SUPPLEMENT DATED MAY 6, 2020

SUPPLEMENT TO THE PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2020

RELATING TO

$1,537,511

MORIAH CENTRAL SCHOOL DISTRICT

ESSEX COUNTY, NEW YORK

GENERAL OBLIGATIONS

$1,537,511 School District (Serial) Bonds, 2020

(referred to herein as the "Bonds")

Dated: May 26, 2020 **Due: June 15, 2021-2035**

Since the release of the Preliminary Official Statement, Standard & Poor's ("S&P") has released their rating on the Bonds.

Accordingly, the Preliminary Official Statement has been modified as follows:

The following language has been added to the cover page:

NEW ISSUE **SERIAL BONDS**
BOND RATING: S&P Global Ratings: "A+" (Stable outlook) **See "BOND RATING" herein**

The "RATINGS" section has been revised to read as follows:

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "A+" with a Stable outlook to the Bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant.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

PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2020

NEW ISSUE | **SERIAL BONDS**

BOND RATING: S&P Global Ratings: " " | **See "BOND RATING" herein**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Bonds. See "TAX MATTERS" herein.

The Bonds will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$1,537,511

MORIAH CENTRAL SCHOOL DISTRICT

ESSEX COUNTY, NEW YORK

GENERAL OBLIGATIONS

$1,537,511 School District (Serial) Bonds, 2020

(referred to herein as the "Bonds")

Dated: May 26, 2020 | **Due: June 15, 2021-2035**

The Bonds are general obligations of the Moriah Central School District (the "District" or "School District"), Essex County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "THE BONDS – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Bonds are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption" herein.

The Bonds will be issued as registered bonds and, at the option of the purchaser, may be issued in registered certificated form or registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds in the principal amount of $5,000 or integral multiples thereof, except for a necessary odd denomination maturing June 15, 2021. Purchasers will not receive certificates representing their ownership interest in the Bonds if issued in book-entry-form. Interest on the Bonds will be payable on December 15, 2020 and semi-annually thereafter on June 15 and December 15 in each year until maturity. If the Bonds are issued in book-entry-form, principal and interest will be paid by the School District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, principal and interest will be payable at the offices of the School District or, at the option of the purchaser, at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than $1,537,511 and accrued interest, if any, on the total principal amount of the Bonds. No good faith deposit is required.

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about May 26, 2020.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com**, on May 7th, 2020 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.**

May __, 2020

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX-C, CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

$1,537,511 School District (Serial) Bonds, 2020

(referred to herein as the “Bonds”)

Dated: May 26, 2020 **Due: June 15, 2021-2035**

MATURITIES*

Year	Amount	Rate	Yield	CUSIP	Year	Amount	Rate	Yield	CUSIP
2021	$ 82,511				2029	$ 105,000 *			
2022	85,000				2030	110,000 *			
2023	85,000				2031	110,000 *			
2024	90,000				2032	115,000 *			
2025	90,000				2033	120,000 *			
2026	95,000				2034	125,000 *			
2027	100,000				2035	125,000 *			
2028	100,000								

* Subject to change pursuant to the accompanying Notice of Bond Private Competitive Sale in order to achieve substantially level or declining annual debt service, and to comply with Federal tax law provisions relating to over issuance.

** The Bonds maturing in the years 2029-2035 are subject to redemption prior to maturity as described herein under the heading “THE BONDS - Optional Redemption” herein.

MORIAH CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

DANIEL SADOWSKI
President

MICHAEL CELOTTI
Vice President

DANA GILBO
ANN TESAR
TODD MALBON
ERICA KAZLO
BENJAMIN WINTERS

* * * * *

WILLIAM LARROW
Superintendent

ERIN GILBO
School District Business Manager

VALERIE MILDON
School District Treasurer

JAQUELINE M. KELLEHER, ESQ.
Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person ha,s been authorized by the Moriah Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs Moriah Central School District.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

MORIAH CENTRAL SCHOOL DISTRICT

ESSEX COUNTY, NEW YORK

Relating To

$1,537,511 School District (Serial) Bonds, 2020

This Official Statement, which includes the cover page, has been prepared by the Moriah Central School District, Essex County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $1,537,511 principal amount of School District (Serial) Bonds, 2020 (the "Bonds").

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

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

THE BONDS

Description of the Bonds

The Bonds are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "THE BONDS - Nature of the Obligation" hereunder and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated May 26, 2020 and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption". The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination maturing June 15, 2021. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Optional Redemption

Bonds maturing on or before June 15, 2028 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2029 shall be subject to redemption prior to maturity on not less than thirty (30) days' notice as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2028 or on any date thereafter at par, plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, 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 President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. 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, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and other proceedings and determinations relating thereto, including a bond resolution adopted by the Board of Education of the District (the "Board") on May 14, 2019 authorizing the issuance and sale of $1,537,511 serial bonds following the approval of a proposition submitted to the qualified voters of the District at a special meeting held on December 11, 2018 authorizing the expenditure of funds to pay its share of the cost of a capital improvements project for the Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (the "CEWW BOCES").

The proceeds of the Bonds will provide new money for the aforementioned purposes.

Nature of Obligation

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

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

The 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 thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

Purchases of 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 Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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 account of their holdings on behalf of their customers.

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

Redemption proceeds, distributions, and dividend payments on the 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 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, note 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, note certificates will be printed and delivered.

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

Source: The Depository Trust Company.

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

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

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

Certificated 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, the following provisions will apply:

The Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof except for one necessary odd denomination maturing June 15, 2021. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will continue to be payable on December 15, 2020 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the 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 Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE SCHOOL DISTRICT

General Information

The District has a land area of approximately 120 square miles. It is located in upstate New York in the middle of Essex County in the Adirondack State Park. The District is 45 miles south of Plattsburgh, 25 miles southwest of Burlington, Vermont and 28 miles southeast of Lake Placid (home of the 1980 Olympics). The District is primarily residential in nature.

Serving the District is the New York State Northway (I #87), which runs from New York City to Montreal, New York State Routes #9N and #22, and County Roads #4, #7 and #42.

Gas and electric services are provided to the residents of the District by National Grid. Water services are available to residents in most areas by municipalities located in the District.

Recent economic developments within the District include the sale of the Mac's Village Supermarket in the town of Port Henry which will be developed into a new Stewart's Shop.

Source: District officials.

District Population

The District has an estimated 2018 population of 4,666. (Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, is the Towns and the County listed below. The figures set below with respect to such Towns and County and the State of New York is included for information only. It should not be inferred from the inclusion of such data in the Continuing Disclosure Statement that the Towns or the County or the State is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
Towns of:						
Crown Point	$ 16,692	$ 23,981	$ 27,870	$ 39,853	$ 60,130	$ 64,000
Moriah	19,721	21,198	27,324	39,827	47,014	65,370
Westport	22,063	23,243	33,778	49,917	57,813	60,096
County of:						
Essex	18,194	26,378	30,273	41,927	63,404	69,266
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2015-2019 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 U.S. census, 2006-2010 and 2014-2018 American Community Survey data.

Larger Employers

Name	Type of Service	Approximate No. of Employees
Mountain Lake Services	Health Services	700
International Paper	Mill	600
Essex County	Municipal Services	370
Moriah Shock Incarceration Facility	Prison	100
Wal-Mart Supercenter	Retail	100

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which include the District) is the County of Essex. The information set forth below with respect to the Counties and State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties or State are necessarily representative of the District, or vice versa.

Annual Averages

	2013	2014	2015	2016	2017	2018	2019
Essex County	8.3%	6.9%	6.0%	5.3%	5.5%	4.8%	4.7%
New York State	7.7	6.3	5.3	4.9	4.7	4.1	4.0

Monthly Figures

	2019								**2020**			
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Essex County	4.2%	4.0%	3.8%	3.8%	3.5%	3.9%	4.6%	5.6%	6.0%	5.8%	6.5%	N/A
New York State	3.6	3.8	4.2	4.1	3.6	3.7	3.6	3.7	4.1	3.9	4.4	N/A

Note: Unemployment figures for April 2020 are unavailable as of the date of this Official Statement

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

Form of School Government

The Board of Education which is the policy-making body of the District consists of seven members with overlapping three-year terms. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members. The President of the Board is the chief fiscal officer of the District.

Budgetary Procedures and Recent Budget Votes

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2018-19 fiscal year was approved by the qualified voters on May 15, 2018 with a vote of 243 to 39. The budget included a total tax levy increase of 1.78%, which was equal to the District's Tax Cap for the 2018-19 fiscal year.

The budget for the 2019-20 fiscal year was approved by the qualified voters on May 21, 2019 with a vote of 246 to 40. The budget included a total tax levy increase of 0.58%, which was below the District's Tax Cap for the 2019-20 fiscal year.

The school budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020, however, under Executive Order 202.13 annual school budget votes and board of education elections across the State are postponed until at least June 1, 2020 and subject to further directive as to the timing, location or manner of voting for such election.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the School District; (6) obligations of a State public benefit corporation which are made lawful investments for the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in:

1. Savings Accounts or Money Market Accounts of designated banks.
2. Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State.
3. Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; Obligations of New York State; Obligations of the United States Government (U.S. Treasury Bills and Notes).
4. Cooperative investment program established in accordance with Article 5G of the New York General Municipal Law, as amended, and Article 3A of the General Municipal Law (Chapter 623 of the Laws of 1998).
5. Qualified Reciprocal Deposit Program as allowed under Chapter 128 of NYS Laws of 2012 amended sections 10 and 11 of the General Municipal Law.
6. Repurchase Agreements involving the purchase and sale of direct obligations of the United States.
7. Obligations of the local school district.

The District is not authorized to invest in reverse repurchase agreements or derivative type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-20 fiscal year, approximately 71.4% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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.

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Potential reductions in Federal aid received by the State.

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise such as the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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

The State Executive 2019-2020 Budget would continue to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. If federal support is reduced by $850 million or more, the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

COVID-19

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 are expected 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 experience budgetary restrictions which will require 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.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-20 preliminary building aid ratios, the District expects to receive State building aid of approximately 96.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School district fiscal year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The 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 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School district fiscal year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School District Fiscal Year 2020-21: Due to the extraordinary challenges from the COVID-19 health crisis creating a $10 billion loss in revenue to the State, the State's Enacted 2020-2021 Budget includes a total of $27.9 billion State aid, which is essentially the same amount of State aid to school districts included in the State's 2019-2020 Enacted Budget. The State's Enacted 2020-2021 Budget includes a "pandemic adjustment" for each school district, a reduction in State funding that will match how much school districts expect to receive from the federal CARES stimulus program. In addition, the State's Enacted 2020-2021 Budget authorizes the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget becomes unbalanced because revenues fall below projections or expenditures rise above projections during a given period. The proposed reductions would be shared with the Legislature which would then have 10 days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director's proposed reductions would go into effect automatically.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2014-2015	$ 15,316,489	$ 11,158,568	72.85%
2015-2016	15,765,597	11,505,642	72.98
2016-2017	16,149,841	11,856,637	73.42
2017-2018	16,579,442	12,241,232	73.83
2018-2019	17,082,439	12,613,546	73.84
2019-2020 (Budgeted)	17,384,331	12,404,991	71.36

Source: 2015 through 2019 audited financial statements and 2019-20 adopted budget of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built / Renovated
Moriah Central School	K-12	1,000	1966, '68, '70, '00

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2015-16	709	2020-21	710
2016-17	724	2021-22	710
2017-18	713	2022-23	705
2018-19	707	2023-24	705
2019-20	708	2024-25	700

Source: District officials

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of the expirations of the various collective bargaining agreements are presented in the table below.

Number of Members	Bargaining Unit	Contract Expiration Date
91	Moriah Central School Teachers' Association	June 30, 2024
32	CSEA – Non Instructional	June 30, 2021

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State’s pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, budgeted figures for the 2019-20 fiscal year and proposed figures for the 2020-21 fiscal year are as follows:

Fiscal Year	ERS	TRS
2014-2015	$ 245,402	$ 816,088
2015-2016	204,674	884,409
2016-2017	193,803	665,476
2017-2018	201,171	626,179
2018-2019	198,303	548,280
2019-2020 (Budgeted)	200,907	599,761
2020-2021 (Proposed)	217,488	508,305

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. For 2018 through 2020, the District has offered an any early retirement incentive program to its employees, with 6 employees participating in 2018, 1 participating in 2019, and 4 participating in 2020.

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

A chart of average ERS and TRS rates as a percent of payroll (2015-16 to 2020-21) is shown below:

Fiscal Year	ERS	TRS
2015-16	18.2%	13.26%
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53*

* Estimated. The final rate is expected to be adopted by the New York State Teachers' Retirement System Board at its July 29, 2020 meeting.

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The District opted to participate in the NYS Contribution Stabilization Program by financing $77,448 of its 2013-14 Local Retirement System contribution. Payments of $9,391 will be made annually for 10 years with interest calculated to be 3.667%.

The State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

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

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board (“GASB”) released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Armory Associates, LLC to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2018 and 2019.

The following table outlines the changes to the Total OPEB Liability during the 2018 and 2019 fiscal years, by source.

Balance beginning at:	June 30, 2017	June 30, 2018
	$ 46,775,664	$ 42,721,803
Changes for the year:		
Service cost	1,642,238	1,290,270
Interest on total OPEB liability	1,363,477	1,562,923
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	6,588,596
Changes in Assumptions or other inputs	(5,906,369)	(2,133,278)
Benefit payments	(1,153,207)	(1,195,103)
Net Changes	$ (4,053,861)	$ 6,113,408
Balance ending at:	June 30, 2018	June 30, 2019
	$ 42,721,803	**$ 48,835,211**

Source: Audited Financial Statements of the District. The above table is not audited. For additional information see “APPENDIX – E” attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- 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;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2019 and is attached hereto as "APPENDIX – E". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to this Official Statement.

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

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Source: District officials.

New York State Comptroller Reports of Examination

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

The State Comptroller released an audit report of the District dated June 14, 2019. The purpose of the audit was to determine whether District officials maximized interest earnings for the period July 1, 2017 through January 31, 2019. Key findings and recommendations included in the audit report are outlined below:

Key Findings:

- District officials did not develop and manage a comprehensive investment program to ensure interest earnings were maximized.
- Had officials invested idle funds in a financial institution with higher available interest rates, revenue would have increased by $61,162 during the audit period.

Key Recommendations:

- Prepare monthly cash flow forecasts that estimate available funds for investment.
- Ensure idle funds are invested in a manner, within legal limits, to maximize interest earnings.

The State Comptroller released its most recent audit report of the District on June 14, 2019. The purpose of the audit was to determine whether the District claimed all Medicaid reimbursements to which it was entitled for services provided to special education students for the period July 1, 2017 through January 31, 2019. Key findings and recommendations included in the audit report are outlined below:

Key Findings:

- The District lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed for all eligible services provided.
- Claims were not submitted and reimbursed for 517.5 eligible services totaling $21,211 and service providers did not document 1,769.5 scheduled services totaling $56,998 in the special education system (system) as having been provided. Had these services been appropriately claimed and documented, the District could have realized potential revenues totaling $39,105.

Key Recommendations:

- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
- Review all unclaimed services, determine whether these services are reimbursable and submit any eligible claims for reimbursement.
- Ensure service providers document all service encounters in the system.

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

There are no State Comptrollers audits of the District that are currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

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 district 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 district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. 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 reports of the State Comptroller for the 2015 through 2019 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	13.3
2018	No Designation	6.7
2017	No Designation	0.0
2016	No Designation	0.0
2015	No Designation	6.7

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

COVID – 19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization on March 11, 2020. The outbreak of the disease has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The School District has been communicating with the New York State Education Department and with local and State level department of health agencies. The School District has been following all relevant guidance as it has been released by State and federal agencies. The School District is closed effective March 16, 2020. It is not known when the State will allow Schools to reopen. Pursuant to an Executive Order of the Governor, the school district annual board of education elections and budget vote originally scheduled for May 19, 2020 has been postponed until at least June 2, 2020. The degree of the impact of COVID-19 on the School District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. The State has publicly announced that COVID-19 will have a significant negative impact on the State's revenues and 2020-21 budget. There can be no assurances that the spread of COVID-19 will not result in a delay and/or reduction in State aid paid to school districts, including the School District. Any delay or reduction in State aid payment to the School District would have a negative impact on the School District's finances and operations.

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Bonds as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Towns of:					
Crown Point	$ 1,553,385	$ 1,553,381	$ 1,553,395	$ 1,552,787	$ 1,737,847
Moriah	206,643,920	208,867,693	210,491,168	212,642,438	227,318,474
Westport	385,666	383,952	387,235	377,032	387,050
Total Assessed Values	$ 208,582,971	$ 210,805,026	$ 212,431,798	$ 214,572,257	$ 229,443,371
State Equalization Rates					
Towns of:					
Crown Point	100.00%	100.00%	100.00%	100.00%	100.00%
Moriah	100.00%	100.00%	100.00%	100.00%	100.00%
Westport	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 208,582,971	$ 210,805,026	$ 212,431,798	$ 214,572,257	$ 229,443,371

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Towns of:					
Crown Point	$ 18.80	$ 18.89	$ 18.64	$ 18.71	$ 17.41
Moriah	18.92	18.81	18.67	18.81	17.35
Westport	19.44	18.59	18.44	19.27	17.49

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County of Essex for collection. The School District receives this amount of uncollected taxes from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Total Tax Levy	$ 3,946,500	$ 3,966,291	$ 3,966,291	$ 4,035,360	$ 3,981,579
Amount Uncollected (1)	496,585	507,215	480,640	462,013	418,247
% Uncollected	12.58%	12.79%	12.12%	11.45%	10.50%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property & Other Tax Items	Percentage of Total Revenues Consisting of Real Property Tax & Tax Items
2014-2015	$ 15,316,489	$ 3,879,276	25.34%
2015-2016	15,765,597	3,971,305	25.19
2016-2017	16,149,841	3,981,911	24.66
2017-2018	16,579,442	3,981,113	24.01
2018-2019	17,082,439	4,056,440	23.75
2019-2020 (Budgeted)	16,797,133	4,060,348	24.17

Source: 2015 through 2019 audited financial statements and 2019-20 adopted budget of the District. This table is not audited.

Ten Largest Taxpayers - 2019 Assessment Roll for 2019-20 District Tax Roll

Name	Type	Taxable Full Valuation
National Grid	Utility	$ 7,551,655
Lyme Adirondack Timberlands II	Forest Land	4,121,213
State of New York	Forest Land	3,753,400
Open Space Institute Land Trust	Forest Land	2,152,240
State of New York	Conservation Easements	1,470,678
Feronia Holdings	Forest Land	1,219,200
Sherman V Allen RE LLC	Supermarket	1,037,100
D&H Railway Co.	Railroad	1,017,011
Verizon	Utility	894,636
NYSEG	Utility	663,464

The ten larger taxpayers listed above have an approximate full valuation of $23,880,597 which represents 10.4% of the tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings are within acceptable norms and are not anticipated or believed to have a material impact on the District's finances.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $86,300 or less for 2019 benefits and $88,050 or less for 2020 benefits, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

The 2019-20 Enacted State Budget 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 received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget requires that STAR benefits be withheld from taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the 2019-20 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Crown Point	$ 72,250	$ 31,550	8/1/2019
Moriah	72,860	31,820	8/1/2019
Westport	68,700	30,000	4/9/2019

$861,213 of the District's $4,035,360 school tax levy for 2018-19 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2019.

$814,929 of the District's $3,981,579 school tax levy for 2019-20 was exempted by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January, 2020.

Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential 89.6%, State Land 2.3% and Commercial 8.1%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the School District is approximately $2,500 including County, Town, School District and Fire District taxes

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget 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").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

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

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private 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 school district purpose and shall pledge its faith and credit for the payment of the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Bonds.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School 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 has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining average full valuation is by dividing the assessed valuation of taxable real estate for the last completed and the four preceding assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State law.

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. No down payment is required in connection with the issuance of District obligations.

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

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

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

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

As of the dare of the issuance of the Bonds, the School District will have complied with this estoppel procedure in connection with the Bonds.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2015	2016	2017	2018	2019
Bonds [(1)]	$ 16,065,000	$ 14,350,000	$ 12,555,000	$ 10,690,000	$ 8,745,000
Bond Anticipation Notes	570,309	500,049	392,914	427,069	306,452
Energy Performance Contract	912,597	726,067	531,162	327,506	114,706
Total Debt Outstanding	$ 17,547,906	$ 15,576,116	$ 13,479,076	$ 11,444,575	$ 9,166,158

[(1)] Totals above do not include advance refunded serial bonds outstanding where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as evidenced by bonds and bond anticipation notes as of April 29, 2020.

Type of Indebtedness	Maturity	Amount
Bonds [(1)]	2020-2027	$ 9,895,000
Bond Anticipation Notes		
Buses	October 23, 2020	438,938
	Total Indebtedness:	$ 10,333,938

[(1)] On November 9, 2017, the District issued $2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded $2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 29, 2020:

Full Valuation of Taxable Real Property			$ 229,443,371
Debt Limit 10% thereof			22,944,337
Inclusions:			
Bonds [(1)]	$ 9,895,000		
Bond Anticipation Notes	438,938		
Principal of the Bonds	1,537,511		
Total Inclusions		$ 11,871,449	
Exclusions:			
Building Aid [(2)]	$ 0		
Total Exclusions		0	
Total Net Indebtedness			$ 11,871,449
Net Debt-Contracting Margin			$ 11,072,888
The percent of debt contracting power exhausted is			51.74%

(1) On November 9, 2017, the District issued $2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded $2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

(2) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2020-21 Preliminary Building Aid Ratios, the School District anticipates State building aid of 96.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District has not had to issue revenue anticipation notes to align the cash flow needs of the District with the State aid payment schedule since the 2011-2012 fiscal year. The District does not anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Other Obligations

The District entered into an Energy Performance Contract Municipal Lease/Purchase Agreement for $2,280,000 to be spent on the Cogeneration Plant capital project. The total cost of the project amounted to $1,458,517. The interest rate is 4.49% and the payments are due annually through 2021. For the fiscal year ending June 30, 2019, $114,706 principal remains outstanding.

The District purchased copiers for $49,196 during the fiscal year end June 30, 2018. The total annual payment for each fiscal year ending June 30, 2018 through June 30, 2021 is $12,896.

Federal Sequestration

In May 2012, the District issued $5,000,000 of Qualified School Construction Bonds (“QSCBs”) with a final maturity of 2023. At the time of issue the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments and refund offset transactions processed on or after October 1, 2019, and on or before September 30, 2020, will be reduced by the fiscal year 2020 5.9% sequestration rate, irrespective of when the IRS received the Form 8038-CP with amounts claimed by an issuer. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

A summary of historic federal sequestration rates is outlined below:

Fiscal Year (October 1 thru September 30)	Sequestration Rate Reduction
2013	8.7%
2014	7.2
2015	7.3
2016	6.8
2017	6.9
2018	6.6
2019	6.2
2020	5.9

In addition, federal government shutdowns may delay the processing of federal government payments to the District. If this were to occur, the District will be required to make payment of the full amount of interest due on the bonds at that time. These payments are expected to be reimbursed to the District when any such government shutdown is over but when the federal government can process requests for, and make payment of, the applicable tax credit payments is not known at this time.

The District budgets annually for the full interest payment due on the QSCBs to cover for possible delays or shortfalls in the expected tax credit subsidy.

Capital Project Plans

The District annually issues bond anticipation notes for the purchase of buses.

On December 11, 2018, the qualified voters of the District approved a capital project for the Champlain Valley Educational Services BOCES at a maximum cost of $29,850,000. The District’s share of the project is $1,537,511, which is being financed with the current issuance of the Bonds. Construction is anticipated to commence in 2020.

On December 17, 2019, the qualified voters of the District approved a capital project consisting of various repair and renovation projects at a maximum cost of $14,960,000. The total cost for bus garage repairs is $1,041,601, work at the main building is $9,992,453, and the total cost for work at the main campus site, including the track field and parking lot improvements, is $3,924,223. 95.3% of total project costs will be covered by State Building aid, for a remaining local share of costs of $703,120. Construction is anticipated to commence in Spring 2021.

The District has no other capital projects authorized or contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are as of the close of the respective fiscal years of the below municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Essex	6/29/2019 [3]	$ 29,905,000	$ 2,180,000	$ 27,725,000	3.10%	$ 859,475
Town of:						
Crown Point	12/31/2017	279,200	279,200	-	1.00%	-
Moriah	12/31/2017	10,281,909	7,491,430	2,790,479	96.05%	2,680,255
Westport	12/31/2017	3,739,084	3,739,084	-	0.17%	-
Village of:						
Port Henry	5/31/2018	-	-	-	100.00%	-
					Total:	$ 3,539,730

Notes:
[1] Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.
[2] Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Sources of information:
[3] Most recent available official statement of the municipality obtained from EMMA.
[4] Most recent available State Comptroller's Special Report for the respective fiscal year.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of April 29, 2020:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 11,871,449	$ 2,544.25	5.17%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	15,411,179	3,302.87	6.72

[a] The 2018 estimated population of the District is 4,666. (See "THE SCHOOL DISTRICT – District Population" herein.)
[b] The District's full value of taxable real estate for 2019-20 is $229,443,371. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" herein.
[d] Estimated net overlapping indebtedness is $3,539,730. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors' Provision. The Bonds when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

MARKET AND RISK FACTORS

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

The financial condition of the School District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and 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 State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts 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. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District, could have an impact upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein.

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

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID 19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, 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 affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken 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 are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also "THE SCHOOL DISTRICT - State Aid" and "COVID-19").

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

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

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – E".

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers 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 enter into a Continuing Disclosure Undertaking Certificate, the form of which is described in "APPENDIX – C".

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, 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. 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. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may require the filing of a material event notification to EMMA.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of " " to the Bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.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. Fiscal Advisors & Marketing, 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 Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, 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. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Erin Gilbo, Business Manager, 39 Viking Lane, Port Henry, New York 12974, Phone: (518) 546-3301, Fax: (518) 546-7895, email: egilbo@moriahk12.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

MORIAH CENTRAL SCHOOL DISTRICT

Dated: May 1, 2020

DANIEL SADOWSKI
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

CONTINUING DISCLOSURE UNDERTAKING

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

(i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated May 7, 2020 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C & D and other than any appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of 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;

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

(g) modifications to rights of Bondholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

For the purposes of the event identified in (ii) (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

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

(iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

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

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

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

FORM OF OPINION OF BOND COUNSEL

May 26, 2020

Moriah Central School District
39 Viking Lane
Port Henry, New York 12974

Re: Moriah Central School District
$1,537,511 School District (Serial) Bonds, 2020 CUSIP No: _____

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $1,537,511 School District (Serial) Bonds, 2020 (the "Bonds"), of the Moriah Central School District, County of Essex, State of New York (the "District"). The Bonds are dated May 26, 2020 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the School District (Serial) Bonds, 2020, and a Certificate of Determination dated on or before May 26, 2020 of the President of the Board of Education relative to the form and terms of the Bonds.

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain 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. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified 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 that interest on the Bonds is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Bonds, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

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

The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Bonds as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

MORIAH CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

Boulrice & Wood CPAS, P.C., the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Boulrice & Wood CPAS, P.C. also has not performed any procedures relating to this Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2020

NEW ISSUE | **SERIAL BONDS**
BOND RATING: S&P Global Ratings: " " | **See "BOND RATING" herein**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Bonds. See "TAX MATTERS" herein.

The Bonds will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$1,537,511

MORIAH CENTRAL SCHOOL DISTRICT

ESSEX COUNTY, NEW YORK

GENERAL OBLIGATIONS

$1,537,511 School District (Serial) Bonds, 2020

(referred to herein as the "Bonds")

Dated: May 26, 2020 | **Due: June 15, 2021-2035**

The Bonds are general obligations of the Moriah Central School District (the "District" or "School District"), Essex County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "THE BONDS – Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Bonds are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption" herein.

The Bonds will be issued as registered bonds and, at the option of the purchaser, may be issued in registered certificated form or registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds in the principal amount of $5,000 or integral multiples thereof, except for a necessary odd denomination maturing June 15, 2021. Purchasers will not receive certificates representing their ownership interest in the Bonds if issued in book-entry-form. Interest on the Bonds will be payable on December 15, 2020 and semi-annually thereafter on June 15 and December 15 in each year until maturity. If the Bonds are issued in book-entry-form, principal and interest will be paid by the School District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, principal and interest will be payable at the offices of the School District or, at the option of the purchaser, at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than $1,537,511 and accrued interest, if any, on the total principal amount of the Bonds. No good faith deposit is required.

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about May 26, 2020.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on May 7th, 2020 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

May __, 2020

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX-C, CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

$1,537,511 School District (Serial) Bonds, 2020

(referred to herein as the "Bonds")

Dated: May 26, 2020 **Due: June 15, 2021-2035**

MATURITIES*

Year	Amount	Rate	Yield	CUSIP	Year	Amount	Rate	Yield	CUSIP
2021	$ 82,511				2029	$ 105,000 *			
2022	85,000				2030	110,000 *			
2023	85,000				2031	110,000 *			
2024	90,000				2032	115,000 *			
2025	90,000				2033	120,000 *			
2026	95,000				2034	125,000 *			
2027	100,000				2035	125,000 *			
2028	100,000								

* Subject to change pursuant to the accompanying Notice of Bond Private Competitive Sale in order to achieve substantially level or declining annual debt service, and to comply with Federal tax law provisions relating to over issuance.

** The Bonds maturing in the years 2029-2035 are subject to redemption prior to maturity as described herein under the heading "THE BONDS - Optional Redemption" herein.

MORIAH CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

DANIEL SADOWSKI
President

MICHAEL CELOTTI
Vice President

DANA GILBO
ANN TESAR
TODD MALBON
ERICA KAZLO
BENJAMIN WINTERS

* * * * *

WILLIAM LARROW
Superintendent

ERIN GILBO
School District Business Manager

VALERIE MILDON
School District Treasurer

JAQUELINE M. KELLEHER, ESQ.
Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person ha,s been authorized by the Moriah Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs Moriah Central School District.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

MORIAH CENTRAL SCHOOL DISTRICT

ESSEX COUNTY, NEW YORK

Relating To

$1,537,511 School District (Serial) Bonds, 2020

This Official Statement, which includes the cover page, has been prepared by the Moriah Central School District, Essex County, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $1,537,511 principal amount of School District (Serial) Bonds, 2020 (the "Bonds").

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

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

THE BONDS

Description of the Bonds

The Bonds are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "THE BONDS - Nature of the Obligation" hereunder and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated May 26, 2020 and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption". The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination maturing June 15, 2021. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Optional Redemption

Bonds maturing on or before June 15, 2028 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2029 shall be subject to redemption prior to maturity on not less than thirty (30) days' notice as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2028 or on any date thereafter at par, plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, 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 President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. 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, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and other proceedings and determinations relating thereto, including a bond resolution adopted by the Board of Education of the District (the "Board") on May 14, 2019 authorizing the issuance and sale of $1,537,511 serial bonds following the approval of a proposition submitted to the qualified voters of the District at a special meeting held on December 11, 2018 authorizing the expenditure of funds to pay its share of the cost of a capital improvements project for the Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (the "CEWW BOCES").

The proceeds of the Bonds will provide new money for the aforementioned purposes.

Nature of Obligation

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

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

The 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 thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

Purchases of 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 Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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 account of their holdings on behalf of their customers.

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

Redemption proceeds, distributions, and dividend payments on the 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 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, note 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, note certificates will be printed and delivered.

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

Source: The Depository Trust Company.

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

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

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

Certificated 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, the following provisions will apply:

The Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof except for one necessary odd denomination maturing June 15, 2021. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will continue to be payable on December 15, 2020 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the 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 Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE SCHOOL DISTRICT

General Information

The District has a land area of approximately 120 square miles. It is located in upstate New York in the middle of Essex County in the Adirondack State Park. The District is 45 miles south of Plattsburgh, 25 miles southwest of Burlington, Vermont and 28 miles southeast of Lake Placid (home of the 1980 Olympics). The District is primarily residential in nature.

Serving the District is the New York State Northway (I #87), which runs from New York City to Montreal, New York State Routes #9N and #22, and County Roads #4, #7 and #42.

Gas and electric services are provided to the residents of the District by National Grid. Water services are available to residents in most areas by municipalities located in the District.

Recent economic developments within the District include the sale of the Mac's Village Supermarket in the town of Port Henry which will be developed into a new Stewart's Shop.

Source: District officials.

District Population

The District has an estimated 2018 population of 4,666. (Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates.)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, is the Towns and the County listed below. The figures set below with respect to such Towns and County and the State of New York is included for information only. It should not be inferred from the inclusion of such data in the Continuing Disclosure Statement that the Towns or the County or the State is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
Towns of:						
Crown Point	$ 16,692	$ 23,981	$ 27,870	$ 39,853	$ 60,130	$ 64,000
Moriah	19,721	21,198	27,324	39,827	47,014	65,370
Westport	22,063	23,243	33,778	49,917	57,813	60,096
County of:						
Essex	18,194	26,378	30,273	41,927	63,404	69,266
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2015-2019 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 U.S. census, 2006-2010 and 2014-2018 American Community Survey data.

Larger Employers

Name	Type of Service	Approximate No. of Employees
Mountain Lake Services	Health Services	700
International Paper	Mill	600
Essex County	Municipal Services	370
Moriah Shock Incarceration Facility	Prison	100
Wal-Mart Supercenter	Retail	100

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which include the District) is the County of Essex. The information set forth below with respect to the Counties and State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties or State are necessarily representative of the District, or vice versa.

Annual Averages

	2013	2014	2015	2016	2017	2018	2019
Essex County	8.3%	6.9%	6.0%	5.3%	5.5%	4.8%	4.7%
New York State	7.7	6.3	5.3	4.9	4.7	4.1	4.0

Monthly Figures

	2019								2020			
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Essex County	4.2%	4.0%	3.8%	3.8%	3.5%	3.9%	4.6%	5.6%	6.0%	5.8%	6.5%	N/A
New York State	3.6	3.8	4.2	4.1	3.6	3.7	3.6	3.7	4.1	3.9	4.4	N/A

Note: Unemployment figures for April 2020 are unavailable as of the date of this Official Statement

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

Form of School Government

The Board of Education which is the policy-making body of the District consists of seven members with overlapping three-year terms. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members. The President of the Board is the chief fiscal officer of the District.

Budgetary Procedures and Recent Budget Votes

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2018-19 fiscal year was approved by the qualified voters on May 15, 2018 with a vote of 243 to 39. The budget included a total tax levy increase of 1.78%, which was equal to the District's Tax Cap for the 2018-19 fiscal year.

The budget for the 2019-20 fiscal year was approved by the qualified voters on May 21, 2019 with a vote of 246 to 40. The budget included a total tax levy increase of 0.58%, which was below the District's Tax Cap for the 2019-20 fiscal year.

The school budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020, however, under Executive Order 202.13 annual school budget votes and board of education elections across the State are postponed until at least June 1, 2020 and subject to further directive as to the timing, location or manner of voting for such election.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the School District; (6) obligations of a State public benefit corporation which are made lawful investments for the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in:

1. Savings Accounts or Money Market Accounts of designated banks.
2. Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State.
3. Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; Obligations of New York State; Obligations of the United States Government (U.S. Treasury Bills and Notes).
4. Cooperative investment program established in accordance with Article 5G of the New York General Municipal Law, as amended, and Article 3A of the General Municipal Law (Chapter 623 of the Laws of 1998).
5. Qualified Reciprocal Deposit Program as allowed under Chapter 128 of NYS Laws of 2012 amended sections 10 and 11 of the General Municipal Law.
6. Repurchase Agreements involving the purchase and sale of direct obligations of the United States.
7. Obligations of the local school district.

The District is not authorized to invest in reverse repurchase agreements or derivative type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-20 fiscal year, approximately 71.4% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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.

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Potential reductions in Federal aid received by the State.

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise such as the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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

The State Executive 2019-2020 Budget would continue to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. If federal support is reduced by $850 million or more, the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

COVID-19

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 are expected 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 experience budgetary restrictions which will require 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.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-20 preliminary building aid ratios, the District expects to receive State building aid of approximately 96.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School district fiscal year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The 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 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School district fiscal year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School District Fiscal Year 2020-21: Due to the extraordinary challenges from the COVID-19 health crisis creating a $10 billion loss in revenue to the State, the State's Enacted 2020-2021 Budget includes a total of $27.9 billion State aid, which is essentially the same amount of State aid to school districts included in the State's 2019-2020 Enacted Budget. The State's Enacted 2020-2021 Budget includes a "pandemic adjustment" for each school district, a reduction in State funding that will match how much school districts expect to receive from the federal CARES stimulus program. In addition, the State's Enacted 2020-2021 Budget authorizes the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget becomes unbalanced because revenues fall below projections or expenditures rise above projections during a given period. The proposed reductions would be shared with the Legislature which would then have 10 days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director's proposed reductions would go into effect automatically.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2014-2015	$ 15,316,489	$ 11,158,568	72.85%
2015-2016	15,765,597	11,505,642	72.98
2016-2017	16,149,841	11,856,637	73.42
2017-2018	16,579,442	12,241,232	73.83
2018-2019	17,082,439	12,613,546	73.84
2019-2020 (Budgeted)	17,384,331	12,404,991	71.36

Source: 2015 through 2019 audited financial statements and 2019-20 adopted budget of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built / Renovated
Moriah Central School	K-12	1,000	1966, '68, '70, '00

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2015-16	709	2020-21	710
2016-17	724	2021-22	710
2017-18	713	2022-23	705
2018-19	707	2023-24	705
2019-20	708	2024-25	700

Source: District officials

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of the expirations of the various collective bargaining agreements are presented in the table below.

Number of Members	Bargaining Unit	Contract Expiration Date
91	Moriah Central School Teachers' Association	June 30, 2024
32	CSEA – Non Instructional	June 30, 2021

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, budgeted figures for the 2019-20 fiscal year and proposed figures for the 2020-21 fiscal year are as follows:

Fiscal Year	ERS	TRS
2014-2015	$ 245,402	$ 816,088
2015-2016	204,674	884,409
2016-2017	193,803	665,476
2017-2018	201,171	626,179
2018-2019	198,303	548,280
2019-2020 (Budgeted)	200,907	599,761
2020-2021 (Proposed)	217,488	508,305

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. For 2018 through 2020, the District has offered an any early retirement incentive program to its employees, with 6 employees participating in 2018, 1 participating in 2019, and 4 participating in 2020.

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

A chart of average ERS and TRS rates as a percent of payroll (2015-16 to 2020-21) is shown below:

Fiscal Year	ERS	TRS
2015-16	18.2%	13.26%
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53*

* Estimated. The final rate is expected to be adopted by the New York State Teachers' Retirement System Board at its July 29, 2020 meeting.

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The District opted to participate in the NYS Contribution Stabilization Program by financing $77,448 of its 2013-14 Local Retirement System contribution. Payments of $9,391 will be made annually for 10 years with interest calculated to be 3.667%.

The State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

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

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board (“GASB”) released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Armory Associates, LLC to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2018 and 2019.

The following table outlines the changes to the Total OPEB Liability during the 2018 and 2019 fiscal years, by source.

Balance beginning at:	June 30, 2017	June 30, 2018
	$ 46,775,664	$ 42,721,803
Changes for the year:		
Service cost	1,642,238	1,290,270
Interest on total OPEB liability	1,363,477	1,562,923
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	6,588,596
Changes in Assumptions or other inputs	(5,906,369)	(2,133,278)
Benefit payments	(1,153,207)	(1,195,103)
Net Changes	$ (4,053,861)	$ 6,113,408
Balance ending at:	June 30, 2018	June 30, 2019
	$ 42,721,803	**$ 48,835,211**

Source: Audited Financial Statements of the District. The above table is not audited. For additional information see “APPENDIX – E” attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- 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;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2019 and is attached hereto as "APPENDIX – E". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to this Official Statement.

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

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Source: District officials.

New York State Comptroller Reports of Examination

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

The State Comptroller released an audit report of the District dated June 14, 2019. The purpose of the audit was to determine whether District officials maximized interest earnings for the period July 1, 2017 through January 31, 2019. Key findings and recommendations included in the audit report are outlined below:

<u>Key Findings:</u>

- District officials did not develop and manage a comprehensive investment program to ensure interest earnings were maximized.
- Had officials invested idle funds in a financial institution with higher available interest rates, revenue would have increased by $61,162 during the audit period.

<u>Key Recommendations:</u>

- Prepare monthly cash flow forecasts that estimate available funds for investment.
- Ensure idle funds are invested in a manner, within legal limits, to maximize interest earnings.

The State Comptroller released its most recent audit report of the District on June 14, 2019. The purpose of the audit was to determine whether the District claimed all Medicaid reimbursements to which it was entitled for services provided to special education students for the period July 1, 2017 through January 31, 2019. Key findings and recommendations included in the audit report are outlined below:

Key Findings:

- The District lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed for all eligible services provided.
- Claims were not submitted and reimbursed for 517.5 eligible services totaling $21,211 and service providers did not document 1,769.5 scheduled services totaling $56,998 in the special education system (system) as having been provided. Had these services been appropriately claimed and documented, the District could have realized potential revenues totaling $39,105.

Key Recommendations:

- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.

- Review all unclaimed services, determine whether these services are reimbursable and submit any eligible claims for reimbursement.
- Ensure service providers document all service encounters in the system.

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

There are no State Comptrollers audits of the District that are currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

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 district 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 district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. 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 reports of the State Comptroller for the 2015 through 2019 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	13.3
2018	No Designation	6.7
2017	No Designation	0.0
2016	No Designation	0.0
2015	No Designation	6.7

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

COVID – 19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization on March 11, 2020. The outbreak of the disease has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The School District has been communicating with the New York State Education Department and with local and State level department of health agencies. The School District has been following all relevant guidance as it has been released by State and federal agencies. The School District is closed effective March 16, 2020. It is not known when the State will allow Schools to reopen. Pursuant to an Executive Order of the Governor, the school district annual board of education elections and budget vote originally scheduled for May 19, 2020 has been postponed until at least June 2, 2020. The degree of the impact of COVID-19 on the School District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. The State has publicly announced that COVID-19 will have a significant negative impact on the State's revenues and 2020-21 budget. There can be no assurances that the spread of COVID-19 will not result in a delay and/or reduction in State aid paid to school districts, including the School District. Any delay or reduction in State aid payment to the School District would have a negative impact on the School District's finances and operations.

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Bonds as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Towns of:					
Crown Point	$ 1,553,385	$ 1,553,381	$ 1,553,395	$ 1,552,787	$ 1,737,847
Moriah	206,643,920	208,867,693	210,491,168	212,642,438	227,318,474
Westport	385,666	383,952	387,235	377,032	387,050
Total Assessed Values	$ 208,582,971	$ 210,805,026	$ 212,431,798	$ 214,572,257	$ 229,443,371
State Equalization Rates					
Towns of:					
Crown Point	100.00%	100.00%	100.00%	100.00%	100.00%
Moriah	100.00%	100.00%	100.00%	100.00%	100.00%
Westport	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 208,582,971	$ 210,805,026	$ 212,431,798	$ 214,572,257	$ 229,443,371

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Towns of:					
Crown Point	$ 18.80	$ 18.89	$ 18.64	$ 18.71	$ 17.41
Moriah	18.92	18.81	18.67	18.81	17.35
Westport	19.44	18.59	18.44	19.27	17.49

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County of Essex for collection. The School District receives this amount of uncollected taxes from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Total Tax Levy	$ 3,946,500	$ 3,966,291	$ 3,966,291	$ 4,035,360	$ 3,981,579
Amount Uncollected (1)	496,585	507,215	480,640	462,013	418,247
% Uncollected	12.58%	12.79%	12.12%	11.45%	10.50%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property & Other Tax Items	Percentage of Total Revenues Consisting of Real Property Tax & Tax Items
2014-2015	$ 15,316,489	$ 3,879,276	25.34%
2015-2016	15,765,597	3,971,305	25.19
2016-2017	16,149,841	3,981,911	24.66
2017-2018	16,579,442	3,981,113	24.01
2018-2019	17,082,439	4,056,440	23.75
2019-2020 (Budgeted)	16,797,133	4,060,348	24.17

Source: 2015 through 2019 audited financial statements and 2019-20 adopted budget of the District. This table is not audited.

Ten Largest Taxpayers - 2019 Assessment Roll for 2019-20 District Tax Roll

Name	Type	Taxable Full Valuation
National Grid	Utility	$ 7,551,655
Lyme Adirondack Timberlands II	Forest Land	4,121,213
State of New York	Forest Land	3,753,400
Open Space Institute Land Trust	Forest Land	2,152,240
State of New York	Conservation Easements	1,470,678
Feronia Holdings	Forest Land	1,219,200
Sherman V Allen RE LLC	Supermarket	1,037,100
D&H Railway Co.	Railroad	1,017,011
Verizon	Utility	894,636
NYSEG	Utility	663,464

The ten larger taxpayers listed above have an approximate full valuation of $23,880,597 which represents 10.4% of the tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings are within acceptable norms and are not anticipated or believed to have a material impact on the District's finances.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $86,300 or less for 2019 benefits and $88,050 or less for 2020 benefits, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

The 2019-20 Enacted State Budget 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 received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget requires that STAR benefits be withheld from taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the 2019-20 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Crown Point	$ 72,250	$ 31,550	8/1/2019
Moriah	72,860	31,820	8/1/2019
Westport	68,700	30,000	4/9/2019

$861,213 of the District's $4,035,360 school tax levy for 2018-19 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2019.

$814,929 of the District's $3,981,579 school tax levy for 2019-20 was exempted by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January, 2020.

Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential 89.6%, State Land 2.3% and Commercial 8.1%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the School District is approximately $2,500 including County, Town, School District and Fire District taxes

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget 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").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

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

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private 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 school district purpose and shall pledge its faith and credit for the payment of the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Bonds.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School 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 has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining average full valuation is by dividing the assessed valuation of taxable real estate for the last completed and the four preceding assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State law.

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. No down payment is required in connection with the issuance of District obligations.

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

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

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

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

As of the dare of the issuance of the Bonds, the School District will have complied with this estoppel procedure in connection with the Bonds.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2015	2016	2017	2018	2019
Bonds [1]	$ 16,065,000	$ 14,350,000	$ 12,555,000	$ 10,690,000	$ 8,745,000
Bond Anticipation Notes	570,309	500,049	392,914	427,069	306,452
Energy Performance Contract	912,597	726,067	531,162	327,506	114,706
Total Debt Outstanding	$ 17,547,906	$ 15,576,116	$ 13,479,076	$ 11,444,575	$ 9,166,158

[1] Totals above do not include advance refunded serial bonds outstanding where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as evidenced by bonds and bond anticipation notes as of April 29, 2020.

Type of Indebtedness	Maturity		Amount
Bonds [1]	2020-2027		$ 9,895,000
Bond Anticipation Notes			
Buses	October 23, 2020		438,938
		Total Indebtedness:	$ 10,333,938

[1] On November 9, 2017, the District issued $2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded $2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 29, 2020:

Full Valuation of Taxable Real Property			$ 229,443,371
Debt Limit 10% thereof			22,944,337
Inclusions:			
Bonds [1]	$ 9,895,000		
Bond Anticipation Notes	438,938		
Principal of the Bonds	1,537,511		
Total Inclusions		$ 11,871,449	
Exclusions:			
Building Aid [2]	$ 0		
Total Exclusions		0	
Total Net Indebtedness			$ 11,871,449
Net Debt-Contracting Margin			$ 11,072,888
The percent of debt contracting power exhausted is			51.74%

(1) On November 9, 2017, the District issued $2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded $2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

(2) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2020-21 Preliminary Building Aid Ratios, the School District anticipates State building aid of 96.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District has not had to issue revenue anticipation notes to align the cash flow needs of the District with the State aid payment schedule since the 2011-2012 fiscal year. The District does not anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Other Obligations

The District entered into an Energy Performance Contract Municipal Lease/Purchase Agreement for $2,280,000 to be spent on the Cogeneration Plant capital project. The total cost of the project amounted to $1,458,517. The interest rate is 4.49% and the payments are due annually through 2021. For the fiscal year ending June 30, 2019, $114,706 principal remains outstanding.

The District purchased copiers for $49,196 during the fiscal year end June 30, 2018. The total annual payment for each fiscal year ending June 30, 2018 through June 30, 2021 is $12,896.

Federal Sequestration

In May 2012, the District issued $5,000,000 of Qualified School Construction Bonds ("QSCBs") with a final maturity of 2023. At the time of issue the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments and refund offset transactions processed on or after October 1, 2019, and on or before September 30, 2020, will be reduced by the fiscal year 2020 5.9% sequestration rate, irrespective of when the IRS received the Form 8038-CP with amounts claimed by an issuer. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

A summary of historic federal sequestration rates is outlined below:

Fiscal Year (October 1 thru September 30)	Sequestration Rate Reduction
2013	8.7%
2014	7.2
2015	7.3
2016	6.8
2017	6.9
2018	6.6
2019	6.2
2020	5.9

In addition, federal government shutdowns may delay the processing of federal government payments to the District. If this were to occur, the District will be required to make payment of the full amount of interest due on the bonds at that time. These payments are expected to be reimbursed to the District when any such government shutdown is over but when the federal government can process requests for, and make payment of, the applicable tax credit payments is not known at this time.

The District budgets annually for the full interest payment due on the QSCBs to cover for possible delays or shortfalls in the expected tax credit subsidy.

Capital Project Plans

The District annually issues bond anticipation notes for the purchase of buses.

On December 11, 2018, the qualified voters of the District approved a capital project for the Champlain Valley Educational Services BOCES at a maximum cost of $29,850,000. The District's share of the project is $1,537,511, which is being financed with the current issuance of the Bonds. Construction is anticipated to commence in 2020.

On December 17, 2019, the qualified voters of the District approved a capital project consisting of various repair and renovation projects at a maximum cost of $14,960,000. The total cost for bus garage repairs is $1,041,601, work at the main building is $9,992,453, and the total cost for work at the main campus site, including the track field and parking lot improvements, is $3,924,223. 95.3% of total project costs will be covered by State Building aid, for a remaining local share of costs of $703,120. Construction is anticipated to commence in Spring 2021.

The District has no other capital projects authorized or contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are as of the close of the respective fiscal years of the below municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Essex	6/29/2019 [3]	$ 29,905,000	$ 2,180,000	$ 27,725,000	3.10%	$ 859,475
Town of:						
Crown Point	12/31/2017	279,200	279,200	-	1.00%	-
Moriah	12/31/2017	10,281,909	7,491,430	2,790,479	96.05%	2,680,255
Westport	12/31/2017	3,739,084	3,739,084	-	0.17%	-
Village of:						
Port Henry	5/31/2018	-	-	-	100.00%	-
					Total:	$ 3,539,730

Notes:

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Sources of information:

(3) Most recent available official statement of the municipality obtained from EMMA.

(4) Most recent available State Comptroller's Special Report for the respective fiscal year.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of April 29, 2020:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 11,871,449	$ 2,544.25	5.17%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	15,411,179	3,302.87	6.72

(a) The 2018 estimated population of the District is 4,666. (See "THE SCHOOL DISTRICT – District Population" herein.)

(b) The District's full value of taxable real estate for 2019-20 is $229,443,371. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is $3,539,730. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors' Provision. The Bonds when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

MARKET AND RISK FACTORS

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

The financial condition of the School District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and 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 State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts 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. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District, could have an impact upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein.

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

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID 19

An outbreak of disease or similar public health threat, such as the COVID-19-outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, 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 affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken 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 are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also "THE SCHOOL DISTRICT - State Aid" and "COVID-19").

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

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

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – E".

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers 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 enter into a Continuing Disclosure Undertaking Certificate, the form of which is described in "APPENDIX – C".

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, 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. 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. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may require the filing of a material event notification to EMMA.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of " " to the Bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.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. Fiscal Advisors & Marketing, 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 Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, 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. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Erin Gilbo, Business Manager, 39 Viking Lane, Port Henry, New York 12974, Phone: (518) 546-3301, Fax: (518) 546-7895, email: egilbo@moriahk12.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

MORIAH CENTRAL SCHOOL DISTRICT

Dated: May 1, 2020

DANIEL SADOWSKI
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	**2015**	**2016**	**2017**	**2018**	**2019**
ASSETS					
Cash	$ 2,588,370	$ 2,960,854	$ 3,358,397	$ 2,808,394	$ 2,263,781
Restricted cash & investments	1,175,776	1,178,078	1,180,379	1,152,903	1,158,812
Due from Other Funds	302,319	207,368	225,809	104,825	449,425
Accounts Receivables	75,107	75,664	75,745	74,292	30,370
Due from Other Governments	253,093	338,381	309,506	361,810	376,774
Due from State and Federal	207,977	276,960	207,143	257,188	208,458
Inventories	-	-	-	-	-
TOTAL ASSETS	$ 4,602,642	$ 5,037,305	$ 5,356,979	$ 4,759,412	$ 4,487,620
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 308,469	$ 265,183	$ 335,276	$ 86,206	$ 91,054
Accrued Liabilities	871	1,155	435	31,026	826
Overpayments	-	-	-	-	-
Revenue Anticipation Notes Payable	-	-	-	-	-
Bond Anticipation Notes Payable	-	-	-	-	-
Due to Other Funds	73,128	97,555	127,200	-	41,435
Due to Teachers' Retirement System	884,409	665,476	626,179	548,281	599,761
Due to Employees' Retirement Fund	51,169	47,059	49,330	49,576	50,185
Other Liabilities	-	-	-	-	-
TOTAL LIABILITIES	1,318,046	1,076,428	1,138,420	715,089	783,261
FUND EQUITY					
Nonspendable/Restricted	$ 1,175,776	$ 1,178,078	$ 1,180,379	$ 1,152,903	$ 1,158,812
Appropriated/Assigned	378,571	252,155	461,502	657,596	587,198
Unappropriated/Unassigned	1,730,249	2,530,644	2,576,678	2,233,824	1,958,349
TOTAL FUND EQUITY	3,284,596	3,960,877	4,218,559	4,044,323	3,704,359
TOTAL LIABILITIES and FUND EQUITY	$ 4,602,642	$ 5,037,305	$ 5,356,979	$ 4,759,412	$ 4,487,620

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2015	2016	2017	2018	2019
REVENUES					
Real Property Taxes	$ 2,953,186	$ 3,049,909	$ 3,074,158	$ 3,084,413	$ 3,180,804
Other Tax Items/STAR aid	926,090	921,396	907,753	896,700	875,636
Charges for Services	77,548	110,809	84,699	109,151	147,131
Use of Money & Property	10,661	7,658	11,380	12,694	36,415
Sale of Property and Compensation for Loss	7,650	11,956	381	1,436	13
Miscellaneous	163,726	140,508	200,941	221,209	212,126
Revenues from State Sources	11,158,568	11,505,642	11,856,637	12,241,232	12,613,546
Revenues from Federal Sources	19,060	17,719	13,892	12,607	16,768
Total Revenues	$ 15,316,489	$ 15,765,597	$ 16,149,841	$ 16,579,442	$ 17,082,439
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 15,316,489	$ 15,765,597	$ 16,149,841	$ 16,579,442	$ 17,082,439
EXPENDITURES					
General Support	$ 1,712,172	$ 1,419,966	$ 1,375,841	$ 1,565,435	$ 1,525,074
Instruction	6,284,448	6,499,284	7,107,490	7,570,205	7,702,305
Pupil Transportation	542,965	549,529	624,487	613,659	628,231
Community Services	4,500	4,500	4,500	4,500	4,500
Employee Benefits	4,128,938	3,911,273	4,006,549	4,277,155	4,727,142
Debt Service	2,568,493	2,700,764	2,724,439	2,674,041	2,692,594
Total Expenditures	15,241,516	15,085,316	15,843,306	16,704,995	17,279,846
Other Uses:					
Interfund Transfers	$ 4,600	$ 4,000	$ 48,853	$ 48,683	$ 142,557
Total Expenditures and Other Uses	15,246,116	15,089,316	15,892,159	16,753,678	17,422,403
Excess (Deficit) Revenues Over Expenditures	70,373	676,281	257,682	(174,236)	(339,964)
FUND BALANCE					
Fund Balance - Beginning of Year	3,214,223	3,284,596	3,960,877	4,218,559	4,044,323
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 3,284,596	$ 3,960,877	$ 4,218,559	$ 4,044,323	$ 3,704,359

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2019		
	Original Budget	Modified Budget	Audited Actual
REVENUES			
Real Property Taxes	$ 3,157,013	$ 3,157,013	$ 3,180,804
Other Tax Items/STAR aid	892,000	892,000	875,636
Charges for Services	57,050	57,050	147,131
Use of Money & Property	6,500	6,500	36,415
Sale of Property and Compensation for Loss	-	-	13
Miscellaneous	95,000	95,000	212,126
Revenues from State Sources	12,563,447	12,563,447	12,613,546
Revenues from Federal Sources	12,000	12,000	16,768
Total Revenues	$ 16,783,010	$ 16,783,010	$ 17,082,439
Other Sources:			
Interfund Transfers	-	2,660	-
Total Revenues and Other Sources	$ 16,783,010	$ 16,785,670	$ 17,082,439
EXPENDITURES			
General Support	$ 1,637,648	$ 1,531,536	$ 1,525,074
Instruction	7,461,759	7,703,322	7,702,305
Pupil Transportation	661,792	628,231	628,231
Community Services	4,500	4,500	4,500
Employee Benefits	4,964,371	4,737,544	4,727,142
Debt Service	2,692,916	2,692,916	2,692,594
Total Expenditures	17,422,986	17,298,049	17,279,846
Other Uses:			
Interfund Transfers	$ 14,960	$ 142,557	$ 142,557
Total Expenditures and Other Uses	17,437,946	17,440,606	17,422,403
Excess (Deficit) Revenues Over Expenditures	(654,936)	(654,936)	(339,964)
FUND BALANCE			
Fund Balance - Beginning of Year	4,044,323	4,044,323	4,044,323
Prior Period Adjustments (net)	-	-	-
Fund Balance - End of Year	$ 3,389,387	$ 3,389,387	$ 3,704,359

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2016 Adopted Budget	2017 Adopted Budget	2018 Adopted Budget	2019 Adopted Budget	2020 Adopted Budget
REVENUES					
Real Property Taxes	$ 3,946,500	$ 3,966,291	$ 3,966,291	$ 4,037,013	$ 4,060,348
Non-Property Tax Items	-	-	-		
Charges for Services	6,100	6,100	5,050	5,050	5,050
Use of Money & Property	35,365	149,309	97,944	112,444	205,744
Sale of Property and Compensation for Loss	-	-	-	-	-
Interfund Revenue	-	-	-	-	-
Miscellaneous	70,000	93,000	95,000	95,000	109,000
Revenues from State Sources	11,289,583	11,882,262	12,118,551	12,521,503	12,404,991
Revenues from Federal Sources	5,000	8,000	12,000	12,000	12,000
Total Revenues	$ 15,352,548	$ 16,104,962	$ 16,294,836	$ 16,783,010	$ 16,797,133
EXPENDITURES					
Administrative Component	$ 1,580,443	$ 1,645,145	$ 1,664,921	$ 1,753,058	$ 2,077,575
Program Component	10,590,575	11,127,367	11,518,277	12,111,057	12,338,157
Capital Component	3,560,101	3,584,605	3,573,140	3,573,831	2,968,599
Total Expenditures	$ 15,731,119	$ 16,357,117	$ 16,756,338	$ 17,437,946	$ 17,384,331
Other Uses:					
Interfund Transfers	-	-	-	-	-
Total Expenditures and Other Uses	15,731,119	16,357,117	16,756,338	17,437,946	17,384,331
Excess (Deficit) Revenues Over Expenditures	(378,571)	(252,155)	(461,502)	(654,936)	(587,198)
FUND BALANCE					
Fund Balance - Beginning of Year	378,571	252,155	461,502	654,936	587,198
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -

Source: Annual budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total	Principal of this Issue	Total Principal All Issues
2020	$ 1,385,000	$ 489,589	$ 1,874,589	$ -	$ 1,874,589
2021	1,450,000	427,030	1,877,030	82,511	1,959,541
2022	1,515,000	360,620	1,875,620	85,000	1,960,620
2023	2,335,000	274,263	2,609,263	85,000	2,694,263
2024	2,250,000	168,425	2,418,425	90,000	2,508,425
2025	1,840,000	68,750	1,908,750	90,000	1,998,750
2026	180,000	18,500	198,500	95,000	293,500
2027	190,000	9,500	199,500	100,000	299,500
2028	-	-	-	100,000	100,000
2029	-	-	-	105,000	105,000
2030	-	-	-	110,000	110,000
2031	-	-	-	110,000	110,000
2032	-	-	-	115,000	115,000
2033	-	-	-	120,000	120,000
2034	-	-	-	125,000	125,000
2035	-	-	-	125,000	125,000
TOTALS	$ 11,145,000	$ 1,816,676	$ 12,961,676	$ 1,537,511	$ 14,499,187

Note: On November 9, 2017, the District issued $2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds total above includes the advance refunded $2,400,000 outstanding principal of the District's 2011H bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

Note: The chart above does not include the Energy Performance Contract outstanding in the amount of $114,706.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	$2,350,000 2005 Capital Project 7/15 Principal	7/15 & 1/15 Interest	$8,140,000 2011H DASNY - Capital Project* 7/15 Principal	7/15 & 1/15 Interest	$5,000,000 2012 QSCB - Capital Project** 7/15 Principal	7/15 & 1/15 Interest
2020	$ 165,000	$ 25,100	$ 655,000	$ 207,125	$ 425,000	$ 78,814
2021	175,000	18,300	690,000	173,500	440,000	63,555
2022	180,000	11,200	725,000	138,125	455,000	46,770
2023	190,000	3,800	760,000	101,000	475,000	28,863
2024	-	-	800,000	62,000	490,000	9,800
2025	-	-	840,000	21,000	-	-
TOTAL	$ 710,000	$ 58,400	$ 4,470,000	$ 702,750	$ 2,285,000	$ 227,801

Fiscal Year Ending June 30th	$1,860,000 2014 DASNY - Capital Project 6/16 Principal	6/15 & 12/15 Interest	$2,400,000 2017F DASNY - Refunding of 2011H 7/15 Principal	6/15 & 12/15 Interest
2020	$ 135,000	$ 64,250	$ 5,000	$ 114,300
2021	140,000	57,500	5,000	114,175
2022	150,000	50,500	5,000	114,025
2023	155,000	43,000	755,000	97,600
2024	165,000	35,250	795,000	61,375
2025	170,000	27,000	830,000	20,750
2026	180,000	18,500	-	-
2027	190,000	9,500	-	-
TOTAL	$ 1,285,000	$ 305,500	$ 2,395,000	$ 522,225

* On November 9, 2017, the District issued $2,400,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings to refunded $2,400,000 outstanding principal of the District's 2011H DASNY bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. These refunded bonds will be fully redeemed as of their first call date on July 15, 2022.

** The District receives direct interest subsidy payments from the United States Treasury in amounts equal to 100% of the original interest on the bonds, less any applicable reduction due to Federal Sequestration.

CONTINUING DISCLOSURE UNDERTAKING

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

(i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated May 7, 2020 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C & D and other than any appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of 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;

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

(g) modifications to rights of Bondholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

For the purposes of the event identified in (ii) (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

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

(iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

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

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

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

FORM OF OPINION OF BOND COUNSEL

May 26, 2020

Moriah Central School District
39 Viking Lane
Port Henry, New York 12974

Re: Moriah Central School District
$1,537,511 School District (Serial) Bonds, 2020 CUSIP No: _____

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $1,537,511 School District (Serial) Bonds, 2020 (the "Bonds"), of the Moriah Central School District, County of Essex, State of New York (the "District"). The Bonds are dated May 26, 2020 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the School District (Serial) Bonds, 2020, and a Certificate of Determination dated on or before May 26, 2020 of the President of the Board of Education relative to the form and terms of the Bonds.

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain 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. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified 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 that interest on the Bonds is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Bonds, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

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

The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Bonds as the same respectively become due and payable. Reference should be made to the Official Statement for factual information which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

MORIAH CENTRAL SCHOOL DISTRICT
ESSEX COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

Boulrice & Wood CPAS, P.C., the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Boulrice & Wood CPAS, P.C. also has not performed any procedures relating to this Official Statement.

MORIAH CENTRAL SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2019 AND 2018

Contents

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Moriah Central School District
Port Henry, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Moriah Central School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the District's 2018 financial statements, and in our report dated October 1, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Moriah Central School District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 11), budgetary comparison information (pages 54 & 55), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 58) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 59-62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2019 on our consideration of the Moriah Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Moriah Central School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA's PC
October 7, 2019

MORIAH CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2019

As management of the Moriah Central School District, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

- The first two statements are entity-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 operations in more detail than the entity-wide statements.

- The governmental fund statements tell how basic services such as instruction and support functions 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, including the employees of District.

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

District-wide Statements

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

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

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

- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

Governmental funds: Most of the 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 fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the entity-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. In summary, the government fund statements focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary orientation. Included are the general fund, special revenue funds, capital project funds and permanent funds. Required statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances.

Fiduciary funds: The District is the trustee or fiduciary for assets that belong to others, such as scholarship funds and 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 entity-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the district, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $(27,293,937) at the close of the most recent fiscal year.

Condensed Statement of Net Assets	**2019**	Restated 2018
Current and other assets	$ 5,058,815	$ 5,004,220
Capital assets, net of accumulated depreciation	23,609,573	24,476,065
Total Assets	**28,668,388**	29,480,285
Deferred outflows of resources:		
Pensions	3,348,467	3,678,493
OPEB (GASB 75)	6,957,897	995,919
Total Deferred Outflows of Resources	**10,306,364**	4,674,412
Total Assets and Deferred Outflows of Resources	**$ 38,974,752**	$ 34,154,697
Long-term debt outstanding	$ 58,374,284	$ 54,225,598
Other liabilities	1,180,439	1,338,607
Total Liabilities	**59,554,723**	55,564,205
Deferred inflows of resources:		
Pensions	922,842	1,177,589
OPEB (GASB 75)	5,791,124	4,955,263
Total Deferred Inflows of Resources	**6,713,966**	6,132,852
Net assets:		
Net investment in capital assets	14,289,600	12,849,806
Restricted	1,158,812	1,152,903
Unrestricted	(42,742,349)	(41,545,069)
Total Net Assets	**(27,293,937)**	(27,542,360)
Total Liabilities and Net Assets	**$ 38,974,752**	$ 34,154,697

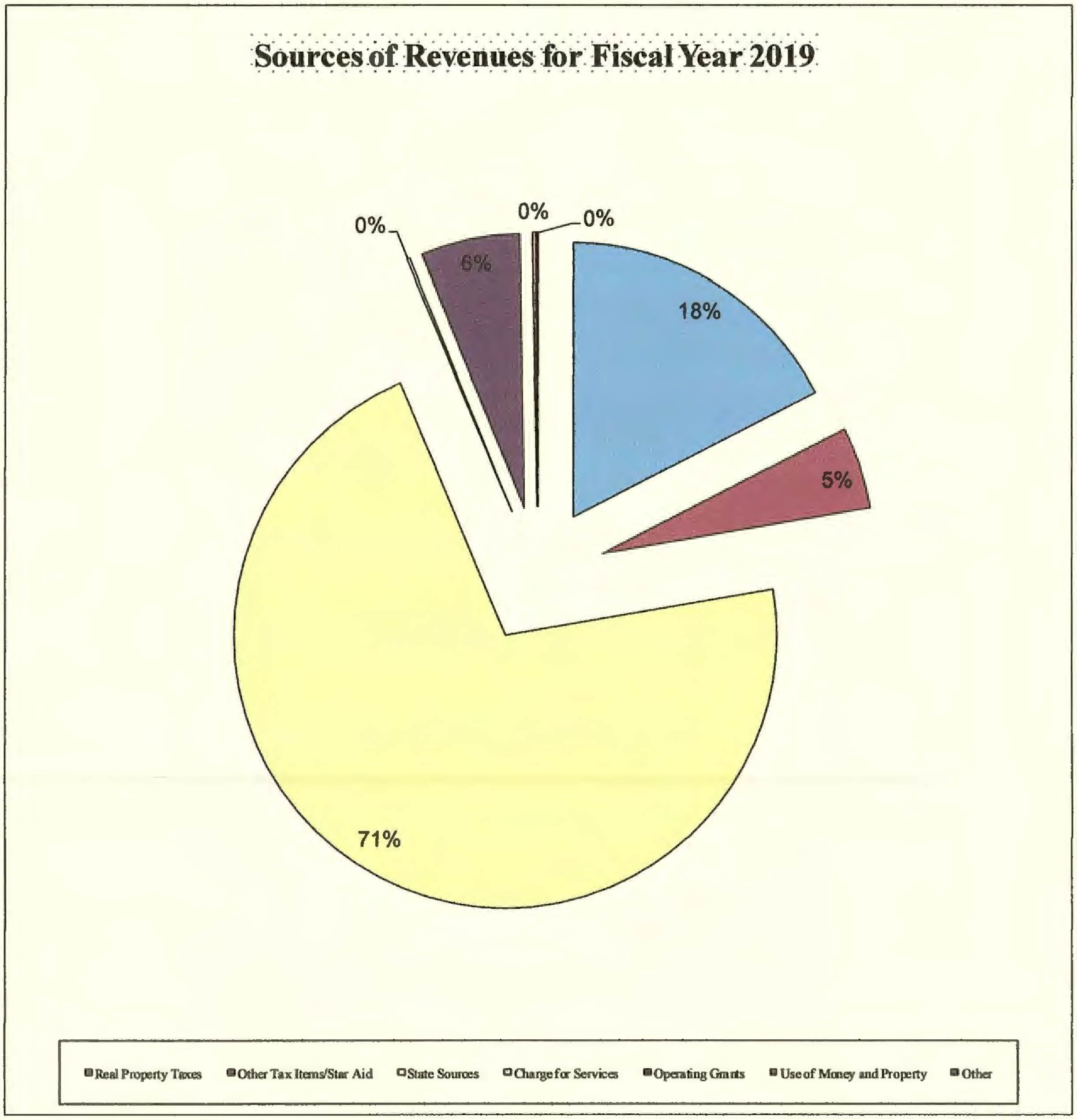
A significant portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. This relates to debt service, various reserves and amounts held in a maintenance escrow account.

The total net position of the District increased during the current fiscal year primarily due to changes in the accruals of other post-employment benefits.

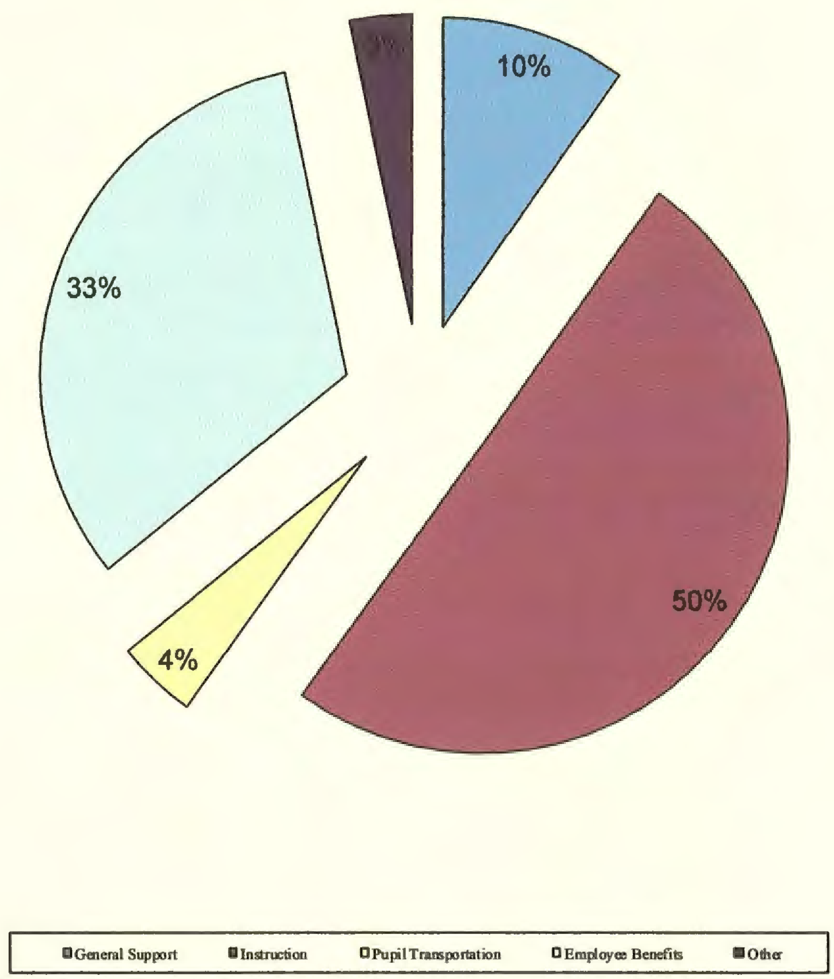
Changes in Net Position

Revenues	2019	2018
Program revenues		
Charges for services	$ 30,641	$ 26,630
Operating grants and contributions	1,069,472	948,452
General revenues		
Property taxes	3,180,804	3,084,413
Other tax items/star aid	875,636	896,700
Charges for services	147,131	109,151
State formula aid	12,973,153	12,405,592
Federal aid	16,768	12,607
Use of money and property	36,415	12,694
Sale of property and compensation for loss	(499,418)	221,209
Miscellaneous	352,423	(47,050)
Total Revenues	18,183,025	17,670,398
Expenses		
General support	1,755,120	1,747,598
Instruction	8,994,575	8,868,503
Transportation	756,794	745,521
Community service	4,500	4,500
Employee benefits	5,847,679	5,504,136
Debt service - interest	342,733	392,536
Cost of sales - food	233,201	215,542
Total Expenses	17,934,602	17,478,336
Increase in Net Position	$ 248,423	$ 192,062



Revenue Source	Amount
Real Property Taxes	$3,180,804
Other Tax Items/Star Aid	875,636
State Sources	12,973,153
Charge for Services	30,641
Operating Grants	1,069,472
Use of Money and Property	36,415
Other	16,904
Total	$18,183,025

Expenses for Fiscal Year 2019



Expenditures	Amount
General Support	$1,755,120
Instruction	8,994,575
Pupil Transportation	756,794
Employee Benefits	5,847,679
Other	580,434
Total	$17,934,602

Financial analysis of the District's Funds

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

General fund: The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was a surplus of $3,704,359. Expenditures for general District purposes totaled $17,279,846.

General fund instructional expenses totaled $7,702,305 while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance were $4,727,142 to arrive at 71.9% of total General Fund expenditures.

The capital projects fund has a negative fund balance of $(306,460) which will be replenished through State Aid or transfers from the General Fund in future years.

The school lunch program has a fund balance of $0.

General Fund Budgetary highlights

During the year actual revenues were more than the budget estimate by $299,429.

Actual expenditures were less than budgeted by $18,203, a result of better controlled costs. Program revenues are budgeted to spend all available resources.

Capital Asset and Debt Administration

Capital Assets: The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The district did major renovations and additions at a cost of $339,728 during the fiscal year.

Capital assets, net of depreciation at June 30, 2019 and 2018 are as follows:

	2019	Restated 2018
Land	$ 66,103	$ 66,103
Cogeneration plant	-	499,371
Buildings and improvements	22,319,914	22,706,964
Furniture and equipment	1,223,556	1,203,627
Total	$ 23,609,573	$ 24,476,065

Additional information on the District's capital assets can found in Note 5 to the basic financial statements.

Debt Administration: The District has outstanding bonds payable and one lease-purchase obligation related to building expansions and building renovations on the campus. In addition, the District has financed a portion of its employee retirement system contribution and some copiers. Additional information on the District's outstanding debt payable can be found in Note 7 in the basic financial statements.

	2019	2018
General obligation bonds	$ 8,874,230	$ 10,835,384
Lease-purchase obligations	114,706	327,506
Employee retirement system contribution	42,201	49,767
Copiers installment obligation	24,585	36,300
	$ 9,055,722	$ 11,248,957

Factors Bearing on the District's Future

Changing Enrollment within the District:

The components of changing enrollment are migration and the kindergarten to grade 12 (K-12) differentials. The K-12 differential is the size of the grade 12 leaving, and the size of the kindergarten students entering the District in a given year. District births and the number of students per grade are known data. District growth occurs when the number of kindergarten students entering the system exceeds the grade 12 students leaving the system in a given fiscal year. The current expectation is for a slight increase in enrollment in the next fiscal year.

The district has a low median income for its resident population and services a large percentage of special needs children. It is this low income and high average student costs that create great budgetary concerns when constructing the financial operating plan of the District.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Moriah Central School District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information, contact the Business Office, Moriah Central School District, Port Henry, NY 12974.

MORIAH CENTRAL SCHOOL DISTRICT SCHEDULE 1

STATEMENTS OF NET POSITION
June 30, 2019 and 2018

	2019	Restated 2018
ASSETS		
Cash:		
Unrestricted	$ 2,287,183	$ 2,810,883
Restricted	1,158,812	1,152,903
Receivables:		
Accounts receivable	63,499	77,602
State & federal aid receivable	568,643	344,295
Due from other governments	376,774	361,810
Inventories	11,538	10,748
Capital assets, net	23,609,573	24,476,065
Net pension asset-proportionate share	592,366	245,979
Total Assets	28,668,388	29,480,285
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	3,348,467	3,678,493
OPEB (GASB 75)	6,957,897	995,919
Total Deferred Outflows of Resources	10,306,364	4,674,412
Total Assets and Deferred Outflows of Resources	$ 38,974,752	$ 34,154,697
LIABILITIES		
Payables:		
Accounts payable	$ 109,335	$ 147,450
Accrued expenses	112,715	161,643
Overpayments	1,991	4,588
Bonds anticipation notes payable	306,452	427,069
Due to teachers retirement system	599,761	548,281
Due to employees retirement system	50,185	49,576
Long-Term Liabilities		
Due and payable within one year:		
Bonds payable and other long-term debt, current	1,499,706	2,157,800
Installment obligation	12,096	11,715
Due to employees retirement system	7,844	7,566
Due and payable after one year:		
Bonds payable and other long-term debt, non-current	7,489,230	9,005,090
Installment obligation	12,489	24,585
Due to employees retirement system	34,357	42,201
Compensated absences payable	150,894	116,217
Other post employment benefits	48,835,211	42,721,803
Net pension liability-proportionate share	332,457	138,621
Total Liabilities	59,554,723	55,564,205
DEFERRED INFLOWS OF RESOURCES		
Pensions	922,842	1,177,589
OPEB (GASB 75)	5,791,124	4,955,263
Total Deferred Inflows of Resources	6,713,966	6,132,852
NET POSITION		
Net investment in capital assets	14,289,600	12,849,806
Restricted	1,158,812	1,152,903
Unrestricted	(42,742,349)	(41,545,069)
Total Net Position	(27,293,937)	(27,542,360)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 38,974,752	$ 34,154,697

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT **SCHEDULE 2**

STATEMENT OF ACTIVITIES
Years Ended June 30, 2019 and 2018

Functions/ Programs:	2019 EXPENSES	2019 PROGRAM REVENUES CHARGES FOR SERVICES	2019 PROGRAM REVENUES OPERATING GRANTS	2019 NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	2018 NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
General support	$ (1,755,120)	$ -	$ -	$ (1,755,120)	$ (1,747,598)
Instruction	(8,994,575)	-	751,132	(8,243,443)	(8,239,682)
Pupil transportation	(756,794)	-	-	(756,794)	(745,521)
Community services	(4,500)	-	-	(4,500)	(4,500)
Employee benefits	(5,847,679)	-	-	(5,847,679)	(5,504,136)
Debt service	(342,733)	-	-	(342,733)	(392,536)
School Lunch	(233,201)	30,641	318,340	115,780	130,719
Total Functions and Programs	$ (17,934,602)	$ 30,641	$ 1,069,472	(16,834,489)	(16,503,254)
General Revenues:					
Real property taxes				3,180,804	3,084,413
Other tax items/star aid				875,636	896,700
Charges for services				147,131	109,151
Use of money and property				36,415	12,694
Sale of property and compensation for loss				(499,418)	(47,050)
Miscellaneous				352,423	221,209
State sources				12,973,153	12,405,592
Federal sources				16,768	12,607
Total General Revenues				17,082,912	16,695,316
Change in Net Assets				248,423	192,062
Total Net Position - Beginning of year				(27,542,360)	(27,831,606)
Prior period adjustment (Note 13)				-	97,184
Total Net Position - End of year				$ (27,293,937)	$ (27,542,360)

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT **SCHEDULE 3**

BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2019 and 2018

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	2019 TOTAL	2018 TOTAL
ASSETS						
Cash	$ 2,263,781	$ 23,402	$ -	$ -	**$ 2,287,183**	$ 2,810,883
Restricted cash	1,158,812	-	-	-	**1,158,812**	1,152,903
Due from other funds	449,425	11,204	-	-	**460,629**	104,825
Accounts receivable	30,370	33,129	-	-	**63,499**	77,602
Due from other governments	376,774	-	-	-	**376,774**	361,810
State & federal aid receivable	208,458	127,729	232,456	-	**568,643**	344,295
Inventories	-	11,538	-	-	**11,538**	10,748
Total Assets	$ 4,487,620	$ 207,002	$ 232,456	$ -	**$ 4,927,078**	$ 4,863,066
LIABILITIES						
Accounts payable	$ 91,054	$ 18,281	$ -	$ -	**$ 109,335**	$ 147,450
Accrued liabilities	826	-	-	-	**826**	31,026
Overpayments	-	1,991	-	-	**1,991**	4,588
Bond anticipation notes payable	-	-	306,452	-	**306,452**	427,069
Due to other funds	41,435	186,730	232,464	-	**460,629**	104,825
Due to teachers retirement system	599,761	-	-	-	**599,761**	548,281
Due to employees retirement system	50,185	-	-	-	**50,185**	49,576
Total Liabilities	783,261	207,002	538,916	-	**1,529,179**	1,312,815
FUND BALANCES						
Nonspendable						
Inventory	-	11,538	-	-	**11,538**	10,748
Restricted						
Unemployment insurance	102,014	-	-	-	**102,014**	101,892
Retirement contributions - ERS	255,034	-	-	-	**255,034**	254,728
Property loss	15,302	-	-	-	**15,302**	15,284
Employee benefit accrued liability	47,017	-	-	-	**47,017**	46,960
Retirement of long-term debt	739,445	-	-	-	**739,445**	734,039
Assigned						
Appropriated fund balance	587,198	-	-	-	**587,198**	654,936
Encumbrances	-	-	-	-	**-**	2,660
Unassigned	1,958,349	(11,538)	(306,460)	-	**1,640,351**	1,729,004
Total Fund Balances	3,704,359	-	(306,460)	-	**3,397,899**	3,550,251
Total Liabilities and Fund Balances	$ 4,487,620	$ 207,002	$ 232,456	$ -	**$ 4,927,078**	$ 4,863,066

See Notes to the Financial Statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2019 and 2018

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	2019 TOTAL	2018 TOTAL
REVENUES						
Real property taxes	$ 3,180,804	$ -	$ -	$ -	**$ 3,180,804**	$ 3,084,413
Other tax items/star aid	875,636	-	-	-	**875,636**	896,700
Charges for services	147,131	-	-	-	**147,131**	109,151
Use of money and property	36,415	-	-	-	**36,415**	12,694
Sale of property and compensation for loss	13	-	-	-	**13**	1,436
Miscellaneous	212,126	-	-	-	**212,126**	221,209
State sources	12,613,546	266,023	359,607	-	**13,239,176**	12,623,426
Federal sources	16,768	775,040	-	-	**791,808**	720,389
Surplus food	-	28,409	-	-	**28,409**	22,836
Sales (school lunch)	-	30,641	-	-	**30,641**	26,630
Total Revenues	17,082,439	1,100,113	359,607	-	**18,542,159**	17,718,884
EXPENDITURES						
General support	1,525,074	172,742	-	-	**1,697,816**	1,736,827
Instruction	7,702,305	623,717	-	-	**8,326,022**	8,143,373
Pupil transportation	628,231	7,334	-	-	**635,565**	624,172
Community services	4,500	-	-	-	**4,500**	4,500
Employee benefits	4,727,142	183,407	-	-	**4,910,549**	4,353,864
Debt service	2,692,594	-	-	-	**2,692,594**	2,674,041
Cost of sales (school lunch)	-	233,201	-	-	**233,201**	215,542
Capital outlay	-	-	339,728	-	**339,728**	390,493
Total Expenditures	17,279,846	1,220,401	339,728	-	**18,839,975**	18,142,812
Excess (Deficit) of Revenues over Expenditures	(197,407)	(120,288)	19,879	-	**(297,816)**	(423,928)

See Notes to the Financial Statements.

OTHER SOURCES AND USES						
Bond anticipation notes redeemed from appropriations	-	-	145,464	-	**145,464**	147,244
Proceeds of advance refunding	-	-	-	-	-	2,707,172
Payment to bond escrow agent	-	-	-	-	-	(2,707,172)
Interfund transfers in	-	142,557	-	-	**142,557**	48,683
Interfund transfers out	(142,557)	-	-	-	**(142,557)**	(48,683)
Total Other Sources	(142,557)	142,557	145,464	-	**145,464**	147,244
Excess (Deficit) of Revenues and Other Sources over Expenditures	(339,964)	22,269	165,343	-	**(152,352)**	(276,684)
Fund Balances, Beginning of Year	4,044,323	(22,269)	(471,803)	-	**3,550,251**	3,826,935
Fund Balances, Ending of Year	$ 3,704,359	$ -	$ (306,460)	$ -	**$ 3,397,899**	$ 3,550,251

See Notes to the Financial Statements

MORIAH CENTRAL SCHOOL DISTRICT SCHEDULE 5

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019 and 2018

	Private Purpose Trusts	Agency	2019 Total	2018 Total
ASSETS				
Cash	$ 611,368	$ 120,951	**$ 732,319**	$ 726,300
Total Assets	$ 611,368	$ 120,951	**$ 732,319**	$ 726,300
LIABILITIES				
Other liabilities	$ -	$ 27,920	**$ 27,920**	$ 21,161
Extraclassroom activities	-	93,031	**93,031**	99,211
Total Liabilities	-	120,951	**120,951**	120,372
NET POSITION				
Reserved for scholarships	611,368	-	**611,368**	605,928
Total Net Position	611,368	-	**611,368**	605,928
Total Liabilities and Net Position	$ 611,368	$ 120,951	**$ 732,319**	$ 726,300

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT **SCHEDULE 6**

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended June 30, 2019 and 2018

	2019	2018
	Private Purpose Trust	Private Purpose Trust
ADDITIONS		
Use of money and property	**$ 1,647**	$ 1,628
Gifts and donations	**22,098**	31,597
Total Additions	**23,745**	33,225
DEDUCTIONS		
Scholarships and awards	**18,305**	13,673
Changes in Net Position	**5,440**	19,552
Net Position, Beginning of Year	**605,928**	586,376
Net Position, End of Year	**$ 611,368**	$ 605,928

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 7

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2019

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET ASSETS TOTALS
ASSETS				
Cash	$ 2,287,183	$ -	$ -	$ 2,287,183
Restricted cash	1,158,812	-	-	1,158,812
Due from other funds	460,629	-	(460,629)	-
Accounts receivable	63,499	-	-	63,499
Due from other governments	376,774	-	-	376,774
State & federal aid receivable	568,643	-	-	568,643
Inventories	11,538	-	-	11,538
Capital assets, net	-	23,609,573	-	23,609,573
Net pension liability-proportionate share	-	592,366	-	592,366
Total Assets	4,927,078	24,201,939	(460,629)	28,668,388
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	3,348,467	-	3,348,467
OPEB (GASB 75)	-	6,957,897	-	6,957,897
Total Assets and Deferred Outflows of Resources	$ 4,927,078	$ 34,508,303	$ (460,629)	$ 38,974,752
LIABILITIES				
Accounts payable	$ 109,335	$ -	$ -	$ 109,335
Accrued expenses	826	111,889	-	112,715
Overpayments	1,991	-	-	1,991
Bond anticipation notes payable	306,452	-	-	306,452
Due to other funds	460,629	-	(460,629)	-
Due to teachers retirement system	599,761	-	-	599,761
Due to employees retirement system	50,185	42,201	-	92,386
Bonds payable and other long term debt	-	8,988,936	-	8,988,936
Installment obligation	-	24,585	-	24,585
Compensated absences	-	150,894	-	150,894
Other post employment benefits	-	48,835,211	-	48,835,211
Net pension liability-proportionate share	-	332,457	-	332,457
Total Liabilities	1,529,179	58,486,173	(460,629)	59,554,723
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	922,842	-	922,842
OPEB (GASB 75)	-	5,791,124		5,791,124
Total Deferred Inflows of Resources	-	6,713,966	-	6,713,966
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	3,397,899	(30,691,836)	-	(27,293,937)
Total Liabilities, Deferred Inflows and Fund Balance/Net Position	$ 4,927,078	$ 34,508,303	$ (460,629)	$ 38,974,752

See Notes to the Financial Statements.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE 8

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	$ 3,180,804	$ -	$ -	$ -	$ -	$ 3,180,804
Other tax items/star aid	875,636	-	-	-	-	875,636
Charges for services	147,131	-	-	-	-	147,131
Use of money and property	36,415	-	-	-	-	36,415
Sale of property and compensation for loss	13	-	(499,431)	-	-	(499,418)
Miscellaneous	212,126	-	140,297	-	-	352,423
State sources	13,239,176	-	-	-	-	13,239,176
Federal sources	791,808	-	-	-	-	791,808
Surplus food	28,409	-	-	-	-	28,409
Sales (school lunch)	30,641	-	-	-	-	30,641
Total Revenues	18,542,159	-	(359,134)	-	-	18,183,025
EXPENDITURES						
General support	1,697,816	-	57,304	-	-	1,755,120
Instruction	8,326,022	-	640,852	-	-	8,966,874
Pupil transportation	635,565	-	121,229	-	-	756,794
Community services	4,500	-	-	-	-	4,500
Employee benefits	4,910,549	944,696	-	(7,566)	-	5,847,679
Debt service	2,692,594	(34,882)	-	(2,169,515)	(145,464)	342,733
Cost of sales (school lunch)	233,201	-	-	-	-	233,201
Capital outlay	339,728	-	(312,027)	-	-	27,701
Total Expenditures	18,839,975	909,814	507,358	(2,177,081)	(145,464)	17,934,602
Excess (Deficit) of Revenues over Expenditures	(297,816)	(909,814)	(866,492)	2,177,081	145,464	248,423
OTHER SOURCES AND USES						
Bond anticipation notes redeemed from appropriations	145,464	-	-	-	(145,464)	-
Interfund Transfers In	142,557	-	-	-	(142,557)	-
Interfund Transfers Out	(142,557)	-	-	-	142,557	-
Total other sources and uses	145,464	-	-	-	(145,464)	-
Net change for the Year	$ (152,352)	$ (909,814)	$ (866,492)	$ 2,177,081	$ -	$ 248,423

See Notes to the Financial Statements.

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

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

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the Moriah Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

B. Joint Venture - The Moriah Central School District is one of 17 component school districts in the Clinton/Essex/Warren/Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities.

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

A BOCES budget is comprised of separate budgets for administrative, program, and capital cost. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

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

Note 1. Summary of Significant Accounting Policies (continued)

During the year ended June 30, 2019 the District was billed $2,190,146 for BOCES administrative and program costs and received $801,519 representing the District's share of BOCES aid. BOCES also refunded the District $105,351 for excess expenses billed in prior years. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2019, the Moriah Central School District issued no serial bonds on behalf of BOCES. However, per a joint agreement signed March 1, 2019, the District is responsible for their share of the current BOCES capital project amounting to $1,537,511. The balance owed is due no later than June 1, 2020 and will be paid via bond financing. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES administrative office at P.O. Box 485, Plattsburgh, New York.

C. Basis of presentation

1. District-Wide Statements

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

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

2. Fund Functional Statements

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

The District reports the following major governmental funds:

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

Note 1. Summary of Significant Accounting Policies (continued)

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

- School Lunch Fund - used to account for transactions for the School food service programs.

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

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

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

Fiduciary Fund - the fiduciary funds consist of trust and agency funds and are used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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.

D. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange 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 a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to

Note 1. Summary of Significant Accounting Policies (continued)

be available if the revenues are collected within 60 days after the end of the fiscal year.

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

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

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

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

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

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

E. Inventories

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

F. Capital assets

Acquisitions of equipment and capital facilities are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of general fixed assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$500	Straight Line	20-50 years
Furniture and Equipment	$500	Straight Line	5-20 years

G. Unearned revenue

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

Note 1. Summary of Significant Accounting Policies (continued)

subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for Unearned revenues is removed and revenues are recognized.

H. Retirement plan

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

I. General long-term debt

Bonds, capital notes and bond anticipation notes issued for capital projects are recognized when issued.

J. Property taxes

Real property taxes are levied annually by the Board of Education. The County of Essex subsequently enforces uncollected real property taxes. Essex County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the forthcoming April 1st.

K. Post-employment Benefits

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The cost of providing post-retirement benefits is paid by the District or is shared between the District and the retired employee, depending on length of service and/or classification of employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents as an expenditure or operating transfer to other funds in the General Fund in the year paid.

L. Budgetary Procedures and Budgetary Accounting

a. General

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

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the District.

Note 1. Summary of Significant Accounting Policies (continued)

Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred.

The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types.

Budget appropriations lapse at year-end.

b. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

M. Use of 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.

N. Equity Classifications:

District- wide statements:

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

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

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

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classification and is deemed to be available for

Note 1. Summary of Significant Accounting Policies (continued)

general use by the District.

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

Fund statements:

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of $11,538.

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

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

<u>Retirement Contributions</u>
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.

<u>Property Loss Reserve</u>
Property Loss Reserve and Liability Reserve (Education Law §1709(8) (c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the General Fund.

<u>Unemployment Insurance</u>
According to General Municipal Law §6-m, must be used to pay the cost of

Note 1. Summary of Significant Accounting Policies (continued)

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

Debt Service
According to General Municipal Law §6-1, the Mandatory Reserve for Debt must be established for the purpose of retiring the outstanding obligations upon 1) the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale or 2) receiving excess state aid for a capital improvement financed by obligations outstanding at the time the aid is received. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement or excess state aid received for a capital improvement that is not applied directly to the cost of the improvement or to retire the related indebtedness.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2019.

Assigned – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $0.

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

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the

Note 1. Summary of Significant Accounting Policies (continued)

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 determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

O. Reclassifications:

Certain amounts in the 2018 financial statements may have been reclassified to conform to the 2019 presentation.

P. Events Occurring After Reporting Date

The District has evaluated events and transactions that occurred between June 30, 2019 and October 7, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statement.

Q. Short-term debt

The District may issue Revenue Anticipation Notes (RAN) 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 represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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 be converted to long-term financing within five years after the original issue date.

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

Note 1. Summary of Significant Accounting Policies (continued)

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

S. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2019.

GASB has issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.*

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

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

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

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

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

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

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

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

Explanation of Differences Between Governmental Fund Balances and District Wide Net Assets

Ending fund balance reported on Balance Sheet - Governmental Funds (Exhibit 3)	$ 3,397,899
Capital assets net of related depreciation	23,609,573
Net pension asset	592,366
Deferred outflows:	
Pensions - TRS	3,105,572
Pensions - ERS	242,895
OPEB (GASB 75)	6,957,897
Accrued interest	(111,889)
Liabilities, long term:	
Bonds payable and other long term debt	(8,859,706)
Installment obligation	(24,585)
Due to employee retirement system	(42,201)
Other post employment benefits	(48,835,211)
Compensated absences	(150,894)
Net pension liability	(332,457)
Bond premium, net of amortization	(129,230)
Deferred inflows:	
Pensions - TRS	(814,133)
Pensions - ERS	(108,709)
OPEB (GASB 75)	(5,791,124)
Ending net position reported on Statement of Net Position (Exhibit 1)	$ (27,293,937)

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

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Other Post-Employment Benefits

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

5. Pension Differences

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

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

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

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds (Schedule 4)	$ 18,542,159
Donated equipment	140,297
Loss on disposal of assets	(499,431)
Total revenues of governmental activities on Statement of Activities (Schedule 8)	$ 18,183,025

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Schedule 4)	$ 18,839,975
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned exceeded the amount used during the year. (Schedule 8)	34,677
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital expenditures in the current year. (Schedule 8)	507,358
In the Statement of Activities, accrued interest expense is measured by the amount accrued at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Accrued interest was less than the amount accrued in the prior year. (Schedule 8)	(18,728)

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

The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the Annual OPEB Cost exceeded the premiums paid. (Schedule 8)	987,291
Amortization of bond premium	(16,154)
The following items are reported as expenditures governmental funds, but reduce long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities: (Schedule 8)	
Repayment of bonds (Note 7)	(1,945,000)
Repayment of lease purchase obligations (Note 7)	(212,800)
Repayment of NYS ERS obligation (Note 7)	(7,566)
Repayment of installment obligation	(11,715)
Principal payments on bond anticipation notes paid by general fund	(145,464)
(Increases) decreases in proportionate share of net pensions asset/liability reported in the Statement of Activitites do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.	
Teachers' Retirement System	(125,685)
Employees' Retirement System	48,413
Total expenses reported on the Statement of Activities (Schedule 8)	$ 17,934,602

<u>Other Sources and Uses:</u>

Total other sources and uses in governmental funds (Schedule 4)	$ 145,464
Repayment of bond anticipation notes is an expenditure in the General fund and other sources of income in the Capital Project's Fund. A reclassifying entry reduces both expenditures and other sources of income in the Statement of Activities. (Schedule 8)	(145,464)
Total other sources and uses in the Statement of Activities (Schedule 8)	$ -

Note 3. Cash and Investments

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

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of municipalities, school districts or district corporations other than the one investing the money.

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

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the District's name. At June 30, 2019, the District's bank balances totaled $1,487,818 of which, $500,000 was covered by Federal depository insurance and $987,818 was covered by collateral held by the pledging banks in the District's name.

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2019 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
General	$ 449,425	$ 41,435	$ -	$ 142,557
Capital	-	232,464	-	-
Special Aid	-	134,976	12,946	-
School Lunch	11,204	51,754	129,611	-
Total	$ 460,629	$ 460,629	$ 142,557	$ 142,557

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 transferred funds from the General Fund to the School Lunch Fund to supplement its operations.

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

Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2019, were as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets that are not Depreciated:				
Land	$ 66,103	$ -	$ -	$ 66,103
	66,103	-	-	66,103
Capital Assets that are Depreciated:				
Cogeneration Plant	1,238,517	-	1,238,517	-
Buildings	32,837,500	200,963	-	33,038,463
Furniture and Equipment	2,920,492	282,330	116,161	3,086,661
Total Depreciable Historical Cost	36,996,509	483,293	1,354,678	36,125,124
Less Accumulated Depreciation:				
Cogeneration Plant	739,146	-	739,146	-
Buildings	10,130,536	588,013	-	10,718,549
Furniture and Equipment	1,716,865	262,341	116,101	1,863,105
Total Accumulated Depreciation	12,586,547	850,354	855,247	12,581,654
Total Depreciable Historical Cost, Net	24,409,962	(367,061)	499,431	23,543,470
Total Capital Assets	$ 24,476,065	$ (367,061)	$ 499,431	$ 23,609,573

Depreciation was charged to governmental functions as follows:

	6/30/2019
General support	$ 70,222
Instruction	658,235
Pupil Transportation	121,897
	$ 850,354

Note 6. Compensated Absences

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

Note 6. Compensated Absences (continued)

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

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

Note 7. Indebtedness

Short-Term Debt : The following is a summary of short-term debt:

	Maturity	Rate	6/30/2018	Additions	Deletions	6/30/2019
Bond Anticipation Note	10/26/2018	1.55%	$ 427,069	$ -	$ 427,069	$ -
Bond Anticipation Note	10/25/2019	2.87%	-	306,452	-	306,452
Total			$ 427,069	$ 306,452	$ 427,069	$ 306,452

Interest expense paid on short-term debt for the year ended June 30, 2019 is $6,620.

Long-Term Debt:

1. Long-Term Debt Interest

   Interest Expense paid is $384,536 for the year ended June 30, 2019.

2. Changes

   The changes in the District's indebtedness during the year ended June 30, 2019 are summarized as follows:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Serial Bonds	$ 7,995,000	$ -	$ 1,535,000	$ 6,460,000
Bond Premium, net of amort	145,384	-	16,154	129,230
Construction Bond	2,695,000	-	410,000	2,285,000
Lease-purchase Obligations	327,506	-	212,800	114,706
Due to ERS	49,767	-	7,566	42,201
Installment Obligation	36,300	-	11,715	24,585
Other post employment benefits	42,721,803	6,113,408	-	48,835,211
Compensated Absences	116,217	34,677	-	150,894
Total	$ 54,086,977	$ 6,148,085	$ 2,193,235	$ 58,041,827

Note 7. Indebtedness (continued)

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

3. Existing bond obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	**Outstanding 6/30/2019**
Serial Bond	7/15/2005	7/15/2022	4.0%	**$ 710,000**
Serial Bond	12/15/2011	7/15/2022	5.0%	**2,070,000**
Construction bond	5/31/2012	9/15/2023	3.35%-4.0%	**2,285,000**
Serial Bond	6/10/2014	6/15/2027	5.0%	**1,285,000**
Serial Bond	11/9/2017	6/30/2025	2.0%-5.0%	**2,395,000**
Bond Premium, net of amort				**129,230**
		Total Long-Term Debt		**8,874,230**
		Less Current Portion		**(1,385,000)**
		Long-Term Portion		**$ 7,489,230**

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 1,385,000	$ 290,775	$ 1,675,775
2021	1,450,000	243,475	1,693,475
2022	1,515,000	193,850	1,708,850
2023	1,575,000	144,400	1,719,400
2024	1,450,000	96,625	1,546,625
2025-2029	1,370,000	75,750	1,445,750
	$ 8,745,000	$ 1,044,875	$ 9,789,875

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

Note 7. Indebtedness (continued)

4. Lease-purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	**Outstanding 6/30/2019**
Energy performance contract	8/10/2005	2/8/2020	4.49%	**$ 114,706**

The District entered into an Energy Performance Contract Municipal Lease/Purchase Agreement for $2,280,000 to be spent on the Cogeneration Plant capital project. The total cost of the project amounted to $1,458,517. Interest expense on lease-purchase obligations amounted to $14,705 for the year ended June 30, 2019.

The following is a summary of capital lease obligations:

Fiscal Year Ending June 30,		
2020		$ 119,856
	Total minimum lease payments	119,856
	Less amount representing interest	(5,150)
	Present value of minimum lease payments	114,706
	Less current portion	(114,706)
	Long-term portion	$ -

5. The District opted to participate in the NYS Contribution Stabilization Program by financing $77,448 of its 2013/2014 Local Retirement System contribution. Payments of $9,391 will be made annually for 10 years with interest calculated to be 3.667%. The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 7,844	$ 1,548	$ 9,392
2021	8,131	1,260	9,391
2022	8,429	961	9,390
2023	8,738	653	9,391
2024	9,059	332	9,391
	$ 42,201	$ 4,754	$ 46,955

Note 7. Indebtedness (continued)

6. Installment Obligation – During the year ended June 30, 2018, the District purchased copiers for $49,196 through an installment purchase agreement. The agreement calls for annual payments of $12,896 for four years with interest calculated to be 3.255% The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,		Principal		Interest		Total
2020	$	12,096	$	800	$	12,896
2021		12,489		407		12,896
	$	24,585	$	1,207	$	25,792

Note 8. Pensions

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

Plan Descriptions and Benefits Provided

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

Note 8. Pensions (continued)

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

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

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

CONTRIBUTIONS

	ERS	TRS
2019	$ 198,303	$ 548,281
2018	$ 201,171	$ 626,179
2017	$ 193,803	$ 665,476

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

Note 8. Pensions (continued)

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

At June 30, 2019 the District reported the following asset / (liability) for its proportionate share of the net pension asset / (liability) for each of the Systems. The net pension asset / (liability) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total pension asset / (liability) used to calculate the net pension asset / (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset / (liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	3/31/2019	6/30/2018
Net Pension asset/(liability)	$ (332,457)	$ 592,366
District's portion of the Plan's total net pension asset/(liability)	-0.0046922%	0.032759%
Change in proportion since the prior measurement date	$ (193,836)	$ 346,387

For the year ended June 30, 2019, the District's recognized pension expense of $237,919 for ERS and $448,952 for TRS. At June 30, 2019 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 65,468	$ 442,670	$ 22,317	$ 80,185
Changes of assumptions	83,566	2,070,708	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	85,327	657,571
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	43,676	17,829	1,065	76,377
District's contributions subsequent to the measurement date	50,185	574,365	-	-
Total	$ 242,895	$ 3,105,572	$ 108,709	$ 814,133

Note 8. Pensions (continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	ERS	TRS
Year ended:		
2019	$ -	$ 582,967
2020	83,813	392,339
2021	(53,240)	31,732
2022	3,267	390,944
2023	50,161	260,010
Thereafter	-	59,082
Total	$ 84,001	$ 1,717,074

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/2019	6/30/2018
Actuarial valuation date	4/1/2018	6/30/2017
Interest rate	7.0%	7.25%
Salary scale	4.2%	1.90%-4.72%
Decrement tables	April1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30,2014 System Experience
Inflation rate	2.5%	2.25%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 20, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

Note 8. Pensions (continued)

For ERS, the Actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

	ERS	TRS
Measurement Date	3/31/2019	6/30/2018
Asset Type:	%	%
Domestic equity	4.55	5.80
International equity	6.35	7.30
Private equity	7.50	8.90
Real estate	5.55	4.90
Absolute return strategies	3.75	-
Domestic fixed income securities	-	1.30
Global fixed income securities	-	0.90
High-yield fixed income securities	-	3.50
Mortgages and bonds	1.31	2.80
Opportunistic portfolio	5.68	-
Real assets	5.29	-
Cash	(0.25)	-
Inflation-indexed bonds	1.25	-
Short-term	-	0.30
Private debt	-	6.80
Global equities	-	6.70

Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net positon was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Note 8. Pensions (continued)

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7% for ERS and 7.25% for TRS, as well as what the Districts' proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (6% for ERS and 6.25% for TRS) or 1% higher (8% for ERS and 8.25% for TRS) than the current rate:

ERS	1% Decrease 6.0%	Current Assumption 7.0%	1% Increase 8.0%
Employer's proportionate share of the net pension asset (liability)	$ (1,453,554)	$ (332,457)	$ 609,345

TRS	1% Decrease 6.25%	Current Decrease 7.25%	1% Assumption 8.25%
Employer's proportionate share of the net pension asset (liability)	$ (4,069,651)	$ 592,366	$ 4,497,841

Pension Plan Fiduciary Net Position

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

	ERS	TRS	Total
Valuation date	3/31/2019	6/30/2018	
Employers' total pension asset/(liability)	$ (189,803,429)	$ (118,107,253,288)	$ (118,297,056,717)
Plan Net Position	182,718,124	119,915,517,622	120,098,235,746
Employers' net pension asset/(liability)	$ (7,085,305)	$ 1,808,264,334	$ 1,801,179,029
Ratio of plan net position to the Employers' total pension asset/ (liability)	-96.27%	101.53%	101.52%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to $50,185.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contribution for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to $599,761.

Note 9. Post-Employment (Health Insurance) Benefits

The District provides post-employment (health insurance, etc) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating $1,517,675 for 135 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

A. General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	99
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	136
	235

B. Total OPEB Liability

The District's total OPEB liability of $48,835,211 was measured as of July 1, 2018, and was determined by an actuarial valuation as of July 1, 2018.

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

Inflation	2.4 percent
Salary Increases	3.5 percent
Discount Rate	3.87 percent
Healthcare Cost Trend Rates	7.0 percent for 2020, decreasing to a rate of 4.13 percent for 2079 and later years

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

Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2018.

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	$ 42,721,803
Changes for the Year-	
Service Cost	1,290,270
Interest	1,562,923
Changes of benefit terms	-
Differences between expected and actual experience	6,588,596
Changes in assumptions or other inputs	(2,133,278)
Benefit payments	(1,195,103)
Net Changes	6,113,408
Balance at June 30, 2019	$ 48,835,211

Changes of assumptions and other inputs reflect a change in the discount rate from 3.6% in 2018 to 3.87% in 2019.

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 (2.87 percent) or 1 percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	$ 57,741,159	$ 48,835,211	$ 41,747,569

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 40,927,734	$ 48,835,211	$ 59,147,111

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

For the year ended June 30, 2019, the District recognized OPEB expense of $2,625,353. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,519,019	$ -
Changes of assumptions or other inputs	-	5,791,124
Contributions subsequent to the measurement period	1,438,878	-
Total	$ 6,957,897	$ 5,791,124

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
2020	$ (227,840)
2021	(227,840)
2022	(227,840)
2023	(227,840)
2024 and Thereafter	639,255
	$ (272,105)

Note 10. Stewardship, Compliance and Accountability

At June 30, 2019 the Capital Projects fund had a negative fund balance of $306,460. The District anticipates replenishing the negative fund balance through General Fund appropriations or State Aid.

From time to time the School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. At June 30, 2019, the District is unaware of any outstanding petitions.

The District has received Federal and State Aid/Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District believes disallowances, not previously provided for, if any, will be immaterial.

Note 11. Commitments and Contingencies

Operating Leases - The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2019 were approximately $2,078.

Risk Financing and Related Insurance - The Moriah Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risk reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2019 was $1,958,349, which represents 11.27% of next year's budget. The excess amounted to $1,262,976.

Note 12. Prior Period Information

Comparative prior period information has been presented in summary form. This information was derived from the District's June 30, 2018 financial statements, and in our report dated October 1, 2018, we expressed an unmodified opinion.

Note 13. Prior Period Adjustment

During the year ended June 30, 2019, the District performed a physical inventory of their fixed assets resulting in a $97,184 increase to fixed assets and net position as follows:

	6/30/2018 Balance as Previously Stated	Prior Period Adjustment	6/30/2018 Balance as Restated
Capital Assets:			
Land	$ 66,103	$ -	$ 66,103
Congeneration Plant	1,238,517	-	1,238,517
Buildings	32,895,202	(57,702)	32,837,500
Furniture and Equipment	2,721,365	199,127	2,920,492
Accumulated Depreciation:			
Congeneration Plant	(739,146)	-	(739,146)
Buildings	(10,210,855)	80,319	(10,130,536)
Furniture and Equipment	(1,592,305)	(124,560)	(1,716,865)
	$ 24,378,881	$ 97,184	$ 24,476,065
Net Position	$ (27,639,544)	$ 97,184	$ (27,542,360)

MORIAH CENTRAL SCHOOL DISTRICT

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
June 30, 2019 and 2018

			2019	2018
	Special Aid	School Lunch	**Total**	Total
ASSETS				
Unrestricted cash	$ 2,411	$ 20,991	**$ 23,402**	$ 2,489
Due from other funds	-	11,204	**11,204**	-
Accounts receivable	30,846	2,283	**33,129**	3,310
State & federal aid receivable	106,298	21,431	**127,729**	87,107
Inventories	-	11,538	**11,538**	10,748
Total assets	$ 139,555	$ 67,447	**$ 207,002**	$ 103,654
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 4,579	$ 13,702	**$ 18,281**	$ 16,510
Overpayments	-	1,991	**1,991**	4,588
Due to other funds	134,976	51,754	**186,730**	104,825
Total liabilities	139,555	67,447	**207,002**	125,923
Fund Balance:				
Nonspendable				
Inventory	-	11,538	**11,538**	10,748
Unassigned				
School lunch	-	(11,538)	**(11,538)**	(33,017)
Total fund balance	-	-	**-**	(22,269)
Total liabilities and fund balance	$ 139,555	$ 67,447	**$ 207,002**	$ 103,654

MORIAH CENTRAL SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - SPECIAL REVENUE FUND
Years Ended June 30, 2019 and 2018

	Special Aid	School Lunch	**2019 Total**	2018 Total
REVENUES				
State sources	$ 257,536	$ 8,487	**$ 266,023**	$ 217,834
Federal sources	493,596	281,444	**775,040**	707,782
Surplus foods	-	28,409	**28,409**	22,836
Sales	-	30,641	**30,641**	26,630
Total revenues	751,132	348,981	**1,100,113**	975,082
EXPENDITURES				
General support	-	172,742	**172,742**	171,392
Instruction	623,717	-	**623,717**	573,168
Transportation	7,334	-	**7,334**	10,513
Employee Benefits	133,027	50,380	**183,407**	76,709
Cost of sales	-	233,201	**233,201**	215,542
Total expenditures	764,078	456,323	**1,220,401**	1,047,324
OTHER SOURCES				
Operating Transfers In	12,946	129,611	**142,557**	48,683
Total Other Sources	12,946	129,611	**142,557**	48,683
Excess (deficit) of revenues and other sources over expenditures	-	22,269	**22,269**	(23,559)
Fund Balance, Beginning	-	(22,269)	**(22,269)**	1,290
Fund Balance, ending	$ -	$ -	**$ -**	$ (22,269)

See Independent Auditor's Report

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
Year Ended June 30, 2019

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget		$ 17,437,946
Additions:		
None	-	
Total additions		-
Final budget		$ 17,437,946

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2019-2020 expenditure budget		$ 17,384,331
Maximum allowed (4% of 2019-20 budget)		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Committed fund balance	$ -	
Assigned fund balance	587,198	
Unassigned fund balance	1,958,349	
Total unrestricted fund balance	2,545,547	
Less:		
Appropriated fund balance	587,198	
Encumbrances included in assigned fund balance	-	
Total adjustments	587,198	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		$ 1,958,349
Actual percentage		11.27%

See Independent Auditor's Report

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2019

	Adopted Budget	Final Budget	Actual (Budgetary Basis) Revenues	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	$ 3,157,013	$ 3,157,013	$ 3,180,804	$ 23,791
Other tax items	892,000	892,000	875,636	(16,364)
Charges for services	57,050	57,050	147,131	90,081
Use of money and property	6,500	6,500	36,415	29,915
Sale of property and compensation for loss	-	-	13	13
Miscellaneous	95,000	95,000	212,126	117,126
State sources	12,563,447	12,563,447	12,613,546	50,099
Federal sources	12,000	12,000	16,768	4,768
Total Revenues	16,783,010	16,783,010	17,082,439	299,429
Other Financing Sources				
Interfund Transfers	-	-	-	-
Appropriated Reserves	-	2,660	-	
	-	2,660	-	-
Total Revenues and Appropriated Fund Balance	16,783,010	16,785,670	17,082,439	299,429

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General support:					
Board of education	17,740	16,249	12,720	-	3,529
Central administration	172,674	184,928	184,781	-	147
Finance	163,030	138,834	138,037	-	797
Staff	125,247	99,738	99,730	-	8
Central services	830,364	768,790	766,809	-	1,981
Special items	328,593	322,997	322,997	-	-
Instructional:					
Instruction, administration and improvement	296,592	351,594	350,594	-	1,000
Teaching - regular school	3,480,474	3,571,887	3,571,871	-	16
Programs for children with handicapping conditions	2,855,576	2,956,221	2,956,220	-	1
Instructional media	344,113	341,550	341,550	-	-
Pupil service	485,004	482,070	482,070	-	-
Pupil transportation	661,792	628,231	628,231	-	-
Community services	4,500	4,500	4,500	-	-
Employee benefits	4,964,371	4,737,544	4,727,142	-	10,402
Debt service	2,692,916	2,692,916	2,692,594	-	322
Total Expenditures	17,422,986	17,298,049	17,279,846	-	18,203
Other financing uses:					
Interfund transfer	14,960	142,557	142,557	-	-
Total Expenditures and Other Uses	17,437,946	17,440,606	17,422,403	$ -	$ 18,203
Net change in fund balance	(654,936)	(654,936)	(339,964)		
Fund balance - beginning	4,044,323	4,044,323	4,044,323		
Fund balance - ending	$ 3,389,387	$ 3,389,387	$ 3,704,359		

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
Year Ended June 30, 2019

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance 6/30/2019
Buses 6/30/15	$ 202,920	$ 202,920	$ 202,920	$ -	$ 202,920	$ -	$ -	$ -	$ 202,920	$ 202,920	$ -
Buses 6/30/16	115,698	115,698	115,698	-	115,698	-	-	-	98,198	98,198	(17,500)
Buses 6/30/17	82,706	82,706	82,706	-	82,706	-	-	-	-	-	(82,706)
Buses 6/30/18	181,398	181,398	181,398	-	181,398	-	-	-	-	-	(181,398)
Buses 6/30/19	24,847	24,847	-	24,847	24,847	-	-	-	-	-	(24,847)
Smart Schools	590,419	590,419	209,095	314,881	523,976	-	-	523,967	-	523,967	(9)
Total Buses	$ 1,197,988	$ 1,197,988	$ 791,817	$ 339,728	$ 1,131,545	$ -	$ -	$ 523,967	$ 301,118	$ 825,085	$ (306,460)

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2019

Capital Assets, Net	$ 23,609,573
Deduct:	
Bond anticipation notes	306,452
Premium on bonds payable	129,230
Short-term portion of bonds payable and other long-term debt	1,499,706
Long-term portion of bonds payable and other long-term debt	7,360,000
Short-term portion of installment purchase obligation	12,096
Long-term portion of installment purchase obligation	12,489
Net investment in capital assets	$ 14,289,600

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended June 30, 2019

	2019	2018
Measurment Date	July 1, 2018	July 1, 2017
Total OPEB Liability		
Service Cost	$ 1,290,270	$ 1,642,238
Interest	1,562,923	1,363,477
Changes in benefit terms	-	-
Differences between expected and actual experience	6,588,596	-
Changes of assumption or other inputs	(2,133,278)	(5,906,369)
Benefit payments	(1,195,103)	(1,153,207)
Net change in total OPEB liability	6,113,408	(4,053,861)
Total OPEB liability - beginning	42,721,803	46,775,664
Total OPEB liability - Ending	$ 48,835,211	$ 42,721,803
Covered payroll	$ 6,737,939	$ 6,622,000
Total OPEB liability as a percentage of covered payroll	725%	645%

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

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2019

NYSERS Pension Plan
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.0046922%	0.0042951%	0.0043273%	0.0042082%	0.0041781%					
District's proportionate share of the net pension liability (asset)	$ 332,457	$ 138,621	$ 406,605	$ 675,425	$ 141,147					
District's covered- employee payroll	$ 1,402,855	$ 1,345,826	$ 1,327,999	$ 1,218,958	$ 1,282,890					
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.70%	10.30%	30.62%	55.41%	11.00%					
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%					

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

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

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2019

NYSERS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 188,897	$ 191,736	$ 179,528	$ 195,283	$ 230,362	$ 241,867	$ 218,543	$ 203,322	$ 125,733	$ 96,338
Contributions in relation to the contractually required contribution	$ 188,897	$ 191,736	$ 179,528	$ 195,283	$ 230,362	$ 241,867	$ 218,543	$ 203,322	$ 125,733	$ 96,338
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	$ 1,402,855	$ 1,345,826	$ 1,345,826	$ 1,218,958	$ 1,282,890					
Contributions as a percentage of covered-employee payroll	13.5%	14.2%	13.3%	16.0%	18.0%					

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

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2019

NYSTRS Pension Plan
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	-0.032759%	-0.032361%	0.031341%	-0.031679%	-0.031898%	-0.031771%				
District's proportionate share of the net pension liability (asset)	$ (592,366)	$ (245,979)	$ 335,677	$ (3,290,446)	$ (3,553,228)	$ (209,135)				
District's covered- employee payroll	$ 5,461,680	$ 5,392,113	$ 5,177,366	$ 4,758,626	$ 4,707,856					
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.85%	-4.56%	6.48%	-69.15%	-75.47%					
Plan fiduciary net position as a percentage of the total pension liability (asset)	-101.53%	-100.66%	99.01%	-110.46%	-111.50%					

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

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

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2019

NYSTRS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 522,932	$ 601,027	$ 641,288	$ 834,187	$ 765,671	$ 551,010	-	-	-	-
Contributions in relation to the contractually required contribution	$ 522,932	$ 601,027	$ 641,288	$ 834,187	$ 765,671	$ 551,010	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	$ 5,461,680	$ 5,392,113	$ 5,177,366	$ 4,758,626	$ 4,707,856					
Contributions as a percentage of covered-employee payroll	9.57%	11.15%	12.39%	17.53%	16.26%					

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

See Independent Auditor's Report.

MORIAH CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-Through State Department of Education:			
Special Education Cluster:			
IDEA Part B Sec 619	84.173A	0033-19-0250	$ 7,565
IDEA Part B Sec 611	84.027A	0032-19-0250	195,565
Total Special Education Cluster			203,130
Title I PT A Improv Acad Achmt	84.010A	0021-19-0880	240,557
Title IIA, Teach/Prin Trng/Recruitmt	84.367A	0147-19-0880	38,398
Title IV, SSAE Allocation	84.424A	0204-19-0880	11,511
Total Department of Education			493,596
U.S. Department of Agriculture			
Pass-Through New York State:			
National School Lunch Program - Cash	10.555	N/A	202,316
National School Lunch Program - Commodities	10.555	N/A	28,409
School Breakfast Program	10.553	N/A	79,128
Total Child Nutrition Cluster			309,853
Total Department of Agriculture			309,853
Total Federal Assistance Expended			$ 803,449

See Notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

Note 1. Summary of Certain Significant Accounting Policies

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

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

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

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

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

To the Board of Education
Moriah Central School District
Port Henry, 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, the business-type activities, each major fund and the aggregate remaining fund information of Moriah Central School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Moriah Central School District's basic financial statements and have issued our report thereon dated October 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Moriah 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 Moriah Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Moriah Central School District's internal control.

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

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

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weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. The findings are referenced as 19-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moriah Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 19-1.

District's Response to Findings

Moriah Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Moriah Central School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Boulrice & Wood CPAs, PC

October 7, 2019

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

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

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

To the Board of Education
Moriah Central School District
Port Henry, New York

Report on Compliance for Each Major Federal Program

We have audited Moriah Central School District's compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on Moriah Central School District's major federal programs for the year ended June 30, 2019. Moriah Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Moriah 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 Moriah Central School District's compliance with those requirements and performing such other procedures, as we consider necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, Moriah 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, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
October 7, 2019

MORIAH CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

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

Identification of Major Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.173A	IDEA Part B Sec 619
84.027A	IDEA Part B Sec 611
84.010A	Title I PT A Improv Acad Achmt

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

SECTION II - FINANCIAL STATEMENT FINDINGS

19-1 Excess Fund Balance

Condition: The District's unassigned general fund balance was 11.27% of next year's budget.

Effect: The District's unassigned general fund balance was 7.27% or $1,262,976 over the amount allowable by law.

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

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

Corrective Action: Management has discussed the issue with the Board of Education and is formulating a long-term multi-year operational plan that addresses the use of excess unassigned general fund balance in a manner that benefits District residents.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current period findings.

MORIAH CENTRAL SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2019

There were no prior year audit findings.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the School Board
Moriah Central School District
Port Henry, New York

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Moriah Central School District as of and for the year June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Moriah Central School District as of June 30, 2019, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Boulrice & Wood CPAs, PC

October 7, 2019

MORIAH CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
June 30, 2019 and 2018

	6/30/2019	6/30/2018
Assets		
Cash	$ 93,031	$ 99,211
Total Assets	$ 93,031	$ 99,211
Fund Balance		
Extraclassroom Activity	$ 93,031	$ 99,211
Total Fund Balance	$ 93,031	$ 99,211

MORIAH CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES - CASH BASIS
Year Ended June 30, 2019

Activity	Balance June 30, 2018	Receipts	Disbursements	**Balance June 30, 2019**
Class of 2018	$ 1,527	$ -	$ 1,527	**$ -**
Class of 2019	28,087	6,185	31,201	**3,071**
Class of 2020	12,682	6,663	5,583	**13,762**
Class of 2021	7,250	17,415	5,467	**19,198**
Class of 2022	2,266	5,949	3,252	**4,963**
Class of 2023	4,460	7,469	4,365	**7,564**
Class of 2024	-	7,944	5,568	**2,376**
Drama	8,034	7,772	7,978	**7,828**
Foreign Language Club	3,990	-	-	**3,990**
Student Council	503	1,805	1,169	**1,139**
Yearbook	3,785	2,501	1,591	**4,695**
Girls Athletic Association	4,290	983	1,114	**4,159**
Boys Athletic Association	1,334	11,003	10,639	**1,698**
Cheerleaders	1,323	10,437	10,413	**1,347**
National Honor Society	15,452	10,211	11,342	**14,321**
Junior High NHS	479	100	-	**579**
Elementary NHS	-	80	(10)	**90**
Next Step Program	1,056	4,533	4,689	**900**
Miscellaneous Fees Account	485	103	174	**414**
Music Association	1,933	1,126	2,471	**588**
M.C. Yorkers	107	-	(242)	**349**
Teen Theatre Group	50	-	50	**-**
Sales Tax Account	118	-	118	**-**
	$ 99,211	$ 102,279	$ 108,459	**$ 93,031**

Note 1. Summary of Significant Accounting Policies

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

Basis of Presentation: The Extraclassroom Activity Funds of the Moriah Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

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