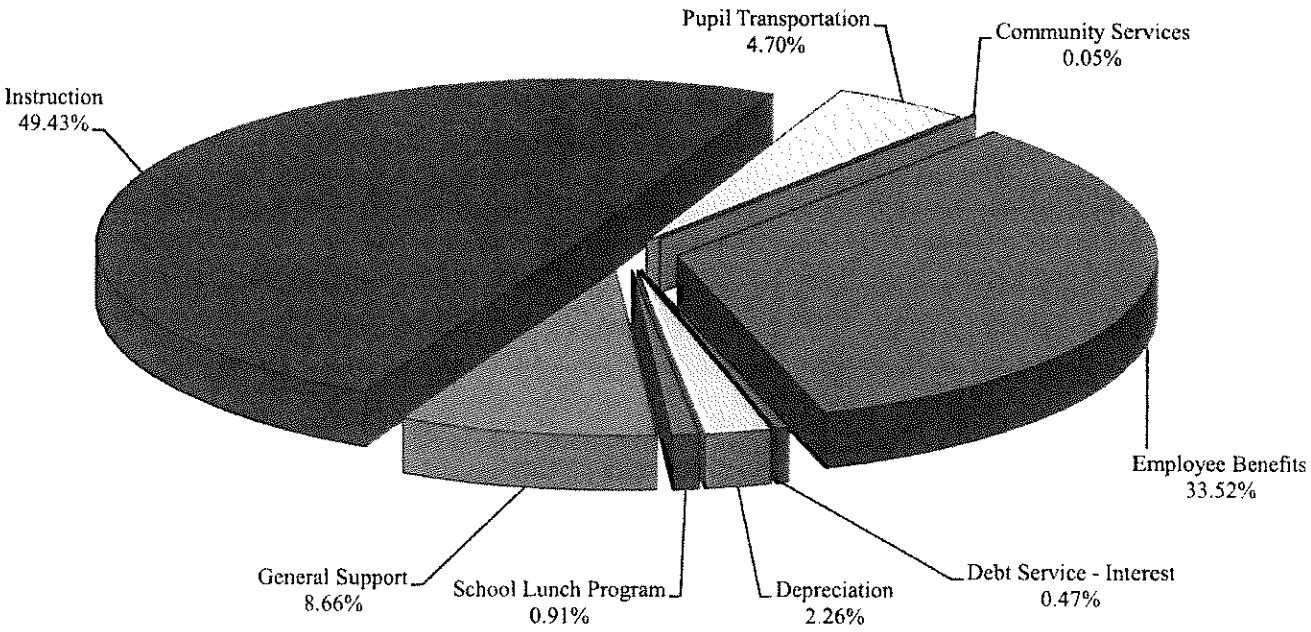
SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2020



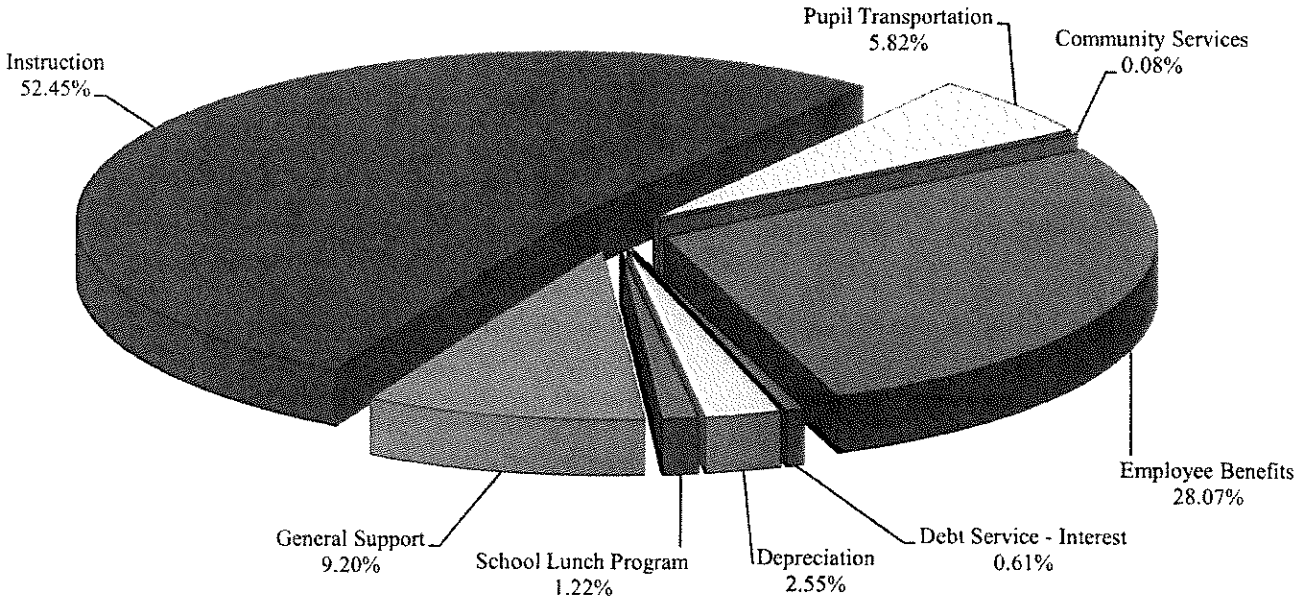
SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2019



EXPENSES FOR THE YEAR ENDED JUNE 30, 2020



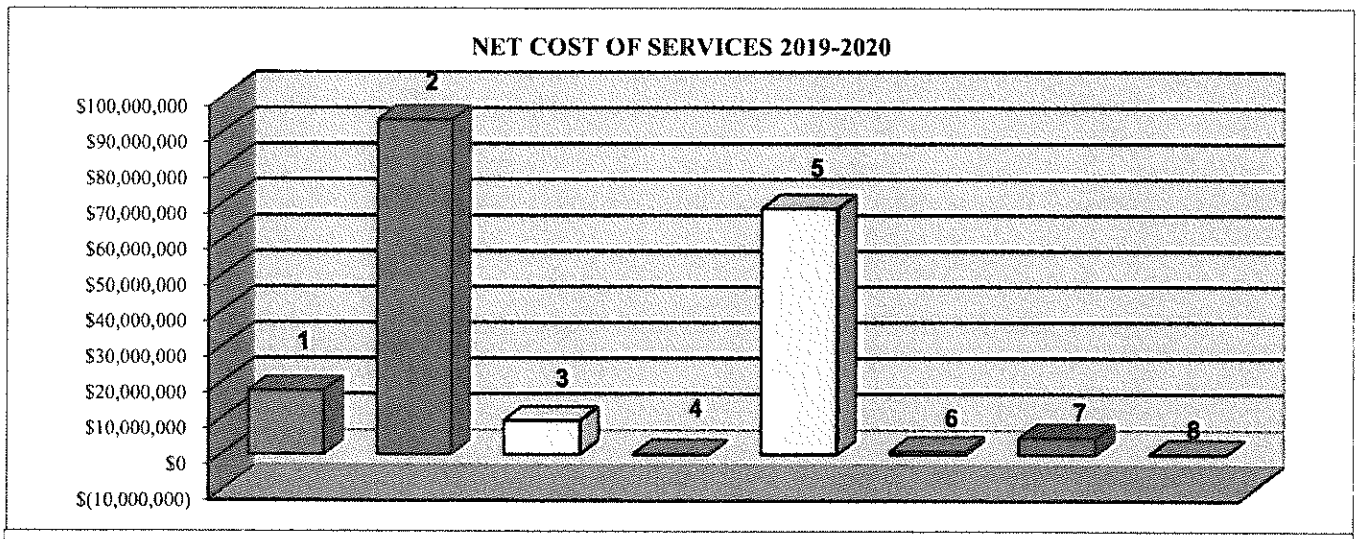
EXPENSES FOR THE YEAR ENDED JUNE 30, 2019

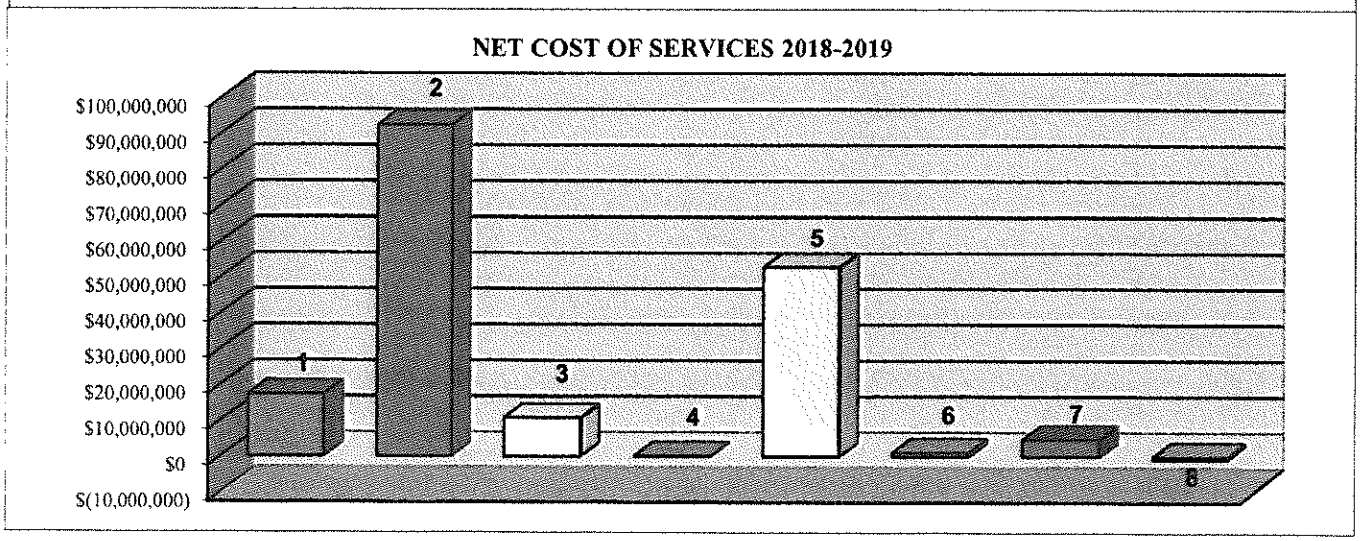


MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SUMMARY OF NET COSTS

The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2019-2020	NET COST OF SERVICES 2019-2020	TOTAL COST OF SERVICES 2018-2019	NET COST OF SERVICES 2018-2019
General Support	1	$ 17,718,405	$ 17,718,405	$ 17,283,117	$ 17,283,117
Instruction	2	101,140,056	93,441,093	98,576,577	92,373,083
Pupil Transportation	3	9,630,701	9,330,876	10,938,599	10,644,709
Community Services	4	109,624	109,624	156,623	156,623
Employee Benefits	5	68,621,800	68,621,800	52,744,556	52,744,556
Debt Service - Interest	6	967,912	967,912	1,142,419	1,142,419
Depreciation	7	4,635,862	4,635,862	4,789,561	4,789,561
School Lunch Program	8	1,868,846	37,897	2,294,620	(639,910)
		$ 204,693,206	$ 194,863,469	$ 187,926,072	$ 178,494,158





Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. The fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2020			
	Nonspendable	Restricted	Assigned	Unassigned
General	$ 2,278,285	$ 16,145,139	$ 5,530,817	$ 8,413,103
Special Aid	0	0	0	0
School Lunch	139,647	149,183	0	0
Capital Projects	0	0	0	(7,533,702)
Debt Service	0	2,656,280	0	0

	June 30, 2019			
	Nonspendable	Restricted	Assigned	Unassigned
General	$ 0	$ 14,711,615	$ 2,847,304	$ 7,081,646
Special Aid	0	0	0	0
School Lunch	115,843	592,437	0	0
Capital Projects	0	0	0	(40,666)
Debt Service	0	2,623,860	0	0

General Fund Budgetary Highlights

The original budget for the General Fund was revised by $23,629 during the fiscal year. The supplemental appropriations principally consisted of additional appropriations related to donations.

In the General Fund for the fiscal year ended June 30, 2020, actual revenues were greater than final budgeted revenues by $770,114 (0.43%). Actual expenditures and encumbrances were less than final budgeted expenditures by $8,298,152 (4.55%). Significant factors contributing to expenditures being less than the final budget were: the COVID19 related school closure in the spring caused several categories of operational expenses to be lower than usual, these expenses included contract transportation, instructional materials and supplies professional development and salary expenses for hourly and per diem employees.

For fiscal year 2019-2020, the District appropriated $1,900,000 of unassigned fund balance and $225,000 of reserves to reduce the tax levy.

The voters of the District overwhelmingly approved the 2019-2020 budget with a budget-to-budget increase of 2.65% and a tax levy increase of 2.57%, as well as the 2020-2021 budget with a budget-to-budget increase of 1.5% and a tax levy increase of 1.5%. The budget vote percentages for the 2020-2021 budget were 61% "Yes" and 39% "No". This represents a decrease in approval percentage from prior years which may be attributable to the exclusively mail in balloting process used this year or concerns related to the state of the economy.

General Fund Budgetary Highlights (Continued)

As noted earlier in this report, New York State (NYS) withheld approximately 20% of state aid due to the District in July and August. The threat of additional cuts to state looms over all school districts in the state for the 2020-2021 school year. Due to the economic downturn caused by the pandemic NYS notified school districts in the spring that state aid could be cut by as much as 20% for the 2020-2021 fiscal year. The size of the cut to state aid was dependent on fiscal strength of NYS and the future federal aid to the State. The uncertainty associated with this potential midyear cut in state aid is unresolved and casts a dark cloud over the District for the 2020-2021 year and beyond. Furthermore, the state aid runs that were generated with the adoption of the NYS budget on April 1, 2020 contained a state aid cut called the Pandemic Adjustment and a restoration of aid equal to the cut called Federal Cares Restoration. This restoration of ordinary state aid must be shared with the local non-public schools and only pandemic related expenses are eligible for this form of aid. This has the net effect of reducing our state aid and unnecessarily creating a new compliance burden for what ordinarily would be general state aid.

The District has incurred and will continue to incur new expenses associated with the COVID-19 pandemic. These expenses will impact the 2020-2021 budget and other spending categories.

Employer retirement contributions remained relatively stable during the 2019-2020 year as the retirement systems (New York State Employees' Retirement System and New York State Teachers' Retirement System) experienced improved returns on investments. It should be noted, however, that TRS rates jumped from 8.86% to 9.53% from 2019-20 to 2020-21.

We anticipate ordinary salary step and contractual increases will continue to apply upward pressure on future budgets. The District extended for one year, contracts for the Monroe-Woodbury Administrator's Association and CSEA collective bargaining units. The contract extension provided stability and continuity in the spring 2020 during the onset of the pandemic and school closures. Negotiations will begin in earnest for three units during the 2020-2021 school year including Administrators, CSEA and Teachers (MWTA) unions.

According to the Bureau of Labor Statistics, growth in the Consumer Price Index for All Urban Consumers (CPI-U) through August 2020 has increased 1.21 percent over the same period in 2019. At this point, inflation is well under the two percent threshold so it seems the property tax cap levy limit will be below 2% for the 2021-2022 school year. The tax cap calculations will use an allowable growth factor that is the lesser of two percent or the change in CPI-U between 2019 and 2020.

Other Fund Highlights

School Lunch Fund – The School Lunch Fund ended the year with a fund balance of $288,830. This fund balance is comprised of $139,647 in non-spendable fund balance (related to inventory) and $149,183 in restricted fund balance. For the year ended June 30, 2020, expenditures exceeded revenues and other sources in the School Lunch Fund by $419,450. The School Lunch Fund is in the process of developing plans to curtail future financial losses due to limited numbers of students attending school and/or school closures due to the COVID-19 pandemic.

The Capital Projects Fund ended the year with a fund balance deficit of $7,533,702. This deficit was caused by expenditures related to the Smart Schools Bond Act Project for which state aid revenue will be received in a future year, as well as the Turf and High School HVAC project that will be financed in a future year.

The Debt Service Fund ended the year with a fund balance of $2,656,280. This fund balance will be appropriated in future years to offset principal and interest payments.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2020, was $87,442,434. The increase in this net investment was 6.04% for the District (see schedule below). The District's investment in capital assets, net of accumulated depreciation as of June 30, 2019 was $82,464,000. The District expended $9,614,296 to acquire and construct capital assets during the fiscal year ended June 30, 2020, and depreciation expense for the fiscal year was $4,635,862.

CAPITAL ASSETS
Net of Accumulated Depreciation

	School District Activities		
	June 30, 2020	June 30, 2019	% Change
Non-Depreciable Assets:			
Land	$ 3,191,518	$ 3,191,518	0.00%
Construction in Progress	12,211,831	4,487,763	172.11%
Depreciable Assets:			
Land Improvements	610,121	686,118	-11.08%
Building and Improvements	64,859,092	67,573,977	-4.02%
Furniture and Equipment	1,471,984	1,460,960	0.75%
Vehicles	5,097,888	5,063,664	0.68%
TOTALS	$ 87,442,434	$ 82,464,000	6.04%

Long-Term Debt

At the end of the fiscal year, the District had total long-term debt principal outstanding of $27,857,634. This amount is backed by the full faith and credit of Monroe-Woodbury Central School District with debt service fully funded by voter approved property taxes. Activity in debt outstanding during the fiscal year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Serial Bonds dated 11/15/07	$ 1,080,000	$ 0	$ 255,000	$ 825,000
Serial Bonds dated 11/23/10	1,230,000	0	600,000	630,000
Serial Bonds dated 03/29/11	3,200,000	0	765,000	2,435,000
Serial Bonds dated 05/06/14	20,640,000	0	2,135,000	18,505,000
Installment Purchase Debt	6,351,840	0	889,206	5,462,634
Total Long-Term Debt	$32,501,840	$ 0	$4,644,206	$27,857,634

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of Aa3 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Patrick Cahill, Assistant Superintendent for Business and Management Services, at the District's business offices at Education Center, 278 Route 32, Central Valley, New York 10917.

SCHEDULE #1

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

ASSETS	
Unrestricted Cash	$ 11,495,243
Restricted Cash	18,815,836
Due from Fiduciary Funds	1,436
State & Federal Aid Receivable	8,330,133
Due from Other Governments	613,882
Other Receivables	130,961
Prepaid Expenditures	2,278,285
Inventories	139,647
Non-Depreciable Capital Assets	15,403,349
Capital Assets, Net	72,039,085
Net Pension Asset - Proportionate Share	10,780,065
TOTAL ASSETS	140,027,922
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount on Refunding	470,549
Pensions	47,199,371
Other Postemployment Benefits	36,582,217
TOTAL DEFERRED OUTFLOWS OF RESOURCES	84,252,137
LIABILITIES	
Accounts Payable	3,692,294
Accrued Liabilities	648,265
Due to Other Governments	560
Due to Teachers' Retirement System	6,715,523
Due to Employees' Retirement System	821,696
Unearned Revenues	222,997
Long-term Liabilities:	
Due and Payable Within One Year:	
Compensated Absences	1,351,920
Retained Percentages	268,543
Bonds Payable (including an unamortized bond premium of $222,842)	4,162,842
Installment Purchase Debt	906,672
Due and Payable In More Than One Year:	
Compensated Absences	20,402,147
Bonds Payable (including an unamortized bond premium of $1,262,773)	19,717,773
Installment Purchase Debt	4,555,962
Other Postemployment Benefits	355,507,514
Net Pension Liability - Proportionate Share	18,525,071
TOTAL LIABILITIES	437,499,779
DEFERRED INFLOWS OF RESOURCES	
Pensions	15,006,145
Other Postemployment Benefits	33,449,050
TOTAL DEFERRED INFLOWS OF RESOURCES	48,455,195
NET POSITION	
Net Investment in Capital Assets	58,569,734
Restricted	29,595,901
Unrestricted	(349,840,550)
TOTAL NET POSITION	$ (261,674,915)

See notes to financial statement.

SCHEDULE #2

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

		PROGRAM REVENUES			
FUNCTIONS & PROGRAMS	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS	OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
General Support	$ (27,297,418)	$ 0	$ 0	$ 0	$ (27,297,418)
Instruction	(157,277,491)	887,800	925,000	5,886,163	(149,578,528)
Pupil Transportation	(16,475,376)	0	0	299,825	(16,175,551)
Community Services	(109,624)	0	0	0	(109,624)
Debt Service - Interest	(967,912)	0	0	0	(967,912)
School Lunch Program	(2,565,385)	828,572	0	1,002,377	(734,436)
TOTAL FUNCTIONS & PROGRAMS	$ (204,693,206)	$ 1,716,372	$ 925,000	$ 7,188,365	(194,863,469)
GENERAL REVENUES					
Real Property Taxes					115,590,725
Other Tax Items					7,690,107
Use of Money & Property					820,356
Sale of Property & Compensation for Loss					460,894
Miscellaneous					936,346
State Sources					54,014,650
Federal Sources					95,148
TOTAL GENERAL REVENUES					179,608,226
CHANGE IN NET POSITION					(15,255,243)
NET POSITION, BEGINNING OF YEAR					(246,419,672)
NET POSITION, END OF YEAR					$ (261,674,915)

See notes to financial statement.

SCHEDULE #3

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Unrestricted Cash	$ 9,090,618	$ 105,596	$ 0	$ 2,299,029	$ 0	$ 11,495,243
Restricted Cash	16,145,139	0	14,417	0	2,656,280	18,815,836
Due from Other Funds	14,073,876	0	46,849	0	0	14,120,725
Due from Fiduciary Funds	1,436	0	0	0	0	1,436
State & Federal Aid Receivable	3,790,334	4,331,924	207,875	0	0	8,330,133
Due from Other Governments	613,882	0	0	0	0	613,882
Other Receivables	118,342	0	12,619	0	0	130,961
Prepaid Expenditures	2,278,285	0	0	0	0	2,278,285
Inventories	0	0	139,647	0	0	139,647
TOTAL ASSETS	$ 46,111,912	$ 4,437,520	$ 421,407	$ 2,299,029	$ 2,656,280	$ 55,926,148
LIABILITIES & FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 3,473,955	$ 188,650	$ 25,389	$ 4,300	$ 0	$ 3,692,294
Accrued Liabilities	315,777	3,425	4,213	0	0	323,415
Due to Other Funds	46,849	4,245,445	0	9,828,431	0	14,120,725
Due to Other Governments	0	0	560	0	0	560
Due to Teachers' Retirement System	6,715,523	0	0	0	0	6,715,523
Due to Employees' Retirement System	821,696	0	0	0	0	821,696
Compensated Absences Payable	1,351,920	0	0	0	0	1,351,920
Unearned Revenues	120,582	0	102,415	0	0	222,997
TOTAL LIABILITIES	12,846,302	4,437,520	132,577	9,832,731	0	27,249,130
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	898,266	0	0	0	0	898,266
FUND BALANCES						
Nonspendable	2,278,285	0	139,647	0	0	2,417,932
Restricted	16,145,139	0	149,183	0	2,656,280	18,950,602
Assigned	5,530,817	0	0	0	0	5,530,817
Unassigned	8,413,103	0	0	(7,533,702)	0	879,401
TOTAL FUND BALANCES	32,367,344	0	288,830	(7,533,702)	2,656,280	27,778,752
TOTAL LIABILITIES & FUND BALANCES	$ 46,111,912	$ 4,437,520	$ 421,407	$ 2,299,029	$ 2,656,280	$ 55,926,148

See notes to financial statement.

SCHEDULE #4

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS & DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Unrestricted Cash	$ 11,495,243	$ 0	$ 0	$ 11,495,243
Restricted Cash	18,815,836	0	0	18,815,836
Due from Other Funds	14,120,725	0	(14,120,725)	0
Due from Fiduciary Funds	1,436	0	0	1,436
State & Federal Aid Receivable	8,330,133	0	0	8,330,133
Due from Other Governments	613,882	0	0	613,882
Other Receivables	130,961	0	0	130,961
Prepaid Expenditures	2,278,285	0	0	2,278,285
Inventories	139,647	0	0	139,647
Non-Depreciable Capital Assets	0	15,403,349	0	15,403,349
Capital Assets, Net	0	72,039,085	0	72,039,085
Net Pension Asset - Proportionate Share	0	10,780,065	0	10,780,065
TOTAL ASSETS	55,926,148	98,222,499	(14,120,725)	140,027,922
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	0	470,549	0	470,549
Pensions	0	47,199,371	0	47,199,371
Other Postemployment Benefits	0	36,582,217	0	36,582,217
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	84,252,137	0	84,252,137
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 55,926,148	$ 182,474,636	$ (14,120,725)	$ 224,280,059
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	$ 3,692,294	$ 0	$ 0	$ 3,692,294
Accrued Liabilities	323,415	324,850	0	648,265
Due to Other Funds	14,120,725	0	(14,120,725)	0
Due to Other Governments	560	0	0	560
Due to Teachers' Retirement System	6,715,523	0	0	6,715,523
Due to Employees' Retirement System	821,696	0	0	821,696
Compensated Absences	1,351,920	20,402,147	0	21,754,067
Unearned Revenues	222,997	0	0	222,997
Retained Percentages	0	268,543	0	268,543
Bonds Payable (including an unamortized bond premium of $1,485,615)	0	23,880,615	0	23,880,615
Installment Purchase Debt	0	5,462,634	0	5,462,634
Other Postemployment Benefits	0	355,507,514	0	355,507,514
Net Pension Liability - Proportionate Share	0	18,525,071	0	18,525,071
TOTAL LIABILITIES	27,249,130	424,371,374	(14,120,725)	437,499,779
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	898,266	(898,266)	0	0
Pensions	0	15,006,145	0	15,006,145
Other Postemployment Benefits	0	33,449,050	0	33,449,050
TOTAL DEFERRED INFLOWS OF RESOURCES	898,266	47,556,929	0	48,455,195
FUND BALANCES / NET POSITION	27,778,752	(289,453,667)	0	(261,674,915)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	$ 55,926,148	$ 182,474,636	$ (14,120,725)	$ 224,280,059

See notes to financial statement.

SCHEDULE #5

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Real Property Taxes	$ 115,590,725	$ 0	$ 0	$ 0	$ 0	$ 115,590,725
Other Tax Items	7,690,107	0	0	0	0	7,690,107
Charges for Services	537,533	0	0	0	0	537,533
Use of Money & Property	787,936	0	0	0	32,420	820,356
Sale of Property & Compensation for Loss	460,894	0	0	0	0	460,894
Miscellaneous	936,346	0	30	0	0	936,376
State Sources	53,608,595	1,469,847	36,587	925,000	0	56,040,029
Federal Sources	332,916	4,716,141	965,790	0	0	6,014,847
Sales	0	0	828,542	0	0	828,542
TOTAL REVENUES	179,945,052	6,185,988	1,830,949	925,000	32,420	188,919,409
EXPENDITURES						
General Support	18,145,651	28,050	1,171,518	0	0	19,345,219
Instruction	95,122,393	5,440,030	0	0	0	100,562,423
Pupil Transportation	9,297,631	374,781	0	1,072,235	0	10,744,647
Community Services	109,624	0	0	0	0	109,624
Employee Benefits	42,739,308	1,136,287	428,402	0	0	44,303,997
Debt Service:						
Principal	4,644,206	0	0	0	0	4,644,206
Interest	1,172,216	0	0	0	0	1,172,216
Cost of Sales	0	0	697,328	0	0	697,328
Capital Outlay	0	0	0	7,493,036	0	7,493,036
TOTAL EXPENDITURES	171,231,029	6,979,148	2,297,248	8,565,271	0	189,072,696
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	8,714,023	(793,160)	(466,299)	(7,640,271)	32,420	(153,287)
OTHER SOURCES & USES						
Operating Transfers In	0	793,160	46,849	147,235	0	987,244
Operating Transfers (Out)	(987,244)	0	0	0	0	(987,244)
TOTAL OTHER SOURCES & USES	(987,244)	793,160	46,849	147,235	0	0
NET CHANGE IN FUND BALANCES	7,726,779	0	(419,450)	(7,493,036)	32,420	(153,287)
FUND BALANCES, BEGINNING OF YEAR	24,640,565	0	708,280	(40,666)	2,623,860	27,932,039
FUND BALANCES, END OF YEAR	$ 32,367,344	$ 0	$ 288,830	$ (7,533,702)	$ 2,656,280	$ 27,778,752

See notes to financial statement.

SCHEDULE #6

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 115,590,725	$ 0	$ 0	$ 0	$ 0	$ 115,590,725
Other Tax Items	7,690,107	0	0	0	0	7,690,107
Charges for Services	537,533	350,267	0	0	0	887,800
Use of Money & Property	820,356	0	0	0	0	820,356
Sale of Property & Compensation for Loss	460,894	0	0	0	0	460,894
Miscellaneous	936,376	0	0	0	0	936,376
State Sources	56,040,029	406,055	0	0	0	56,446,084
Federal Sources	6,014,847	(237,768)	0	0	0	5,777,079
Sales	828,542	0	0	0	0	828,542
TOTAL REVENUES	188,919,409	518,554	0	0	0	189,437,963
EXPENDITURES						
General Support	19,345,219	269,753	(684,541)	0	8,366,987	27,297,418
Instruction	100,562,423	577,633	3,357,036	0	52,780,399	157,277,491
Pupil Transportation	10,744,647	13,722	77,656	0	5,639,351	16,475,376
Community Services	109,624	0	0	0	0	109,624
Employee Benefits	44,303,997	24,317,803	0	0	(68,621,800)	0
Debt Service:						
Principal	4,644,206	0	0	(4,644,206)	0	0
Interest	1,172,216	(52,044)	0	(152,260)	0	967,912
Cost of Sales	697,328	0	32,994	0	1,835,063	2,565,385
Capital Outlay	7,493,036	0	(7,493,036)	0	0	0
TOTAL EXPENDITURES	189,072,696	25,126,867	(4,709,891)	(4,796,466)	0	204,693,206
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(153,287)	(24,608,313)	4,709,891	4,796,466	0	(15,255,243)
OTHER SOURCES & USES						
Operating Transfers In	987,244	0	0	0	(987,244)	0
Operating Transfers (Out)	(987,244)	0	0	0	987,244	0
TOTAL OTHER SOURCES & USES	0	0	0	0	0	0
NET CHANGE FOR THE YEAR	$ (153,287)	$ (24,608,313)	$ 4,709,891	$ 4,796,466	$ 0	$ (15,255,243)

See notes to financial statement.

SCHEDULE #7

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	PRIVATE PURPOSE TRUSTS	AGENCY
ASSETS		
Cash	$ 368,084	$ 236,143
TOTAL ASSETS	$ 368,084	$ 236,143
LIABILITIES & NET POSITION		
LIABILITIES		
Due to Other Funds	$ 0	$ 1,436
Extraclassroom Activity Balances	0	232,858
Other Liabilities	0	1,849
TOTAL LIABILITIES	0	$ 236,143
NET POSITION		
Restricted for Scholarships	368,084	
TOTAL LIABILITIES & NET POSITION	$ 368,084	

See notes to financial statement.

SCHEDULE #8

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Gifts and Contributions	$ 12,613
Investment Earnings	3,930
TOTAL ADDITIONS	16,543
DEDUCTIONS	
Scholarships & Awards	12,788
CHANGE IN NET POSITION	3,755
NET POSITION, BEGINNING OF YEAR	364,329
NET POSITION, END OF YEAR	$ 368,084

See notes to financial statement.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of Monroe-Woodbury Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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

Monroe-Woodbury 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 nine members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the 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.

1. 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 have been included in this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

B. Joint Venture

The District is a component district in the Orange/Ulster County Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

NOTE 1. SUMMARY OF CERTAIN 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 also are 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 ended June 30, 2020, Monroe-Woodbury Central School District was billed $14,626,334 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,811,279. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road, Goshen, New York 10924.

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 non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) 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 in 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 CERTAIN 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 Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and federal grants that are restricted for specific educational programs.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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.

The District reports the following fiduciary funds:

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements (Continued)

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 14, 2019. Taxes were collected during the period of September 1, 2019 through November 4, 2019.

Uncollected real property taxes are subsequently enforced by the County of Orange. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

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.

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 expenditure and revenues to provide financing or other services.

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

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

Refer to Note 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

I. Cash and Investments (Continued)

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 United States and its agencies and obligations of the State and its municipalities and districts.

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 purchase and an expense/expenditure is reported in the year the goods or services are consumed.

L. Other Assets/Restricted Assets:

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

M. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

M. Capital Assets (Continued)

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
Land Improvements	$ 5,000	Straight Line	15- 50 years
Buildings and Improvements	5,000	Straight Line	40-50 years
Furniture and Equipment	5,000	Straight Line	5 -20 years
Vehicles	5,000	Straight Line	5 -20 years

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The District reports deferred amounts on refunding in the Statement of Net Position as a deferred outflow of resources. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second deferred outflow is related to pensions reported in the Statement of Net Position. For additional information on these deferred outflows related to pensions, see Note 7. The third deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 9.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first arises on the Balance Sheet under the modified accrual basis of accounting when potential revenues do not meet both the measurable and available criteria for recognition in the current period and when revenue is received that applies to a future period. The District reports deferred inflows of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 7. The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits, see Note 9.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

O. Deferred and Unearned Revenue

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the deferred or unearned revenues are removed and revenues are recorded. Many deferred revenues recorded in governmental funds are not recorded in the district-wide statements.

P. Vested Employee Benefits

1. Compensated Absences

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

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

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

2. Other Benefits

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Vested Employee Benefits (Continued)

2. Other Benefits (Continued)

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

Q. Short-Term Debt

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes to 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.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

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 postemployment benefits and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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

1. District-wide Statements

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

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

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.

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

2. Funds Statements

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

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid items in the General Fund of $2,278,285 and inventory in the School Lunch Fund of $139,647.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

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:

Capital Reserve

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

Repair Reserve

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund 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.

Workers' Compensation Reserve

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. The reserve is accounted for in the General Fund under Restricted Fund Balance.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Unemployment Insurance Reserve

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.

Tax Certiorari Reserve

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

Employee Benefit Accrued Liability Reserve

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.

Retirement Contribution Reserve

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Teachers' Retirement Contribution Reserve

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers' Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law § 521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed to the TRS Sub-fund annually cannot exceed 2% of the total salaries of all teachers employed by the District paid during the previous fiscal year. In addition, the total balance of the TRS Sub-fund cannot exceed 10% of the total salaries of all teachers employed by the District paid during the previous fiscal year.

Restricted fund balance at June 30, 2020 consisted of:

General Fund:	
Capital Reserve	$ 5,416,355
Repair Reserve	77,195
Workers' Compensation Reserve	1,531,819
Unemployment Insurance Reserve	592,039
Tax Certiorari Reserve	3,635,353
Employee Benefit Accrued Liability Reserve	2,670,969
Retirement Contribution Reserve	1,715,794
Teachers' Retirement Contribution Reserve	505,615
School Lunch Fund	149,183
Debt Service Fund	2,656,280
Total Restricted Fund Balance	$ 18,950,602

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2020.

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.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determine next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Limitation on Unexpended Surplus Funds:

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund budget 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 fiscal year and encumbrances are also excluded from the 4% limitation.

T. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2020, the District implemented the following new standards issued by GASB:

- GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* effective for the year ending June 30, 2020.

GASB has issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the several pronouncements were postponed by one year. Effective dates provided in Note U have been updated to reflect this.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards

GASB has issued Statement 84, *Fiduciary Activities*, which will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB has issued Statement 87, *Leases*, which will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were not classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under, this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB has issued Statement 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, which will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and will improve the relevance of financial statement information of certain component units. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB has issued Statement 91, *Conduit Debt Obligations*, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards (Continued)

GASB has issued Statement 92, *Omnibus 2020*, which will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which addresses accounting and financial reporting implications that result from the replacement of an IBOR (interbank offered rate). The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will improve financial reporting by establishing the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards (Continued)

GASB 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*, which will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

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

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

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

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

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2020 were as follows:

Original Cost of Capital Assets	$ 174,202,904
Accumulated Depreciation	(86,760,470)
	$ 87,442,434

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

2. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts is included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2020 were as follows:

Net Pension Asset - Proportionate Share	$ 10,780,065
Deferred Outflow of Resources - Pensions	47,199,371
Net Pension Liability - Proportionate Share	(18,525,071)
Deferred Inflow of Resources - Pensions	(15,006,145)
	$ 24,448,220

3. In a debt refunding, the difference between the reacquisition price and the net carrying amount of the old bonds is recorded as the deferred amount on refunding and included as a deferred outflow of resources in the Statement of Net Position. However, this amount is not included on the Balance Sheet as it was recorded as an expenditure when it was due, and thus required the use of current financial resources. The balance at June 30, 2020 was as follows:

Deferred Amount on Refunding	$ 470,549

4. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2020 was as follows:

Accrued Interest	$ 324,850

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

5. Revenues may be deferred on the Balance Sheet if they are not expected to be received in the current period. However, on the Statement of Net Position, these revenues are earned and not deferred accordingly. Adjustments to deferred revenues as of June 30, 2020 were as follows:

Charges for Services - Day School Tuition Revenue	$	350,267
State Sources - Excess Cost Aid		406,055
Federal Unemployment Insurance Reimbursement		141,944
	$	898,266

6. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2020 were as follows:

Compensated Absences	$	20,402,147
Retained Percentages		268,543
Bonds Payable (including an unamortized bond premium of $1,485,615)		23,880,615
Installment Purchase Debt		5,462,634
Deferred Outflows of Resources - OPEB		(36,582,217)
Other Postemployment Benefits		355,507,514
Deferred Inflows of Resources - OPEB		33,449,050
	$	402,388,286

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

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

1. Long-Term Revenue Differences

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Pension Plan Transaction Differences

Pension plan transaction 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.

5. Other Postemployment Benefit (OPEB) Related 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 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Explanation of Differences between Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds (Schedule 5)	$ 188,919,409
Because some revenue will not be collected for several months after the District's fiscal year-end, they are not considered as "available" revenues in the governmental funds. However, they are considered to be earned in the Statement of Activities. This is the amount by which the revenues recognized in the Statement of Activities this year were greater than in the previous year.	518,554
Total revenues in the Statement of Activities (Schedule 2)	$ 189,437,963

Total Expenditures & Other Uses/Expenses

Total expenditures and other uses reported in governmental funds (Schedule 5)	$ 189,072,696
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured to the extent that they have matured (essentially, the amounts paid or payable). This is the amount by which compensated absences incurred exceeded the amounts paid or payable during the year.	861,108
In the governmental funds, expenditures related to retainage are not recognized until the retainage becomes due and payable. However, in the Statement of Activities, expenses related to retainage are recognized when they are incurred. This is the amount by which retainage incurred, but not due and payable at the end of the current year was greater than retainage incurred, but not due and payable at the end of the previous year.	268,543

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Total Expenditures & Other Uses/Expenses (Continued)

Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year is less than the interest payable last year.	(52,044)
In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	13,975,601
In the Statement of Activities, pension expense related to the ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense exceeded the amount of financial resources expended during the year.	10,484,146
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $9,614,296 were more than depreciation of $4,635,862 in the current year.	(4,978,434)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Total Expenditures & Other Uses/Expenses (Continued)

Repayment of bond and installment debt principal is an expenditure in the governmental funds when it is due and paid, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(4,644,206)
Because some expense reimbursements will not be collected for several months after the District's fiscal year-end, they are not considered as "available" in the governmental funds. However, they are considered to be earned in the Statement of Activities. This is the amount by which the expense reimbursements recognized in the Statement of Activities this year were greater than in the previous year.	(141,944)
Premiums and discounts on long-term debt issuances and deferred amounts from debt refundings are considered to have been earned or incurred in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized over the life of the related debt in the Statement of Activities. This is the net amount that was amortized during the current year.	(152,260)
Total expenses in the Statement of Activities (Schedule 2)	$ 204,693,206

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. 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.

NOTE 3. STEWARDSHIP AND COMPLIANCE. (Continued)

A. Budgets (Continued)

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 fiscal 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. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #5.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

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.

B. Encumbrances

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

C. Other Stewardship and Compliance Matters

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. Actions the District plans to pursue to address this issue include transferring surplus into one of the district's reserves such as the capital reserve.

The District was in compliance with all other legal and contractual provisions for the fiscal year.

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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.

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 or by irrevocable stand-by letters of credit issued by the Federal Home Loan Bank.	$ 16,892,983.

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 $18,815,836 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the Cooperative Liquid Assets Securities System – New York (CLASS) as of year-end are $3,364,214,294, which consisted of $214,167,351 in repurchase agreements, $2,065,434,434 in U.S. Treasury Securities, $195,149,640 in certificates of deposits and $889,462,869 in collateralized bank deposits, with various interest rate and due dates.

The following amounts invested in this cooperative are included as unrestricted and restricted cash:

Fund	Bank Balance	Carrying Amount
General Fund	$ 15,001,779	$ 15,001,779

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of CLASS.

NOTE 5. CAPITAL ASSETS.

Capital asset balances and activity for the fiscal year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 3,191,518	$ 0	$ 0	$ 3,191,518
Construction in Progress	4,487,763	7,759,408	(35,340)	12,211,831
Total Nondepreciable Assets	7,679,281	7,759,408	(35,340)	15,403,349
Capital assets that are depreciated:				
Land Improvements	3,036,363	15,451	(26,121)	3,025,693
Buildings and Improvements	134,000,045	376,583	35,340	134,411,968
Furniture & Equipment	5,649,007	325,703	(865,614)	5,109,096
Vehicles	16,241,620	1,137,151	(1,125,973)	16,252,798
Total Depreciable Assets	158,927,035	1,854,888	(1,982,368)	158,799,555
Less: Accumulated Depreciation	(84,142,316)	(4,635,862)	2,017,708	(86,760,470)
Capital Assets, Net	$82,464,000	$ 4,978,434	$ 0	$87,442,434

Depreciation expense was charged to governmental functions as follows:

General Support	$ 40,508
Instruction	3,357,036
Transportation	1,205,324
Cost of Sales	32,994
Total Depreciation	$ 4,635,862

NOTE 6. LONG-TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable	$ 26,150,000	$ 0	$ 3,755,000	$ 22,395,000	$3,940,000
Bond Premiums	1,708,457	0	222,842	1,485,615	222,842
	27,858,457	0	3,977,842	23,880,615	4,162,842
Installment Purchase Debt	6,351,840	0	889,206	5,462,634	906,672
Total Bonds and Notes Payable	34,210,297	0	4,867,048	29,343,249	5,069,514
Other Liabilities:					
Compensated Absences	19,541,039	2,213,028	0	21,754,067	1,351,920
Retained Percentages	0	268,543	0	268,543	268,543
Other Postemployment Benefits	317,321,663	45,566,284	7,380,433	355,507,514	0
Net Pension Liability Proportionate Share	5,020,989	24,048,717	10,544,635	18,525,071	0
Total Other Liabilities	341,883,691	72,096,572	17,925,068	396,055,195	1,620,463
Total Long-Term Liabilities	$376,093,988	$72,096,572	$22,792,116	$425,398,444	$6,689,977

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

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bonds	11/15/07	11/15/22	4%	$ 825,000
Serial Bonds	11/23/10	06/15/21	4%	630,000
Serial Bonds	03/29/11	01/15/23	2.5% - 3.25%	2,435,000
Serial Bonds	05/06/14	02/15/27	3% - 5%	18,505,000
Note Payable	07/07/10	04/01/26	1.95%	5,462,634
				$27,857,634

NOTE 6. LONG-TERM LIABILITIES. (Continued)

The following is a summary of maturing debt service requirements:

For the Year Ended June 30,	Principal	Interest
2021	$ 4,846,672	$ 990,649
2022	4,414,482	799,309
2023	4,607,642	623,374
2024	3,611,158	444,857
2025	3,770,038	293,477
2026 - 2030	6,607,642	287,051
TOTAL	$27,857,634	$3,438,717

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

Interest paid	$ 1,172,216
Less: Interest accrued in the prior year	(376,894)
Less: Amortization of bond premiums	(222,842)
Plus: Interest accrued in the current year	324,850
Plus: Amortization of deferred amounts on refunding	70,582
Total interest expense	$ 967,912

NOTE 7. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS 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 fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers' Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information, please refer to the NYSTRS Comprehensive Annual Financial Report, which can be found on the System s website, located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

NOTE 7. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

NOTE 7. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 6 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% greater than the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

NOTE 7. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

NOTE 7. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credit service times final average salary.

Under Article 19 of the RSSL, eligible Tiers 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of two additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55 through 62 regardless of service credit.

Vested Benefits

Retirement benefits after 5 years of credited service except for Tiers 5 and 6 where 10 years of credited service are required. Benefits are payable at age 55 or greater with the limitations noted for service requirements above.

NOTE 7. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index not to exceed 3% nor be lower than 1%. It is applied to the $18,000 of the annual benefit. The applicable percentage payable beginning September 2019 is 1.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

NOTE 7. PENSION PLANS. (Continued)

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended 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 paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. These contributions were as follows:

Year	NYSERS	NYSTRS
2019 - 2020	$ 3,189,269	$ 7,355,366
2018 - 2019	3,209,613	6,658,296
2017 - 2018	3,127,360	7,694,601

The District chose to prepay the required contributions to ERS by December 15th each year and received a discount.

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

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

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 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 TRS and ERS Systems in reports provided to the District.

At March 31, 2020, the District's proportion of the NYSERS net pension liability/(asset) was 0.0699572%, which was an decrease of .0009076 from its proportion measured as March 31, 2019.

At June 30, 2019, the District's proportion of the NYSTRS net pension liability/(asset) was 0.414936%, which was an decrease of .002169% from its proportion measured as June 30, 2018.

NOTE 7. PENSION PLANS. (Continued)

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

For the fiscal year ended June 30, 2020, the District recognized pension expense of $6,658,936 for ERS and $13,404,954 for TRS. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	ERS	TRS	Total	ERS	TRS	Total
Differences between expected and actual experience	$ 1,090,275	$ 7,305,375	$ 8,395,650	$ 0	$ 801,627	$ 801,627
Changes of Assumptions	373,007	20,364,985	20,737,992	322,085	4,965,559	5,287,644
Net difference between projected and actual earnings on pension plan investments	9,496,852	0	9,496,852	0	8,645,056	8,645,056
Changes in proportion and difference between the District's contributions and proportionate share of contributions	901,625	474,373	1,375,998	114,982	156,836	271,818
District's contributions subsequent to the measurement date	821,696	6,371,183	7,192,879	0	0	0
Total	$ 12,683,455	$ 34,515,916	$ 47,199,371	$ 437,067	$ 14,569,078	$ 15,006,145

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. 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
2021	$ 2,069,931	$ 4,958,881
2022	2,903,454	391,289
2023	3,611,227	4,941,204
2024	2,840,080	3,239,926
2025	0	377,321
Thereafter	0	(332,966)

NOTE 7. PENSION PLANS. (Continued)

Actuarial Assumptions

The total ERS pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The total TRS pension liability at June 30, 2019 was determined by using an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. These actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the actuarial valuations referred to above were as follows:

	ERS	TRS
Inflation Rate	2.5%	2.25%
Projected Salary Increases	4.2%	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
		Service / Rate: 5 / 4.72%; 15 / 3.46%; 25 / 2.37%; 35 / 1.90%
Projected Cost of Living Adjustments	1.3%	1.5%
Investment Rate of Return, Including Inflation	6.8% compounded annually, net of investment expenses	7.1% compounded annually, net of pension plan investment expense
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 to March 31, 2015	Based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.
Mortality Improvement	Society of Actuaries Scale MP-2018	Society of Actuaries Scale MP-2014

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

NOTE 7. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

Measurement Date	ERS March 31, 2020 Target Allocation	ERS March 31, 2020 Long-term expected real rate of return
Asset Class:		
Domestic Equity	36%	4.05%
International Equity	14%	6.15%
Private Equity	10%	6.75%
Real Estate	10%	4.95%
Absolute Return Strategies (1)	2%	3.25%
Opportunistic Portfolio	3%	4.65%
Real Assets	3%	5.95%
Bonds and Mortgages	17%	0.75%
Cash	1%	0.00%
Inflation-indexed bonds	4%	0.50%
Total	100%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

Measurement Date	TRS June 30, 2019 Target Allocation	TRS June 30, 2019 Long-term expected real rate of return*
Asset Class:		
Domestic Equity	33%	6.30%
International Equity	16%	7.80%
Global Equity	4%	7.20%
Real Estate Equity	11%	4.60%
Private Equity	8%	9.90%
Domestic Fixed Income	16%	1.30%
Global Bonds	2%	0.90%
High-yield Bonds	1%	3.60%
Private Debt	1%	6.50%
Real Estate Debt	7%	2.90%
Cash Equivalents	1%	0.30%
Total	100%	

* Real rates of return are net of a long-term inflation assumption of 2.2%.

Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.1% 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the ERS & TRS net pension liabilities calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rates referred to above:

NOTE 7. PENSION PLANS. (Continued)

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

ERS	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (33,998,735)	$ (18,525,071)	$ (4,273,760)

TRS	1% Decrease (6.1%)	Current Discount (7.1%)	1% Increase (8.1%)
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (48,660,087)	$ 10,780,065	$ 60,643,645

Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the measurement dates indicated below were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2020	June 30, 2019
Employers' total pension (liability)	$ (194,596,261)	$ (119,879,474)
Plan net position	168,115,682	122,477,481
Employers' net pension asset/(liability)	$ (26,480,579)	$ 2,598,007
Ratio of plan net position to the employers' total pension liability	86.39%	102.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually in December based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contributions for the period of April 1, 2020 through June 30, 2020 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $821,696 of employer contributions. Employee contributions are remitted monthly.

NOTE 7. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020. Employer contributions are based on paid TRS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $6,715,523.

NOTE 8. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the fiscal year ended June 30, 2020, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 14,075,312	$ 46,849	$ 0	$ 987,244
Special Aid Fund	0	4,245,445	793,160	0
School Lunch Fund	46,849	0	46,849	0
Capital Fund	0	9,828,431	147,235	0
Total Governmental Activities	14,122,161	14,120,725	987,244	987,244
Fiduciary Agency Fund	0	1,436	0	0
Totals	$ 14,122,161	$ 14,122,161	$ 987,244	$ 987,244

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

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for eligible retired employees, their spouses and their dependent children. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided – The District's OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. Employees are eligible for lifetime post-retirement benefits if he/she has met the following requirements specific to their bargaining unit:

- Employee who are members of the Monroe-Woodbury Administrators Association and the Monroe-Woodbury Teachers Association must be age 55 with 5 years of service.
- Employee who are members of the Civil Service Employees Association and the Monroe-Woodbury Employees Association must be age 55 with 10 years of service.

The District reimburses both retirees and covered spouses for the cost of Medicare Part B premiums depending on when they enrolled in Medicare B. Those who enrolled before 1/1/16 are reimbursed $104.90/month. Those who enrolled before 1/1/16 are reimbursed $121.80/month.

The District contributes 100% of the cost of health insurance for qualified retirees and 50% of the cost of their dependents. The method used for this calculation is 100% of single coverage and 50% of the difference between single and family coverage. Should the retiree pass away, the surviving spouse will contribute 100% of the cost of single coverage.

Employees Covered by Benefit Terms – At July 1, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	663
Active employees	905
Total Employees Covered by Benefit Terms	1,568

Total OPEB Liability

The District's total OPEB liability of $355,507,514 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018, with update procedures used to roll forward the actuarial accrued liability to June 30, 2019.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Total OPEB Liability (Continued)

Inflation Rate	2.5%
Discount Rate	3.51%
Healthcare Cost Trend Rates	Pre-65: 7.50% for 2018, decreasing to an ultimate rate of 4.50% for 2027 and later years Post-65: 8.35% for 2018, decreasing to an ultimate rate of 4.50% for 2027 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 0% of the cost of single coverage and 50% of the difference between single and family coverage. Surviving spouse pay 100% of the cost of single coverage.
Future Retirees' Share of Benefit Related Costs	Retirees pay 0% of the cost of single coverage and 50% of the difference between single and family coverage. Surviving spouse pay 100% of the cost of single coverage.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 General Obligation Index.

Mortality rates were based on the SOA PUB-2010 Headcount Weighted Mortality Table projected generationally with adjustments for mortality improvements based on the SOA Scale MP-2018 varying based on Bargaining Unit Classification.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2015.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2019	$ 317,321,663
Changes for the Year:	
Service cost	11,668,851
Interest	12,590,477
Differences between expected and actual experience	83,498
Changes in assumptions or other inputs	21,223,458
Benefit payments	(7,380,433)
Net Changes	38,185,851
Balance at June 30, 2020	$ 355,507,514

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 (2.51 percent) or 1 percentage point higher (4.51 percent) than the current discount rate:

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB Liability	$ 425,232,255	$ 355,507,514	$ 300,740,190

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 291,955,721	$ 355,507,514	$ 439,328,577

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

For the year ended June 30, 2020, the District recognized OPEB expense of $21,652,239. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,817,048	$ 0
Changes of assumptions or other inputs	18,088,531	33,449,050
District's contributions subsequent to the measurement date	7,676,638	0
Total	$ 36,582,217	$ 33,449,050

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2021	$(2,607,089)
2022	(2,607,089)
2023	(2,607,089)
2024	(2,607,089)
2025	3,452,912
Thereafter	2,431,973

NOTE 10. RISK MANAGEMENT.

General Information

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 for the past three years.

NOTE 10. RISK MANAGEMENT. (Continued)

Consortiums

The District participates in Orange/Ulster School District Health Insurance Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 19 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool. The District has essentially transferred all related risk to the pool.

The District participates with 16 other school districts, Orange/Ulster BOCES and Ulster BOCES in the Orange/Ulster School District Workers Compensation Self-Insurance Plan, 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. Entities joining the plan must remain members for a minimum of five years; a member may withdraw from the plan after that time by providing 180 days written notice. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities.

NOTE 11. COMMITMENTS AND CONTINGENCIES.

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.

NOTE 12. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2020, the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	$ 1,730,817
Special Aid Fund	311,019
Capital Projects Fund	616,237
Total Encumbrances	$ 2,658,073

NOTE 13. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards.

Donor-restricted endowments are reported at fair value. The amount of donor-restricted endowments that is available for authorization for expenditure by the District is $84,707.

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 14. TAX ABATEMENTS

The Orange County Industrial Development Agency ("the IDA") entered into property tax abatement agreements that reduced Monroe-Woodbury Central School District's gross tax revenues. Generally, property tax abatement agreements are entered into by the IDA under New York Real Property Tax Law, Section 412-a and General Municipal Law, Section 874 in order to induce businesses to acquire, renovate, construct and upgrade certain real property within Orange County. For a qualified and approved project, the IDA takes title or a leasehold interest in the property thereby technically making the property exempt from all real property taxes. However, the IDA requires the execution of a Payment in Lieu of Taxes (PILOT) Agreement with the company which requires the company to pay the current real property taxes, including land and special district taxes, to the County, Town/Village and School District in which it is located and a graduated percentage of taxes upon the improvements constructed on the property. For the fiscal year ended June 30, 2020, the District abated property taxes totaling $1,038,561 under these property tax abatement agreements and received $284,342 in related in PILOT's.

NOTE 15. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 7, 2020 the date that the financial statements were available to be issued. On August 13, 2020, the New York State Division of the Budget (DOB) issued the *FY 2021 First Quarterly State Budget Financial Plan Update* which notes that, in the absence of Federal action since enactment of the fiscal year 2021 budget, DOB began withholding 20% of most local aid payments in June, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020

	06/30/19	06/30/18	06/30/17
Total OPEB Liability			
Service cost	$ 11,668,851	$ 9,984,736	$ 12,061,535
Interest	12,590,477	10,977,462	9,601,046
Differences between expected and actual experience	83,498	15,027,114	0
Changes in assumptions or other inputs	21,223,458	(12,013,256)	(43,409,399)
Benefit payments	(7,380,433)	(6,547,758)	(6,309,839)
Net change in total OPEB liability	38,185,851	17,428,298	(28,056,657)
Total OPEB liability-beginning	317,321,663	299,893,365	327,950,022
Total OPEB liability-ending	$355,507,514	$317,321,663	$299,893,365
Covered-employee payroll	$ 79,912,125	$ 77,930,615	$ 74,373,292
Total OPEB liability as a percentage of covered-employee payroll	444.87%	407.18%	403.23%

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

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

06/30/19	3.51%
06/30/18	3.87%
06/30/17	3.58%
06/30/16	2.85%

Underlying claims were updated to reflect the most recent claims experience for the 6/30/18 period.

For the 6/30/18 period, the mortality assumption was updated from the RP-2014 Combined Healthy Generational Mortality Table with projection scale MP-2016 from the Central Year to the PUB-2010 Headcount Weighted Mortality Table with projection scale MP-2018 varying based on Bargaining Unit Classification.

For the 6/30/18 period, the salary scale was updated to service-based tables from ERS and TRS.

For the 6/30/18 period, health care cost trends rates were updated based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on provisions of the benefits sponsored by the Monroe-Woodbury Central School District.

* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) FINAL BUDGET
LOCAL SOURCES:				
Real Property Taxes	$ 122,878,000	$ 115,710,946	$ 115,590,725	$ (120,221)
Other Tax Items	517,818	7,684,872	7,690,107	5,235
Charges for Services	535,000	535,000	537,533	2,533
Use of Money & Property	796,000	796,000	787,936	(8,064)
Sale of Property & Compensation for Loss	105,900	105,900	460,894	354,994
Miscellaneous	749,000	772,629	936,346	163,717
STATE SOURCES	53,419,591	53,419,591	53,608,595	189,004
FEDERAL SOURCES	150,000	150,000	332,916	182,916
TOTAL REVENUES	179,151,309	179,174,938	$ 179,945,052	$ 770,114
APPROPRIATED FUND BALANCE	3,072,304	3,072,304		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	$ 182,223,613	$ 182,247,242		

See paragraph on supplementary schedules included in auditor's report.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
GENERAL SUPPORT:					
Board of Education	$ 157,728	$ 182,714	$ 156,367	$ 0	$ 26,347
Central Administration	350,656	308,783	303,181	0	5,602
Finance	965,878	1,025,707	929,348	7,250	89,109
Staff	1,146,773	1,176,106	1,080,228	0	95,878
Central Services	15,498,782	16,148,332	13,933,959	1,004,858	1,209,515
Special Items	1,904,624	1,904,624	1,742,568	0	162,056
INSTRUCTIONAL:					
Instruction, Administration & Improvement	5,532,946	5,587,382	5,450,829	2,084	134,469
Teaching - Regular School	43,761,880	48,915,532	48,682,070	22,900	210,562
Programs for Children with Handicapping Conditions	32,991,810	27,908,689	27,201,181	205,581	501,927
Occupational Education	1,276,408	1,251,519	1,251,519	0	0
Teaching - Special Schools	201,000	224,009	224,009	0	0
Instructional Media	4,702,269	4,681,672	4,249,355	344,340	87,977
Pupil Services	8,104,668	8,333,051	8,063,430	47,593	222,028
PUPIL TRANSPORTATION	11,242,562	10,021,138	9,297,631	84,902	638,605
COMMUNITY SERVICES	152,477	152,477	109,624	0	42,853
EMPLOYEE BENEFITS	47,911,730	45,997,394	42,739,308	11,309	3,246,777
DEBT SERVICE:					
Debt Service - Principal	4,639,892	4,644,206	4,644,206	0	0
Debt Service - Interest	1,176,530	1,172,216	1,172,216	0	0
TOTAL EXPENDITURES	181,718,613	179,635,551	171,231,029	1,730,817	6,673,705
OTHER USES:					
Operating Transfers Out	505,000	2,611,691	987,244	0	1,624,447
TOTAL EXPENDITURES & OTHER USES	$ 182,223,613	$ 182,247,242	172,218,273	$ 1,730,817	$ 8,298,152
NET CHANGE IN FUND BALANCE			$ 7,726,779		

See paragraph on supplementary schedules included in auditor's report.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

NYSERS Pension Plan
Last 10 Fiscal Years*

	03/31/20	03/31/19	03/31/18	03/31/17	03/31/16	03/31/15	03/31/14
District's proportion of the net pension asset/(liability)	0.0699572%	0.0708648%	0.0693733%	0.0716915%	0.0740177%	0.0750140%	0.0750140%
District's proportionate share of the net pension asset/(liability)	$ (18,525,071)	$ (5,020,989)	$ (2,238,985)	$ (6,736,291)	$ (11,880,040)	$ (2,534,157)	$ (3,389,778)
District's covered-employee payroll	$ 23,674,925	$ 22,563,399	$ 22,208,974	$ 21,162,397	$ 21,281,528	$ 24,232,168	$ 23,757,027
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-78.25%	-22.25%	-10.08%	-31.83%	-55.82%	-10.46%	-14.27%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	97.15%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13
District's proportion of the net pension asset/(liability)	0.414936%	0.417105%	0.414304%	0.415123%	0.425224%	0.425233%	0.419021%
District's proportionate share of the net pension asset/(liability)	$ 10,780,065	$ 7,542,367	$ 3,149,125	$ (4,446,140)	$ 44,167,243	$ 47,368,329	$ 2,758,219
District's covered-employee payroll	$ 69,259,567	$ 67,941,796	$ 65,653,592	$ 64,057,640	$ 63,874,444	$ 62,813,567	$ 61,947,753
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	15.56%	11.10%	4.80%	-6.94%	69.15%	75.41%	4.45%
Plan fiduciary net position as a percentage of the total pension liability	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

NYSERS Pension Plan
Last 10 Fiscal Years*

	03/31/20	03/31/19	03/31/18	03/31/17	03/31/16	03/31/15	03/31/14
Contractually required contribution	$ 3,189,269	$ 3,209,613	$ 3,127,360	$ 3,171,698	$ 3,664,061	$ 3,967,665	$ 3,836,615
Contributions in relation to the contractually required contribution	3,189,269	3,209,613	3,127,360	3,171,698	3,664,061	3,967,665	3,836,615
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered-employee payroll	$23,674,925	$22,563,399	$22,208,974	$21,162,397	$21,281,528	$24,232,168	$23,757,027
Contributions as a percentage of its covered-employee payroll	13.47%	14.22%	14.08%	14.99%	17.22%	16.37%	16.15%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13
Contractually required contribution	$ 7,355,366	$ 6,658,296	$ 7,694,601	$ 8,494,043	$11,197,190	$10,207,205	$ 7,334,614
Contributions in relation to the contractually required contribution	7,355,366	6,658,296	7,694,601	8,494,043	11,197,190	10,207,205	7,334,614
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered-employee payroll	$69,259,567	$67,941,796	$65,653,592	$64,057,640	$63,874,444	$62,813,567	$61,947,753
Contributions as a percentage of its covered-employee payroll	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

SUPPLEMENTAL SCHEDULE #5

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND
THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED TO FINAL BUDGET		
ADOPTED BUDGET		$ 181,276,309
ADDITIONS:		
Encumbrances from Prior Year		947,304
ORIGINAL BUDGET		182,223,613
BUDGET REVISIONS:		
Budget Amendments:		
Supplies/Contractual		23,629
FINAL BUDGET		$ 182,247,242
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
2020-2021 Voter-approved expenditure budget		
Maximum allowed (4% of 2020-2021 budget of $183,999,908)		$ 7,359,996
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 5,530,817	
Unassigned Fund Balance	8,413,103	
Total Unrestricted Fund Balance	13,943,920	
Less:		
Appropriated Fund Balance	3,800,000	
Encumbrances included in Committed and Assigned Fund Balance	1,730,817	
Total Adjustments	5,530,817	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 8,413,103
Actual Percentage		4.57%

See paragraph on supplementary schedules included in auditor's report.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2020

			EXPENDITURES TO DATE				METHODS OF FINANCING				FUND
	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED BALANCE	PROCEEDS FROM DEBT	STATE SOURCES	LOCAL SOURCES	TOTAL	BALANCE JUNE 30, 2020
19/20 Buses	$ 1,072,235	$ 1,072,235	$ 0	$1,072,235	$ 1,072,235	$ 0	$ 0	$ 0	$ 1,072,235	$ 1,072,235	$ 0
Smart Schools Bond Act - CIP	3,997,287	3,997,287	3,200,475	778,472	3,978,947	18,340	0	0	0	0	(3,978,947)
Turf and HS HVAC	8,391,000	8,391,000	1,231,191	6,714,564	7,945,755	445,245	0	925,000	3,466,000	4,391,000	(3,554,755)
Totals	$ 13,460,522	$ 13,460,522	$4,431,666	$8,565,271	$12,996,937	$ 463,585	$ 0	$ 925,000	$ 4,538,235	$ 5,463,235	$ (7,533,702)

See paragraph on supplementary schedules included in auditor's report.

SUPPLEMENTAL SCHEDULE #7

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

NON-DEPRECIABLE CAPITAL ASSETS		$ 15,403,349
CAPITAL ASSETS, NET		72,039,085
ADDITIONS:		
Deferred Amount on Refunding		470,549
DEDUCTIONS:		
Short-term Portion of Bonds Payable (including an unamortized bond premium of $222,842)	$ 4,162,842	
Long-term Portion of Bonds Payable (including an unamortized bond premium of $1,262,773)	19,717,773	
Short-term Portion of Installment Purchase Debt	906,672	
Long-term Portion of Installment Purchase Debt	4,555,962	
Total Deductions		(29,343,249)
NET INVESTMENT IN CAPITAL ASSETS		$ 58,569,734

See paragraph on supplementary schedules included in auditor's report.

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

To the President and Members
of the Board of Education of the
Monroe-Woodbury Central School District
Central Valley, 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 fiduciary funds of Monroe-Woodbury Central School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Monroe-Woodbury Central School District's basic financial statements and have issued our report thereon dated October 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe-Woodbury 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 Monroe-Woodbury Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe-Woodbury 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe-Woodbury 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.

Mazzei & Hanesler, P.C.

Montgomery, New York
October 7, 2020

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

To the President and Members
of the Board of Education of the
Monroe-Woodbury Central School District
Central Valley, New York

Report on Compliance for Each Major Federal Program

We have audited Monroe-Woodbury Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monroe-Woodbury Central School District's major federal programs for the year ended June 30, 2020. Monroe-Woodbury Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Monroe-Woodbury Central School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

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

Nugent & Haeussler, P.C.

Montgomery, New York
October 7, 2020

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION				
Passed-through NYS Education Department:				
Special Education Cluster:				
IDEA - Part B, Section 611	84.027	0032-20-0687	$ 151,716	$ 2,324,691
IDEA - Part B, Section 619	84.173	0033-20-0687	16,301	47,761
Total Special Education Cluster			168,017	2,372,452
Title I, Part A, Basic Program	84.010	0021-20-2265	0	1,190,864
Title I, Part A, Basic Program	84.010	0021-19-2265	0	13,078
Title III, Part A, Immigrant Education	84.365	0149-20-2265	0	26,342
Title III, Part A, English Language Acquisition	84.365	0293-20-2265	0	637,165
Title III, Part A, English Language Acquisition	84.365	0293-19-2265	0	236,684
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-20-2265	0	145,100
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-19-2265	0	21,238
Title IV, Student Support and Academic Enrichment Program	84.424	0204-20-0645	0	73,218
TOTAL U.S. DEPARTMENT OF EDUCATION			168,017	4,716,141
U.S. DEPARTMENT OF AGRICULTURE				
Passed-through NYS Education Department:				
Child Nutrition Cluster:				
Cash Assistance				
National School Breakfast Program	10.553	N/A	0	120,361
National School Lunch Program	10.555	N/A	0	680,893
Cash Assistance Subtotal			0	801,254
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A	0	164,536
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER			0	965,790
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 168,017	$ 5,681,931

The accompanying notes are an integral part of the schedule.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.

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

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 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $164,536 of commodities under the National School Lunch Program (CFDA 10.555).

NOTE 3. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None Reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

FEDERAL AWARDS

Internal Control over Major Programs:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None Reported	

Type of Auditor's Opinion Issued on Compliance for Major Federal Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No	

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM OR CLUSTER
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000.00

Auditee qualified as low-risk auditee? X Yes ____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements that were required to be reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with 2 CFR 200.516(a).

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with 2 CFR 200.516(a).

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Monroe-Woodbury Central School District
Central Valley, New York

Report on Financial Statements

We have audited the accompanying financial statements of the Monroe-Woodbury Central School District's extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2020, and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance of the extraclassroom activity funds of the Monroe-Woodbury Central School District as of June 30, 2020, and its cash receipts and cash disbursements for the year then ended, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

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

Nugent + Haeussler, P.C.

Montgomery, New York
October 7, 2020

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2020

ASSETS

Cash	$ 232,858

FUND BALANCE

Fund Balance, Beginning of Year:		
High School	$ 252,010	
Middle School	36,556	
Total Fund Balance, Beginning of Year:		$ 288,566
Excess of Disbursements over Receipts:		
High School	(69,274)	
Middle School	13,566	
Total Excess of Disbursements over Receipts		(55,708)
Fund Balance, End of Year:		
High School	182,736	
Middle School	50,122	
Total Fund Balance, End of Year:		$ 232,858

See notes to financial statement.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS - HIGH SCHOOL
SUMMARY OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	CASH BALANCE JUNE 30, 2019	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2020
Class of 2019	$ 5,976	$ 0	$ 5,976	$ 0
Class of 2020	12,091	3,781	11,578	4,294
Class of 2021	2,206	335	625	1,916
Class of 2022	2,044	4,206	2,110	4,140
Class of 2023	0	6,002	2,795	3,207
Art	5,879	966	1,182	5,663
Art Guild	449	2	0	451
Athletic Exchange Club	5,675	1,219	2,770	4,124
Audio Visual	1,428	6	1,434	0
Aurora Science Club	0	99	0	99
Cares Day	13,149	6,324	4,722	14,751
Crusader Newspaper	2,039	9	250	1,798
Drama	7,984	10,063	16,706	1,341
Everyday Friends	1,409	530	161	1,778
Extra-curricular	36,777	131	36,908	0
F.B.L.A.	743	8,313	7,158	1,898
Interact	6,730	6,969	4,957	8,742
Kids Changing the World	0	2,446	767	1,679
LEAD	941	4,863	5,777	27
LEAD - DC	9,926	25,152	34,586	492
Life Skills	14,515	7,145	10,102	11,558
Mock Trial	72	0	69	3
Model UN	1,118	5,354	6,049	423
Music - General	703	38,096	13,027	25,772
Music - Trips	60,317	219	60,536	0
Music Schol./Lupot Violin	3,894	16	3,910	0
National Art Honor Society	369	322	615	76
National Honor Society	3,880	4,638	4,695	3,823
NHS Foreign Languages	3,457	3,195	2,598	4,054
Outdoors	933	250	13	1,170
Pendragon	767	3	0	770
Rhythm & Rhyme	193	191	290	94
S.A.D.D.	745	3	140	608
S.T.A.R.S.	1,157	5,032	5,188	1,001
School Store	23,005	12,245	13,276	21,974
Science Olympiad	571	87	224	434
Science Research	999	574	949	624
Shield	13,642	27,439	28,062	13,019
Spectrum club	289	326	313	302
Student Council	5,938	42,352	8,321	39,969
Tri - M	0	1,043	381	662
Total High School	$ 252,010	$ 229,946	$ 299,220	$ 182,736

See notes to financial statement.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS - MIDDLE SCHOOL
SUMMARY OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	CASH BALANCE JUNE 30, 2019	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2020
Crusader Café	$ 657	$ 350	$ 967	$ 40
Drama Club	8,855	4,922	5,436	8,341
FBLA	136	0	12	124
Library Club	4,247	5,737	5,307	4,677
NJHS	9,246	19,714	17,391	11,569
School Store	392	0	30	362
Student Council (GO)	3,124	34,002	27,274	9,852
Yearbook	9,899	6,771	1,513	15,157
Total Middle School	$ 36,556	$ 71,496	$ 57,930	$ 50,122

See notes to financial statement.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT
CENTRAL VALLEY, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of Monroe-Woodbury Central School District. We have included the Extraclassroom Activity Fund balances within the fiduciary funds of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.

(b) The books and records of Monroe-Woodbury 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 recognized when cash is disbursed.

(c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.

APPENDIX C

FORM OF APPROVING OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center, 250 Greenwich Street
New York, New York 10007

December 22, 2020

The Board of Education of
Monroe-Woodbury Central School District, in the
County of Orange, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Monroe-Woodbury Central School District (the "School District"), in the County of Orange, New York, a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale, and issuance of the $4,000,000 School District Serial Bonds-2020 (the "Bonds"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. Bond counsel further is of the opinion that, for any Bonds having original issue discount (a "Discount Bond"), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the School District will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express 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, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **Monroe-Woodbury Central School District,** in the County of Orange, a school district of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's **$4,000,000 School District Serial Bonds-2020**, dated December 22, 2020, maturing in various principal amounts on June 1 in each of the years 2022 to 2036, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

(i) not later than the last day of the sixth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for each fiscal year commencing with the fiscal year ending June 30, 2021, if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than the last day of the succeeding fiscal

year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

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

(6) 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 of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

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

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "THE DISTRICT", "ECONOMIC AND DEMOGRAPHIC INFORMATION", "INDEBTEDNESS OF THE DISTRICT", "FINANCES OF THE DISTRICT", TAX INFORMATION" and "LITIGATION", and in APPENDIX A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents that are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with subsection (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **December 22, 2020**.

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT

By_____

President of the Board of Education