PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 5, 2022

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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

$5,042,034

DEPOSIT CENTRAL SCHOOL DISTRICT

BROOME AND DELAWARE COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$5,042,034 Bond Anticipation Notes, 2022

(the "Notes")

Dated: September 8, 2022 **Due: September 8, 2023**

The Notes are general obligations of the Deposit Central School District, Broome and Delaware Counties, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $7,034. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser, or about September 8, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on August 24, 2022 by no later than 11:00 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 Notes pursuant to the terms provided in the Notice of Sale for the Notes.

August __, 2022

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 BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "CONTINUING DISCLOSURE" HEREIN.

DEPOSIT CENTRAL SCHOOL DISTRICT
BROOME AND DELAWARE COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

DEAN PRICE
President

JOHN LANNER
Vice President

STACEY AXTELL
DAWN FAULKNER
JULIE MARTIN

* * * * * * * * * *

DENISE COOK
Superintendent of Schools

MARK PUTRINO
School Business Executive (shared)

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

DEPOSIT CENTRAL SCHOOL DISTRICT
BROOME AND DELAWARE COUNTIES, NEW YORK

Relating To

$5,042,034 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Deposit Central School District, Broome and Delaware Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $5,042,034 principal amount of Bond Anticipation Notes, 2022 (the "Notes").

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has an effect on economic conditions. Accordingly, the District's overall economic situation and outlook (and all specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the full effects of which are extremely difficult to predict and quantify. See "STATE AID" and "MARKET AND RISK FACTORS – COVID-19" herein.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation 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.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated September 8, 2022 and will mature September 8, 2023. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the purchaser either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

A $4,322,050 portion of the Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on July 11, 2022 authorizing the financing of the reconstruction and improvements of District buildings and facilities at a maximum estimated cost of $7,622,050, and to expend $3,300,000 Capital Reserve Fund monies, and issue up to $4,322,050 serial bonds to pay a portion thereof.

A $4,322,050 portion of the Notes will provide new money for the abovementioned purpose.

A $719,984 portion of the Notes are issued pursuant to the Constitution and Statues of the State of New York, including the Education Law and the Local Finance Law, pursuant to bond resolutions duly adopted by the Board of Education as follows:

Purpose of Issue	Bond Resolution Date	Authorization Amount	Amount Outstanding	Paydown	New Money	Notes to be Issued
Purchase of Buses - 2017	8/14/2017	$ 291,500.00	$ 58,300	$ 58,300	$ -	$ -
Purchase of Buses - 2018	8/13/2018	290,922.52	116,368	58,184	-	58,184
Purchase of Buses - 2019	8/12/2019	275,000.00	165,000	55,000	-	110,000
Purchase of Buses - 2020	8/10/2020	257,000.00	205,600	51,400	-	154,200
Purchase of Buses - 2021	8/16/2021	237,000.00	237,000	47,400	-	189,600
Purchase of Buses - 2022	7/11/2022	208,000.00	-	-	208,000	208,000
		Totals:	$ 782,268	$ 270,284	$ 208,000	$ 719,984

The proceeds of the Notes, along with $270,284 available funds will partially redeem and renew the $782,268 bond anticipation notes maturing September 9, 2022 and provide $208,000 in new monies for the purchase of buses.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry 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 NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $7,034. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District encompasses approximately 117 square miles and includes various portions of the Towns of Deposit, Masonville, Sanford and Tompkins (the "Towns"). The District is primarily residential with the majority of homes being single family. Commercial activity in the District is centered in and around the Village of Deposit (the "Village").

Transportation is provided to and from the District by New York State Routes #8, #10 and #17 and Interstate #81 and #88. Major airline service is provided at the Broome County Airport, which is located about 30 miles west of the School District.

Electricity is supplied throughout the District by New York State Electric and Gas Company ("NYSEG"). The Village maintains its own water supply and distribution system, primarily supported from user charges. The balance of the District is supplied from well water. The Village and the Town of Sanford maintain sanitary sewer collection and treatment facilities. In the balance of the District, sanitary sewage collection and treatment facilities have not been constructed. Police protection is provided by the New York State Police and the Village Police. Fire protection and ambulance service are provided by local volunteer units.

The following banks have an office within or near the District: National Bank and Trust Company, Citizens Bank, M&T Bank, and Peoples National Bank.

Recent Economic Developments

The Bluestone Wind Farm, currently under construction in the Towns of Sanford and Windsor, is a wind-powered electric generation project consisting of up to 26 wind turbines. The project site will also include approximately 13 miles of access roads, 36 miles of 34.5 kV (kilovolt) collection lines, a 34.5 kV collection substation, at least one permanent meteorological towers and an operations and maintenance facility. All project components will be located within approximately 5,662 acres. In December 2020 the Broome County IDA approved a 20-year Payment In Lieu of Taxes (PILOT) agreement. Under the terms of the agreement, Bluestone Wind will pay $231,420 in the first year to be split between the towns of Sanford and Windsor, the Deposit Central School District, the Windsor Central School District and Broome County. The amount will gradually increase each year up to $337,135 in the final year, and total approximately $4.6 million in aggregate over 20 years. The first PILOT payment will be due after the facility comes into operation in late 2022, when the project would normally go on the assessment roll.

Source: District officials.

District Population

The District has an estimated 2020 population of 3,230. (Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.)

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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) are the Towns and County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Deposit	$ 15,068	$ 18,893	$ 22,313	$ 35,536	$ 37,292	$ 50,865
Masonville	14,933	21,458	25,634	36,406	52,955	61,875
Tompkins	16,507	21,017	29,825	38,583	43,385	67,143
Sanford	17,083	20,007	27,965	40,472	43,542	66,680
County of:						
Broome	19,168	24,314	29,721	45,422	57,545	69,596
Delaware	17,357	22,928	28,139	39,695	53,590	65,755
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

Note: 2017-2021 American Community Survey data is not available as of the date of this Official Statement.

Larger Employers

The larger employers located within the District include:

Employer	Type	Employees
Indian Country	Fiberboard Mfg.	200
Deposit Central School District	Education	137
Schaefers Enterprises	Logging/Excavating	120
DCSI	Computer Services	100
EZ Red	Battery Testing Equipment	17

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are the Counties of Broome and Delaware. The information set forth below with respect to the Counties and State of New York are 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 is necessarily representative of the District, or vice versa.

Annual Average

	2015	2016	2017	2018	2019	2020	2021
Broome County	6.0%	5.5%	5.5%	4.9%	4.5%	8.3%	5.2%
Delaware County	6.0	5.6	5.5	4.8	4.5	7.0	4.6
New York State	5.2	4.9	4.6	4.1	3.8	9.9	6.9

2022 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul
Broome County	4.5%	4.6%	4.3%	3.5%	3.3%	N/A	N/A
Delaware County	4.1	4.3	4.0	3.2	3.1	N/A	N/A
New York State	5.3	5.1	4.7	4.2	4.1	N/A	N/A

Note: Unemployment rates for June and July 2022 are not available 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

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or to adopt local laws.

The Board of Education is the policy-making body of the District. On the second Tuesday of May of each year, an election is held within the District boundaries to elect one or more members to the Board of Education. The Board of Education consists of five members holding overlapping five-year terms so that as nearly as possible an equal number of members are elected to the Board each year. Board members must be qualified voters of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. In the first week of July of each year, the Board of Education meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice-President and to appoint other District officials.

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

The Superintendent of Schools is employed under a five-year contract.

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 3rd 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 2021-22 fiscal year was approved by qualified voters on May 18, 2021 by a vote of 106 yes to 33 no. The adopted budget for the 2021-22 fiscal year included a total tax levy increase of 1.37%, which was equal to the District's Tax Cap of 1.37% for the 2021-22 fiscal year.

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 188 yes to 48 no. The adopted budget for the 2022-23 fiscal year included a total tax levy increase of 1.25%, which was below to the District's Tax Cap of 1.50% for the 2022-23 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and bond anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the 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 District's current policy to invest in: (1) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (2) Time Deposit Accounts in a bank or trust company authorized to do business in New York State, (3) Obligations of New York State, (4) Obligations of the United States Government, (5) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

The District does not invest in reverse repurchase obligations or similar derivative type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-23 fiscal year, approximately 45.29% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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.

Federal aid received by the State

President Biden has signed into law the American Rescue Plan, a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. The District has been allocated $1,334,243 under the American Rescue Plan and $593,661 under the Coronavirus Response and Relief Supplemental Appropriations Act. The District intends to use its allocation to bridge learning gaps that may have occurred during the pandemic by hiring additional staff and scheduling additional programming during after-school hours and summer.

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.

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 2022-23 preliminary building aid ratios, the District expects to receive State building aid of approximately 63.0% 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% 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 (2020-2021): Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately $27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, with the State released the withheld funds on or about June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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 has been rescheduled as hereafter described below.

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. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

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

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State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 15,045,060	$ 6,713,673	44.62%
2017-2018	15,539,893	6,911,419	44.48
2018-2019	15,898,108	7,131,369	44.86
2019-2020	16,324,893	7,512,351	46.02
2020-2021	16,352,726	7,204,626	44.06
2021-2022 (Budgeted)	16,818,426 (1)	7,621,156	45.31
2021-2022 (Unaudited)	17,210,352	7,572,336	44.00
2022-2023 (Budgeted)	17,086,012 (2)	7,738,402	45.29

(1) Does not include $946,006 of appropriated fund balance and reserves.
(2) Does not include $702,853 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2016-2017 through 2020-2021 fiscal years, District officials, and adopted budgets for the 2021-2022 and 2022-2023 fiscal years. The 2021-2022 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Originally Built/Additions
Deposit Jr./Sr. High School	7-12	396	1950
Deposit Elementary School	K-6	436	1991

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2017-2018	573	2022-2023	496
2018-2019	549	2023-2024	496
2019-2020	531	2024-2025	496
2020-2021	540	2025-2026	496
2021-2022	496	2025-2026	496

Source: District officials.

Employees

The District employs a total of 131 full-time and 6 part-time employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
61	Deposit Teachers' Association	June 30, 2023
64	CSEA	June 30, 2025
6	Deposit Administrators and Supervisors Association	June 30, 2024

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 and budgeted figures for the current fiscal year are as follows:

Fiscal Year	ERS	TRS
2016-2017	$ 163,876	$ 510,396
2017-2018	177,760	433,201
2018-2019	174,563	454,424
2019-2020	183,839	378,638
2020-2021	178,526	408,642
2021-2022 (Budgeted)	150,725	448,715
2021-2022 (Unaudited)	143,974	442,944
2022-2023 (Budgeted)	168,000	527,428

Source: District officials.

Note: The 2021-2022 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2023) is shown below:

Year	ERS	TRS
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated

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

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

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

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

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

The 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.

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

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 has contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at:	July 1, 2019	July 1, 2020
	$ 42,112,734	$ 51,101,764
Changes for the year:		
Service cost	1,273,420	1,592,398
Interest	1,490,862	1,144,518
Differences between expected and actual experience	-	(267,871)
Changes of Benefit Terms	-	(187,778)
Changes in assumptions or other inputs	7,818,669	5,202,989
Benefit payments	(1,593,921)	(1,822,032)
Net Changes	$ 8,989,030	$ 5,662,224
Balance ending at:	**June 30, 2020**	**June 30, 2021**
	$ 51,101,764	**$ 56,763,988**

Note: The above table is not audited. For additional information see "APPENDIX – D" 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.

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 bonds and notes are to be issued is the Education Law and the Local Finance Law.

The District is in the process of complying with the procedure for the publication of the estoppel notice with respect to the new money portion of the Notes as provided in Title 6 of Article 2 of the Local Finance Law. The District is in compliance with the procedure for the publication of the estoppel notice with respect to the renewal portion of the Notes 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.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as "APPENDIX – D". The audit for the fiscal year ended June 30, 2022 is not available as of the date of this Official Statement. Certain financial information of the District can be found attached as Appendices to the 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.

Unaudited Results of Operations for the Fiscal Year Ending June 30, 2022

The District expects to conclude the fiscal year ending June 30, 2022 with an unappropriated unreserved fund balance of approximately $5,056,401.

Note: This projection is based upon certain current assumptions and estimates, and the audited results may vary therefrom.

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's office released an audit report of the District on February 8, 2019. The purpose of the audit was to Determine whether District officials took action to effectively manage the financial condition of the general and cafeteria funds.

Key Findings:

- Implemented measures to contain costs in the general fund. Over the last three fiscal years, general fund expenditures have increased 8 percent while revenues have increased 5 percent.
- Not implemented plans to improve operating results in the cafeteria fund. It has had three successive operating deficits in each of the last three fiscal years totaling over $100,000.

Key Recommendations:

- The Board should continue to examine the cost-effectiveness of special education services and offer programs in-house when it is cost effective to do so.
- District officials should examine ways to gain more control over cafeteria menu options in an effort to increase student participation.

The District provided a complete response to the State Comptroller's office. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no recent Office of the State Comptroller's audits of the District, nor any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

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 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 2016-17 through 2020-21 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0
2018	No Designation	0.0
2017	No Designation	0.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Deposit	$ 12,761,939	$ 13,036,980	$ 13,184,583	$ 13,112,896	$ 13,114,457
Sanford	132,478,631	133,546,494	133,784,614	133,837,798	135,916,478
Masonville	5,088,400	4,533,305	4,643,566	5,087,343	5,098,030
Tompkins	2,399,168	2,406,493	2,403,313	2,401,096	2,408,680
Total Assessed Values	$ 152,728,138	$ 153,523,272	$ 154,016,076	$ 154,439,133	$ 156,537,645
State Equalization Rates					
Towns of:					
Deposit	4.05%	4.16%	4.10%	4.00%	3.89%
Sanford	60.00%	58.00%	56.50%	56.00%	56.00%
Masonville	100.00%	100.00%	100.00%	93.92%	86.78%
Tompkins	3.93%	4.03%	3.93%	3.87%	3.83%
Total Taxable Full Valuation	$ 602,043,255	$ 607,889,290	$ 624,158,691	$ 634,278,969	$ 648,605,044

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Deposit	$ 317.39	$ 313.84	$ 315.62	$ 325.48	$ 331.76
Sanford	21.42	22.51	22.90	23.24	23.05
Masonville	12.85	13.06	12.94	13.86	14.87
Tompkins	327.08	323.96	329.27	336.41	336.96

Source: District officials.

Tax Collection Procedure

Property taxes for the District are levied by the District and are collected by the District tax receiver. Such taxes are due and payable on September 1 but may be paid without penalty by September 30. Penalties on unpaid taxes are 2% from October 1 through October 31.

On or about November 15, the tax receiver files a report of any uncollected school taxes with the County. The County thereafter on or before April 1 pays to the District the amount of its uncollected taxes. Thus, the District receives its full levy prior to the end of its fiscal year. Tax sales are held annually by the County.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 7,738,852	$ 7,936,424	$ 8,076,826	$ 8,257,912	$ 8,370,650
Amount Uncollected (1)	810,793	810,793	757,272	703,409	763,507
% Uncollected	10.48%	10.22%	9.38%	8.52%	9.12%

(1) See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the School District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 15,045,060	$ 7,720,026	51.31%
2017-2018	15,539,893	7,924,921	51.03
2018-2019	15,898,108	8,045,983	50.62
2019-2020	16,324,893	8,201,336	50.24
2020-2021	16,352,726	8,404,199	50.37
2021-2022 (Budgeted)	16,818,426 (1)	8,370,650	49.10
2021-2022 (Unaudited)	17,210,352	8,370,650	48.64
2022-2023 (Budgeted)	17,086,012 (2)	8,475,283	49.60

(1) Does not include $946,006 of appropriated fund balance and reserves.
(2) Does not include $702,853 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2016-2017 through 2020-2021 fiscal years, District officials, and adopted budgets for the 2021-2022 and 2022-2023 fiscal years. The 2021-2022 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom. This table is not audited.

Ten Largest Taxpayers – 2021 Assessment Roll for 2021-22 School District Tax Roll

Name	Type	Taxable Full Valuation
City of New York Board of Water Supply	Utility	$ 214,760,345
New York State Electric & Gas	Utility	19,081,331
Bluestone Gas Corp of NY Inc	Utility	12,741,750
State of New York	State	10,063,288
Deposit Telephone Co	Utility	6,931,421
Lignetics of NY	Manufacturing	6,086,761
Meadow Park Apartments	Commercial	5,385,628
Evergreen Association, Deposit LLC	Commercial	3,799,706
Marquis Deposit LLC	Commercial	3,612,598 (1)
Davis Realty	Commercial	2,637,248

The ten larger taxpayers listed above have a total full valuation of $285,100,076, which represents 44.0% of the tax base of the District for the 2021-24 fiscal year.

(1) Has filed a petition to reduce taxable assessed value from $2,023,055 to $865,700.

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

Source: Town Assessment 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 individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020-21 and $90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2020-21 school year and $70,700 for the 2021-22 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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 municipalities applicable to the District:

Towns of:	**Enhanced Exemption**	**Basic Exemption**	**Date Certified**
Deposit	$ 2,910	$ 1,170	4/7/2022
Masonville	65,000	26,030	4/7/2022
Tompkins	2,870	1,150	4/7/2022
Sanford	41,940	16,800	4/7/2022

$405,190 of the District's $8,370,650 school tax levy for 2021-22 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2022.

Approximately $410,255 of the District's $8,475,283 school tax levy for 2022-23 is expected to exempted by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2023.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-78%; Commercial-12% and Agricultural-10%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the School District is approximately $3,135 including County, Village, Town and School 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 Notes.

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 School 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 School District and the Notes, include the following:

Purpose and Pledge. The School 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 School 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 School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

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.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

The School 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 School District is not authorized to expend money, or

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

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

The District has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the School 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 School 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 30th:	2018	2019	2020	2021	2022
Bonds	$ 7,218,000	$ 6,610,000	$ 6,010,000	$ 5,415,000	$ 6,120,000
Bond Anticipation Notes	794,505	2,394,505	2,373,457	2,271,752	782,268
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 8,012,505	$ 9,004,505	$ 8,383,457	$ 7,686,752	$ 6,902,268

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 5, 2022:

Type of Indebtedness	Maturity	Amount
Bonds	2023-2038	$ 6,120,000
Bond Anticipation Notes		
Purchase of Buses	September 9, 2022	782,268 (1)
	Total Indebtedness	$ 6,902,268

(1) To be partially redeemed and renewed at maturity with a $511,984 portion of the Notes and $270,284 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 5, 2022:

Full Valuation of Taxable Real Property			$ 648,605,044
Debt Limit 10% thereof			64,860,504
Inclusions:			
Bonds	$ 6,120,000		
Bond Anticipation Notes	270,284		
Principal of this Issue	5,042,034		
Total Inclusions		$ 11,432,318	
Exclusions:			
State Building Aid (1)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 11,432,318
Net Debt-Contracting Margin			$ 53,428,186
The percent of debt contracting power exhausted is			17.63%

(1) Based on the 2022-2023 building aid ratio, the District anticipates State Building aid of 63.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

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.

Capital Project Plans

On March 12, 2021, the voters of the District approved a $7,622,050 capital improvement project for the reconstruction of District buildings and facilities (including the bus garage). The District will utilize $3,300,000 Capital Reserve Fund monies and the project is expected to have no additional tax impact. A $4,322,050 portion of the Notes are being issued as the first borrowing for the aforementioned project.

The District annually votes on the purchase of buses which are financed through the issuance of bond anticipation notes. On May 17, 2022 the District voters approved $208,000 for the purchase of school buses. A $719,984 portion of the Notes are being issued, along with $270,284 available funds of the District to partially redeem and renew the $782,268 bond anticipation notes maturing September 9, 2022 for the purchase of buses.

Other than as stated above, there are no other capital projects authorized or unissued by the District, nor are any contemplated at this time.

Cash Flow Borrowings

The District has not issued tax anticipation notes and/or revenue anticipation notes in the past five fiscal years, and does not anticipate the need to issue revenue and/or tax anticipation notes, deficiency notes, or budget notes in the near future.

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 listed below of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Overlapping Net Indebtedness
County of:						
Broome	12/31/2020	$ 167,980,064	$ 31,737,064	$ 136,243,000	3.93%	$ 5,354,350
Delaware	12/31/2020	14,410,000	-	14,410,000	7.39%	1,064,899
Town of:						
Deposit	12/31/2020	599,531	126,871	472,660	94.75%	447,845
Masonville	12/31/2020	211,000	-	211,000	4.96%	10,466
Sanford	12/31/2020	1,175,000	-	1,175,000	78.92%	927,310
Tompkins	12/31/2020	-	-	-	32.43%	-
Village of:						
Deposit	5/31/2021	2,734,013	2,064,113	669,900	100.00%	669,900
					Total:	$ 8,474,770

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and towns and 2021 for villages.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of August 5, 2022:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 11,432,318	$ 3,539.42	1.76%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	19,907,088	6,163.19	3.07

(a) The 2020 estimated population of the District is 3,230. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2021-2022 fiscal year is $648,605,044. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $8,474,770. (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 Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for 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. Each Note 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 Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a 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 Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the School District as well as the market for the Notes 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 Notes. 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 Notes, could be adversely affected.

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School 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. (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 Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. 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 had caused the federal government to declare a national state of emergency. The State also initially declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. Schools and non-essential businesses have been allowed to reopen under guidelines issues by the State. These steps had a material impact on public gatherings and the operations of schools, non-essential businesses and other entities for an extended period. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel are set forth in "APPENDIX – E".

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. 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 Notes may adversely affect the value of, or the tax status of interest on, the Notes. 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 Notes.

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

LITIGATION

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

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

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 an Undertaking to provide Material Event Notices, a description of which is attached hereto as "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 the 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 financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry-only format, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes 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. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

The District does not have any outstanding general obligation debt rated by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, Moody's Investors Service, or Fitch Ratings.

MISCELLANEOUS

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

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

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

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

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

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

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

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

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 contact information is as follows: Mark Putrino, Shared School Business Executive, Deposit Central School District, 171 Second Street, Deposit, New York 13754, Phone: (607) 467-2197 Ext. 3547, Telefax: (607) 467-5535, Email: MPutrino@btboces.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., telephone number (315) 752-0051, or at www.fiscaladvisors.com.

DEPOSIT CENTRAL SCHOOL DISTRICT

Dated: August 5, 2022

DEAN PRICE
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Unrestricted Cash	$ 1,358,005	$ 1,334,569	$ 1,497,256	$ 1,457,027	$ 1,326,739
Restricted Cash	3,757,671	4,142,389	4,267,901	5,073,371	2,459,692
Due from Other Funds	149,577	265,804	57,060	236,234	249,976
Due From Other Governments	248,821	179,932	375,721	235,350	326,275
State and Federal Aid Receivable	201,560	251,847	156,988	247,240	148,897
Other Receivables	12,572	43,532	13,585	16,018	63,170
TOTAL ASSETS	$ 5,728,206	$ 6,218,073	$ 6,368,511	$ 7,265,240	$ 4,574,749
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 116,231	$ 216,399	$ 215,501	$ 83,126	$ 201,762
Accrued Liabilities	46,014	44,366	87,880	72,951	81,283
Due to Other Funds	338	142,062	10,058	8,448	4,258
Due to Fiduciary Funds	-	-	-	-	-
Due to Other Governments	1,188	-	-	-	-
Due to Teachers' Retirement System	569,801	478,677	498,521	429,997	464,188
Due to Employees' Retirement System	44,758	45,960	46,602	49,218	53,060
Compensated Absences	-	-	-	-	-
Unearned Revenue	3,680	3,680	3,680	3,705	38,940
TOTAL LIABILITIES	$ 782,010	$ 931,144	$ 862,242	$ 647,445	$ 843,491
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	3,757,333	4,129,732	4,267,901	5,073,371	2,459,692
Assigned	605,858	543,936	579,624	655,719	568,371
Unassigned	583,005	613,261	658,744	888,705	703,177
TOTAL FUND EQUITY	4,946,196	5,286,929	5,506,269	6,617,795	3,731,240
TOTAL LIABILITIES & FUND EQUITY	$ 5,728,206	$ 6,218,073	$ 6,368,511	$ 7,265,240	$ 4,574,731

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:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 7,082,870	$ 7,284,817	$ 7,481,279	$ 7,605,721	$ 7,824,217
Real Property Tax Items	637,156	640,104	564,704	595,615	579,982
Charges for Services	485	373	266	228	-
Use of Money & Property	17,612	65,293	95,652	60,995	233,887
Sale of Property and Compensation for Loss	2,861	3,627	3,569	11,395	17,113
Miscellaneous	554,187	572,018	541,289	462,674	385,612
Revenues from State Sources	6,713,673	6,911,419	7,131,369	7,512,351	7,204,626
Revenues from Federal Sources	36,216	51,776	77,422	75,914	51,851
Total Revenues	$ 15,045,060	$ 15,529,427	$ 15,895,550	$ 16,324,893	$ 16,297,288
Other Sources:					
Interfund Transfers & Others	-	10,466	2,558	-	55,438
Total Revenues and Other Sources	$ 15,045,060	$ 15,539,893	$ 15,898,108	$ 16,324,893	$ 16,352,726
EXPENDITURES					
General Support	$ 1,400,660	$ 1,440,416	$ 1,467,750	$ 1,564,969	$ 1,859,479
Instruction	7,181,449	7,413,383	7,238,110	7,110,574	7,243,490
Pupil Transportation	579,527	607,130	671,540	587,942	583,018
Community Services	912	-	1,000	-	-
Employee Benefits	4,363,190	4,473,130	4,651,812	4,626,520	4,884,143
Debt Service	1,075,615	1,113,731	1,140,777	1,279,021	1,257,761
Total Expenditures	$ 14,601,353	$ 15,047,790	$ 15,170,989	$ 15,169,026	$ 15,827,891
Other Uses:					
Interfund Transfers & Others	491,458	151,370	507,779	44,341	3,411,390 (1)
Total Expenditures and Other Uses	15,092,811	15,199,160	15,678,768	15,213,367	19,239,281
Excess (Deficit) Revenues Over Expenditures	(47,751)	340,733	219,340	1,111,526	(2,886,555)
FUND BALANCE					
Fund Balance - Beginning of Year	4,993,947	4,946,196	5,286,929	5,506,269	6,617,795
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 4,946,196	$ 5,286,929	$ 5,506,269	$ 6,617,795	$ 3,731,240

(1) Includes $3,400,000 transfer to Capital Reserve Fund.

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:	2021 Original Budget	2021 Modified Budget	2021 Audited Actual	2022 Adopted Budget	2023 Adopted Budget
REVENUES					
Real Property Taxes	$ 8,257,912	$ 7,836,426	$ 7,824,217	$ 8,370,650	$ 8,475,283
Real Property Tax Items	158,885	580,371	579,982	-	-
Charges for Services	-	-	-	-	-
Use of Money & Property	2,000	2,000	233,887	-	-
Sale of Property and Compensation for Loss	-	-	17,113	-	-
Miscellaneous	427,256	437,570	385,612	826,620	872,327
Revenues from State Sources	7,499,093	7,301,121	7,204,626	7,621,156	7,738,402
Revenues from Federal Sources	50,000	247,972	51,851	-	-
Total Revenues	$ 16,395,146	$ 16,405,460	$ 16,297,288	$ 16,818,426	$ 17,086,012
Other Sources:					
Interfund Transfers	6,000	6,000	55,438	-	-
Total Revenues and Other Sources	$ 16,401,146	$ 16,411,460	$ 16,352,726	$ 16,818,426	$ 17,086,012
EXPENDITURES					
General Support	$ 1,713,806	$ 1,984,047	$ 1,859,479	$ 1,599,814	$ 1,652,756
Instruction	8,022,689	7,849,303	7,243,490	8,466,800	8,326,120
Pupil Transportation	832,849	841,832	583,018	666,796	853,216
Community Services	1,000	1,000	-	-	1,000
Employee Benefits	5,375,379	5,296,933	4,884,143	5,677,539	5,529,035
Debt Service	1,258,586	1,258,586	1,257,761	1,253,483	1,281,738
Total Expenditures	$ 17,204,309	$ 17,231,701	$ 15,827,891	$ 17,664,432	$ 17,643,865
Other Uses:					
Interfund Transfers & Others	149,000	3,449,000	3,411,390 (1)	100,000	145,000
Total Expenditures and Other Uses	17,353,309	20,680,701	19,239,281	17,764,432	17,788,865
Excess (Deficit) Revenues Over Expenditures	(952,163)	(4,269,241)	(2,886,555)	(946,006)	(702,853)
FUND BALANCE					
Fund Balance - Beginning of Year	952,163	4,269,241	6,617,795	946,006	702,853
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 3,731,240	$ -	$ -

(1) Includes $3,400,000 transfer to Capital Reserve Fund.

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 710,000	$ 306,175.92	$ 1,016,175.92
2024	765,000	252,292.25	1,017,292.25
2025	730,000	215,628.25	945,628.25
2026	710,000	180,814.25	890,814.25
2027	740,000	146,815.75	886,815.75
2028	685,000	111,317.25	796,317.25
2029	325,000	78,568.75	403,568.75
2030	340,000	63,935.75	403,935.75
2031	355,000	48,552.75	403,552.75
2032	335,000	34,826.00	369,826.00
2033	120,000	21,250.00	141,250.00
2034	125,000	15,250.00	140,250.00
2035	40,000	9,000.00	49,000.00
2036	45,000	7,000.00	52,000.00
2037	45,000	4,750.00	49,750.00
2038	50,000	2,500.00	52,500.00
TOTALS	$ 6,120,000	$ 1,498,676.92	$ 7,618,676.92

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 Capital Project - DASNY Principal	Interest	Total	2014 Capital Project - DASNY Principal	Interest	Total
2023	$ 120,000	$ 14,750.00	$ 134,750.00	$ 480,000	$ 188,343.75	$ 668,343.75
2024	125,000	8,750.00	133,750.00	505,000	164,343.75	669,343.75
2025	60,000	2,700.00	62,700.00	530,000	139,093.75	669,093.75
2026	-	-	-	560,000	112,593.75	672,593.75
2027	-	-	-	585,000	84,593.75	669,593.75
2028	-	-	-	525,000	55,343.75	580,343.75
2029	-	-	-	155,000	29,093.75	184,093.75
2030	-	-	-	165,000	21,343.75	186,343.75
2031	-	-	-	175,000	13,093.75	188,093.75
2032	-	-	-	180,000	6,750.00	186,750.00
TOTALS	$ 305,000	$ 26,200.00	$ 331,200.00	$ 3,860,000	$ 814,593.75	$ 4,674,593.75

Fiscal Year Ending June 30th	2017 Capital Project Principal	Interest	Total	2022 Capital Project - DASNY Principal	Interest	Total
2023	$ 55,000	$ 16,678.00	$ 71,678.00	$ 55,000	$ 86,404.17	$ 141,404.17
2024	60,000	15,198.50	75,198.50	75,000	64,000.00	139,000.00
2025	60,000	13,584.50	73,584.50	80,000	60,250.00	140,250.00
2026	65,000	11,970.50	76,970.50	85,000	56,250.00	141,250.00
2027	65,000	10,222.00	75,222.00	90,000	52,000.00	142,000.00
2028	65,000	8,473.50	73,473.50	95,000	47,500.00	142,500.00
2029	70,000	6,725.00	76,725.00	100,000	42,750.00	142,750.00
2030	70,000	4,842.00	74,842.00	105,000	37,750.00	142,750.00
2031	70,000	2,959.00	72,959.00	110,000	32,500.00	142,500.00
2032	40,000	1,076.00	41,076.00	115,000	27,000.00	142,000.00
2033	-	-	-	120,000	21,250.00	141,250.00
2034	-	-	-	125,000	15,250.00	140,250.00
2035	-	-	-	40,000	9,000.00	49,000.00
2036	-	-	-	45,000	7,000.00	52,000.00
2037	-	-	-	45,000	4,750.00	49,750.00
2038	-	-	-	50,000	2,500.00	52,500.00
TOTALS	$ 620,000	$ 91,729.00	$ 711,729.00	$ 1,335,000	$ 566,154.17	$ 1,901,154.17

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material; and

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

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

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

For the purposes of the event identified in paragraph (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 the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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

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

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DEPOSIT CENTRAL SCHOOL DISTRICT
BROOME AND DELAWARE COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2021

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.

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. The District's independent auditor also has not performed any procedures relating to this Official Statement.

DEPOSIT CENTRAL SCHOOL DISTRICT

Deposit, New York

FINANCIAL REPORT

For the Year Ended June 30, 2021

Certified Public Accountants | Business Advisors

DEPOSIT CENTRAL SCHOOL DISTRICT

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DEPOSIT CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Education
Deposit Central School District
Deposit, 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 Deposit Central School District (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

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.

Auditors' 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 auditors' 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 School District'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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter
During the year ended June 30, 2021, the District adopted Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." As discussed in Note 16 to the financial statements, net position as of June 30, 2020 for the Governmental Activities and Fiduciary Activities, and the fund balance for the Governmental Funds were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison schedules; Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plans; Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability; Schedule of Changes in the School District's Total OPEB Liability and Related Ratios; and related notes on pages 4-4i and 47-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Balance Sheet - Non-Major Governmental Funds; and Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information) on pages 57-61 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (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.

The supplementary information 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 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 supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021 on our consideration of the School District's internal control over financial reporting and 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 School District's internal control over financial reporting and compliance.

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 13, 2021

DEPOSIT CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total expenses exceeded revenues by $1,434,322 in 2021 compared to expenses exceeding revenues in the amount of $1,282,860 in 2020.

- Liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at June 30, 2021 by $28,892,858 (net position deficit), largely due to other postemployment benefits liability of $56,763,988.

- The General Fund budgeted expenditures were underspent by $1,373,049, while revenues were less than estimated by $58,734.

- The School District invested $649,236 in capital assets; depreciation was $983,045.

- The School District's total debt obligations decreased $752,981 during the current year mainly due to principal payments on long-term debt.

- Unassigned fund balance in the General Fund showed an decrease in 2021, from $888,705 to $703,177. Total General Fund fund balance, including reserves, was $3,731,240 at June 30, 2021, compared to $6,617,795 at June 30, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

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

- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds with all other Non-Major Funds listed in total in one column.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year, a Schedule of Changes in the School District's Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios, and information related to the School District's pension obligations.

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

The two District-wide financial statements report the School District's net position and how it has changed. Net position (the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

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

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

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

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's combined net deficit for fiscal year ended June 30, 2021 increased. Our following analysis focuses on the net position (*Figure 1*) and changes in net position *(Figure 2)* of the School District's Governmental Activities.

Figure 1

Condensed Statement of Net Position	*Governmental Activities and Total School District*		*Total Dollar Change*
	2021	*2020*	*2020-2021*
Current Assets	$ 6,844,348	$ 3,530,294	$ 3,314,054
Noncurrent Assets	2,492,372	5,758,614	(3,266,242)
Capital Assets, Net	20,678,993	21,120,309	(441,316)
Total Assets	**30,015,713**	**30,409,217**	**(393,504)**
Pensions	3,570,105	3,095,241	474,864
Other Postemployement Benefits	9,952,353	7,033,835	2,918,518
Total Deferred Outflows of Resources	**13,522,458**	**10,129,076**	**3,393,382**
Current Liabilities	3,869,486	3,743,242	126,244
Noncurrent Liabilities	63,140,654	58,758,233	4,382,421
Total Liabilities	**67,010,140**	**62,501,475**	**4,508,665**
Pensions	1,711,295	985,447	725,848
Other Postemployement Benefits	3,709,594	4,509,907	(800,313)
Total Deferred Inflows of Resources	**5,420,889**	**5,495,354**	**(74,465)**
Net Investment in Capital Assets	13,015,108	13,027,352	(12,244)
Restricted	5,687,856	5,332,026	355,830
Unrestricted	(47,595,822)	(45,817,914)	(1,777,908)
Total Net Position (Deficit)	**$(28,892,858)**	**$ (27,458,536)**	**$ (1,434,322)**

Total assets decreased 1.29%. This change stems from decreases in the School District's noncurrent restricted cash through appropriation of capital reserves and proportionate share of the NYSTRS net pension asset converting to a liability in the current year. Capital assets, net, decreased as depreciation expense exceeded capital outlay.

Deferred outflows of resources increased 33.50% and deferred inflows of resources decreased 1.36%. The change in deferred outflows and deferred inflows of resources is the result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the other postemployment benefits (OPEB) plan.

Total liabilities increased 7.21%. This change stems largely from an increase in the School District's total OPEB liability as well as the NYSTRS pension asset converting to a liability.

Total net position (deficit) increased 5.22%, primarily due to expenses over revenues as discussed below.

Our analysis in *Figure 2* considers the operations of the School District's activities.

Figure 2

Changes in Net Position	*Governmental Activities and Total School District*		*Total Dollar Change*
	2021	*2020*	*2020-2021*
REVENUES			
Program Revenues:			
Charges for Services	$ 64,401	$ 100,234	$ (35,833)
Operating Grants	1,436,535	1,126,256	310,279
General Revenues:			
Real Property Taxes	7,824,217	7,605,721	218,496
Real Property Tax Items	579,982	595,615	(15,633)
State Sources	7,188,490	7,498,798	(310,308)
Use of Money and Property	235,282	70,242	165,040
Other General Revenues	309,179	426,144	(116,965)
Total Revenues	**$ 17,638,086**	**$ 17,423,010**	**$ 215,076**
PROGRAM EXPENSES			
General Support	$ 2,674,010	$ 2,337,277	$ 336,733
Instruction	14,453,561	14,304,479	149,082
Pupil Transportation	1,139,000	1,249,646	(110,646)
School Lunch Program	566,550	522,906	43,644
Interest on Debt	239,287	291,562	(52,275)
Total Expenses	**$ 19,072,408**	**$ 18,705,870**	**$ 366,538**
CHANGE IN NET POSITION	**$ (1,434,322)**	**$ (1,282,860)**	**$ (151,462)**

Total revenues for the School District's Governmental Activities increased 1.23%, while total expenses increased 1.96%. The change in total revenues is primarily due to increases in the real property tax levy and in operating grants relating to school lunch.

The increase in program expenses is primarily due to an increase in maintenance expenses within the general support function, as well as a net increase in OPEB and pension expense in the current year.

Figures 3 and *4* show the sources of revenue for 2021 and 2020.

Figure 3
Sources of Revenue for 2021

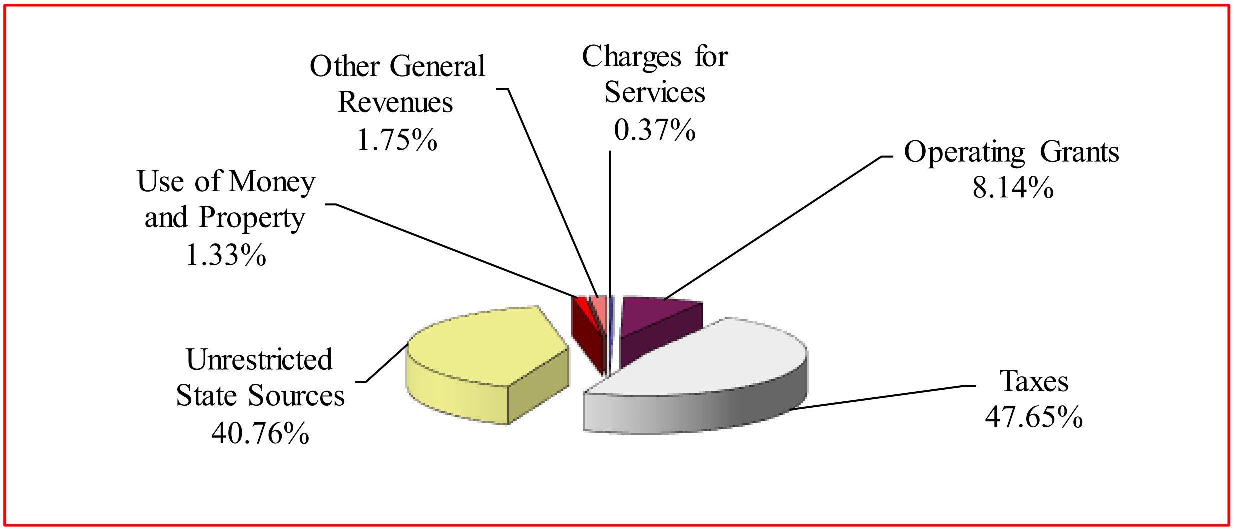
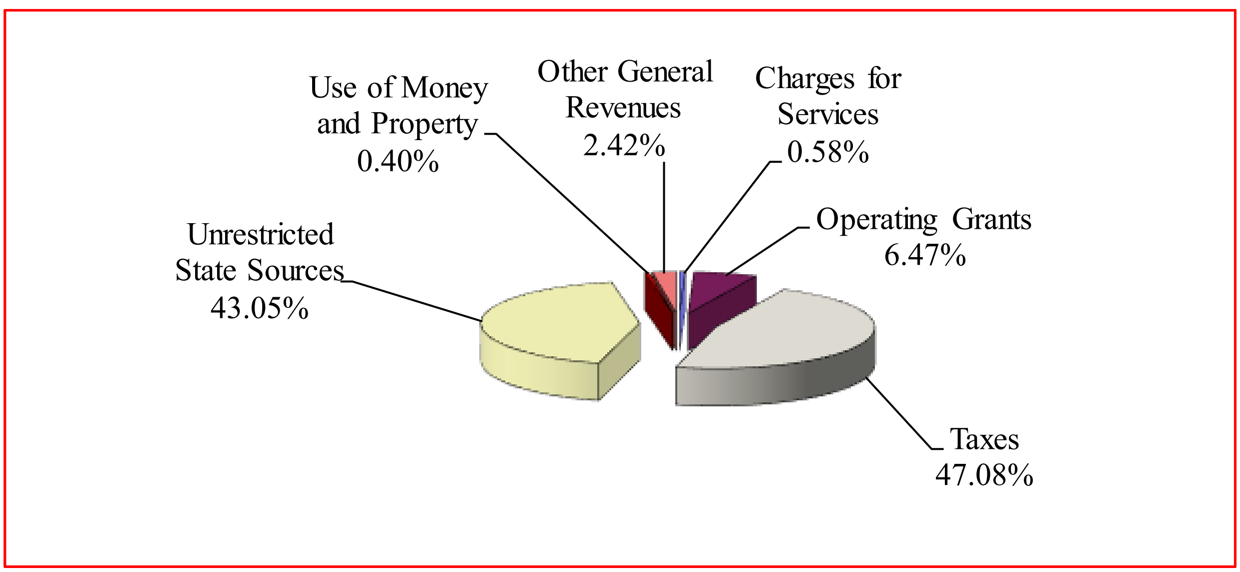


Figure 4
Sources of Revenue for 2020



Figures 5 and *6* present the cost of each of the School District's programs for 2021 and 2020.

Figure 5
Cost of Programs for 2021

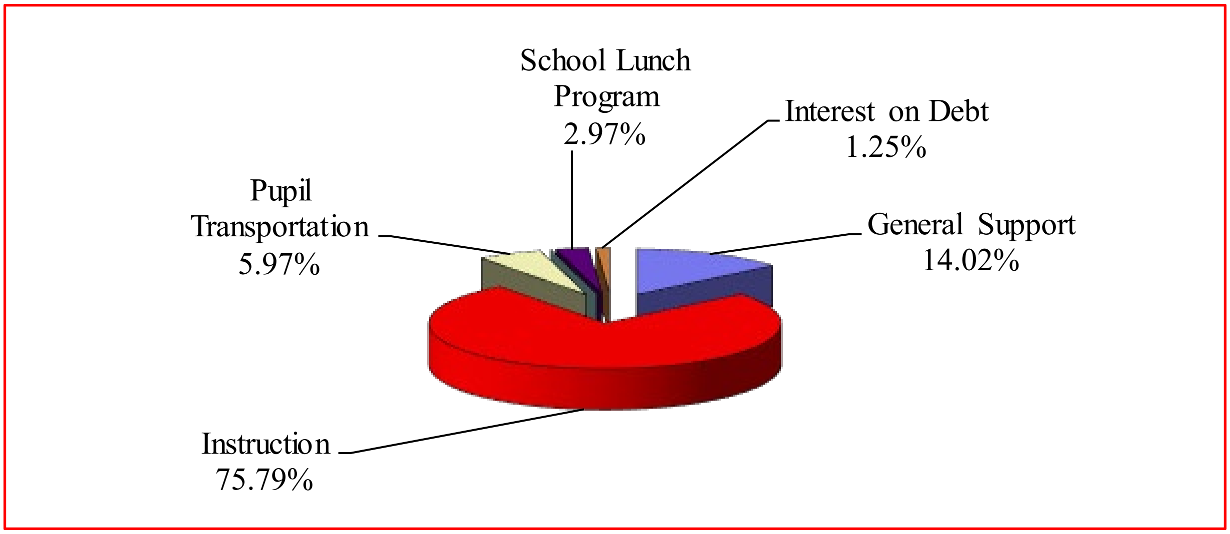
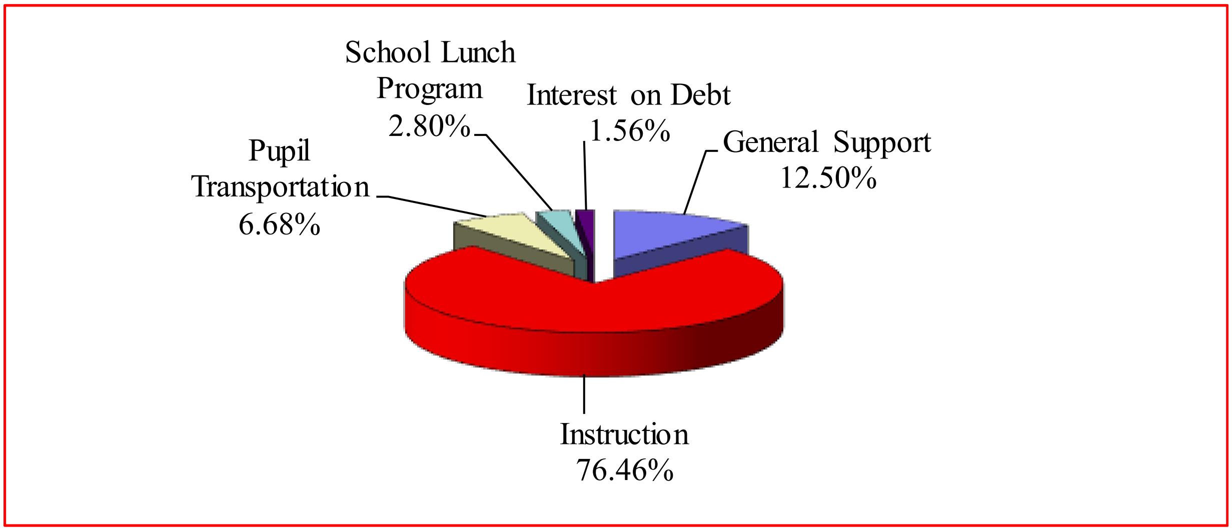


Figure 6
Cost of Programs for 2020



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in total fund balances for the year for the School District's Governmental Funds. Total fund balances increased by 11.38%. This is largely attributable to excess revenues and other sources over expenditures and other uses within the Capital Projects Funds, partly offset by the use of reserves in the General Fund.

Figure 7

Governmental Fund Balances	*2021*	*2020*	*Total Dollar Change 2020-2021*
Major Funds:			
General Fund	$ 3,731,240	$ 6,617,795	$ (2,886,555)
Capital Projects Fund - Construction	2,624,052	(543,119)	3,167,171
Capital Projects Fund - Buses	(813,752)	(823,457)	9,705
Non-Major Funds:			
School Lunch Fund	401,151	60,776	340,375
Debt Service Fund	193,021	193,659	(638)
Miscellaneous Special Revenue Fund	32,680	32,287	393
Total Governmental Funds	**$ 6,168,392**	**$ 5,537,941**	**$ 630,451**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Education approved budgetary transfers that revised the School District's budget line items. The budget was amended during the fiscal year with appropriations of reserves and unanticipated revenue.

The School District received less revenue than budgeted; primarily from a decrease in federal sources. Expenditures were less than budget (with carryover encumbrances) by $1,373,049. This is primarily due to lower than expected instruction costs related to the change to remote learning.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ending June 30, 2021.

Figure 8

Condensed Budgetary Comparison General Fund - 2021	*Original Budget*	*Revised Budget*	*Actual w/ Encumbrances*	*Favorable (Unfavorable) Variance*
REVENUES				
Real Property Taxes	$ 8,257,912	$ 7,836,426	$ 7,824,217	$ (12,209)
Other Tax Items	158,885	580,371	579,982	(389)
State Sources	7,499,093	7,301,121	7,204,626	(96,495)
Federal Sources	-	197,972	654	(197,318)
Other, Including Financing Sources	485,256	495,570	743,247	247,677
Total Revenues and Other Financing Sources	**$ 16,401,146**	**$ 16,411,460**	**$ 16,352,726**	**$ (58,734)**
Appropriated Fund Balances	**$ 796,444**	**$ 4,113,522**		
Encumbrances	**$ 155,719**	**$ 155,719**		
EXPENDITURES				
General Support	$ 1,713,806	$ 1,984,047	$ 1,895,509	$ 88,538
Instruction	8,022,689	7,849,303	7,265,806	583,497
Pupil Transportation	832,849	841,832	593,043	248,789
Community Services	1,000	1,000	-	1,000
Employee Benefits	5,375,379	5,296,933	4,884,143	412,790
Debt Service	1,258,586	1,258,586	1,257,761	825
Other Financing Uses	149,000	3,449,000	3,411,390	37,610
Total Expenditures and Other Financing Uses	**$ 17,353,309**	**$ 20,680,701**	**$ 19,307,652**	**$ 1,373,049**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2021, the School District had invested in a broad range of capital assets totaling $34,581,311, offset by accumulated depreciation of $13,902,318. Total capital assets, net, decreased by 2.09% as shown in *Figure 9*.

Figure 9

Changes in Capital Assets	*2021*	*2020*	*Total Dollar Change 2020-2021*
Land	$ 35,378	$ 35,378	$ -
Construction in Progress	1,091,929	1,216,703	(124,774)
Buildings, Net	17,968,726	18,305,802	(337,076)
Furniture and Equipment, Net	1,582,960	1,562,426	20,534
Total	**$20,678,993**	**$21,120,309**	**$ (441,316)**

Capital asset activity for the year ended June 30, 2021 included the following:

Additions:	
Construction in Progress	$ 275,391
Equipment	373,845
Total Additions	649,236
Less Depreciation Expense	(983,045)
Less Net Book Value of Disposed Assets	(107,507)
Net Change in Capital Assets	**$ (441,316)**

Debt Administration

The School District's short and long-term debt obligations decreased 8.31% at June 30, 2021 as shown in *Figure 10*. Total indebtedness represented 12.1% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

Outstanding Debt	*Governmental Activities and Total School District*		*Total Dollar Change 2020-2021*
	2021	*2020*	
Bond Anticipation Notes	$ 2,271,752	$ 2,373,457	$ (101,705)
Serial Bonds	6,034,032	6,685,308	(651,276)
Total	**$ 8,305,784**	**$ 9,058,765**	**$ (752,981)**

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements. The School District's bond rating is A, which did not change from the prior year.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- In May of 2021, the voters approved the proposed 2021-2022 School District budget in the amount of $17,764,432, with a 1.37% increase in the tax levy, which was the maximum allowed under the property tax legislation.

- Also in May of 2021, the voters approved the purchase of three school buses for the School District at a total not to exceed $237,000.

- In March of 2021, a capital project of $7,622,050 was approved by the voters. The project will address routine maintenance needs, cost saving energy upgrades and 21st century curriculum upgrades, and will have no additional tax impact to the community.

- The District has received $593,661 in CCRSA stimulus funds, payable from 3/13/20 to 9/30/23. The District also received $1,332,402 in ARP stimulus funds, payable from 3/13/20 to 9/30/24. The funds will be used to address learning loss and one time expenditures that will not require the use of future budget funding.

- The District has entered into a 30 year Host Community Agreement for the Bluestone Wind Project, a wind farm in the towns of Sanford and Windsor.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT
This financial report is designed to provide Deposit Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Deposit Central School District, at 171 Second Street, Deposit, New York 13754.

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Current Assets	
Cash - Unrestricted	$ 2,897,127
Cash - Restricted	3,070,623
Receivables:	
Other Governments	326,275
State and Federal Aid	464,110
Other	63,473
Inventories	22,740
Total Current Assets	6,844,348
Noncurrent Assets	
Cash - Restricted	2,492,372
Capital Assets, Net:	
Land and Construction in Progress	1,127,307
Depreciable Capital Assets, Net	19,551,686
Total Noncurrent Assets	23,171,365
Total Assets	30,015,713
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	3,570,105
Other Postemployment Benefits	9,952,353
Total Deferred Outflows of Resources	13,522,458
LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	233,025
Accrued Liabilities	91,657
Due to Other Governments	361
Bond Interest and Matured Bonds	14,882
Due to Teachers' Retirement System	464,188
Due to Employees' Retirement System	53,060
Bond Anticipation Notes Payable	2,271,752
Unearned Revenues	54,285
Current Portion of Long-Term Obligations:	
Bonds Payable	686,276
Total Current Liabilities	3,869,486

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

Noncurrent Liabilities	
Bonds Payable	$ 5,347,756
Compensated Absences Payable	303,709
Other Postemployment Benefits Liability	56,763,988
Net Pension Liability - Proportionate Share	725,201
Total Noncurrent Liabilities	63,140,654
Total Liabilities	67,010,140
DEFERRED INFLOWS OF RESOURCES	
Pensions	1,711,295
Other Postemployement Benefits	3,709,594
Total Deferred Inflows of Resources	5,420,889
NET POSITION	
Net Investment in Capital Assets	13,015,108
Restricted	5,687,856
Unrestricted (Deficit)	(47,595,822)
Total Net Position (Deficit)	**$ (28,892,858)**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS				
General Support	$ 2,674,010	$ -	$ -	$ (2,674,010)
Instruction	14,453,561	51,197	621,639	(13,780,725)
Pupil Transportation	1,139,000	-	-	(1,139,000)
School Lunch Program	566,550	13,204	814,896	261,550
Interest on Debt	239,287	-	-	(239,287)
Total Functions and Programs	**$ 19,072,408**	**$ 64,401**	**$ 1,436,535**	(17,571,472)

GENERAL REVENUES	
Real Property Taxes	7,824,217
Real Property Tax Items	579,982
Use of Money and Property	235,282
Unrestricted State Sources	7,188,490
Sale of Property and Compensation for Loss	(90,394)
Miscellaneous	399,573
Total General Revenues	16,137,150
Change in Net Position	(1,434,322)
Total Net Position (Deficit) - Beginning of Year	(27,458,536)
Total Net Position (Deficit) - End of Year	**$ (28,892,858)**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major Funds				
	General Fund	Capital Projects Fund - Construction	Capital Projects Fund - Buses	Total Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash - Unrestricted	$ 1,326,739	$ 1,544,139	$ -	$ 26,249	$ 2,897,127
Cash - Restricted	2,459,692	2,624,052	-	479,251	5,562,995
Due from Other Funds	249,976	-	-	35	250,011
State and Federal Aid Receivable	148,879	-	-	315,231	464,110
Due from Other Governments	326,275	-	-	-	326,275
Other Receivables	63,170	-	-	303	63,473
Inventories	-	-	-	22,740	22,740
Total Assets	**$ 4,574,731**	**$ 4,168,191**	**$ -**	**$ 843,809**	**$ 9,586,731**
LIABILITIES					
Payables:					
Accounts Payable	$ 201,762	$ 28,837	$ -	$ 2,426	$ 233,025
Accrued Liabilities	81,283	-	-	10,374	91,657
Due to Other Funds	4,258	57,302	-	188,451	250,011
Due to Other Governments	-	-	-	361	361
Bond Anticipation Notes Payable	-	1,458,000	813,752	-	2,271,752
Due to Teachers' Retirement System	464,188	-	-	-	464,188
Due to Employees' Retirement System	53,060	-	-	-	53,060
Unearned Revenues	38,940	-	-	15,345	54,285
Total Liabilities	843,491	1,544,139	813,752	216,957	3,418,339
FUND BALANCES					
Nonspendable	-	-	-	22,740	22,740
Restricted	2,459,692	2,624,052	-	604,112	5,687,856
Assigned	568,371	-	-	-	568,371
Unassigned	703,177	-	(813,752)	-	(110,575)
Total Fund Balances (Deficit)	3,731,240	2,624,052	(813,752)	626,852	6,168,392
Total Liabilities and Fund Balances	**$ 4,574,731**	**$ 4,168,191**	**$ -**	**$ 843,809**	**$ 9,586,731**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund Balances - Total Governmental Funds		**$ 6,168,392**
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities, are not financial resources and, therefore, are not reported in the funds.		
Total Historical Cost	$ 34,581,311	
Less Accumulated Depreciation	(13,902,318)	20,678,993
The School District's proportion of the collective net pension asset/liability is not reported in the funds.		
TRS Net Pension Liability - Proportionate Share	$ (720,693)	
ERS Net Pension Liability - Proportionate Share	(4,508)	(725,201)
Deferred outflows of resources, including pensions and other postemployment benefits, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including pensions and other postemployment benefits, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
Other Postemployment Benefits Deferred Outflows of Resources	$ 9,952,353	
Other Postemployment Benefits Deferred Inflows of Resources	(3,709,594)	
TRS Deferred Inflows of Resources - Pension	(396,012)	
ERS Deferred Inflows of Resources - Pension	(1,315,283)	
TRS Deferred Outflows of Resources - Pension	2,584,263	
ERS Deferred Outflows of Resources - Pension	985,842	8,101,569
Long-term liabilities including bonds payable and related premium are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	$ (5,415,000)	
Unamortized Premium	(619,032)	(6,034,032)
Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.		
Other Postemployment Benefits Liability	$(56,763,988)	
Compensated Absences Payable	(303,709)	
Accrued Interest on Debt	(14,882)	(57,082,579)
Net (Deficit) of Governmental Activities		**$ (28,892,858)**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds				
	General Fund	Capital Projects Fund - Construction	Capital Projects Fund - Buses	Total Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Real Property Taxes	$ 7,824,217	$ -	$ -	$ -	$ 7,824,217
Real Property Tax Items	579,982	-	-	-	579,982
Use of Money and Property	233,887	-	-	1,395	235,282
Sale of Property and Compensation for Loss	17,113	-	-	-	17,113
Miscellaneous	385,612	-	-	13,961	399,573
State Sources	7,204,626	-	-	182,804	7,387,430
Medicaid Reimbursement	51,197	-	-	-	51,197
Federal Sources	654	-	-	1,236,941	1,237,595
Sales - School Lunch	-	-	-	13,204	13,204
Total Revenues	16,297,288	-	-	1,448,305	17,745,593
EXPENDITURES					
General Support	1,859,479	-	-		1,859,479
Instruction	7,243,490	-	-	749,777	7,993,267
Pupil Transportation	583,018	-	-	11,737	594,755
Employee Benefits	4,884,143	-	-	104,816	4,988,959
Debt Service:					
Principal	953,705	-	-	-	953,705
Interest	304,056	-	-	-	304,056
Cost of Sales	-	-	-	249,769	249,769
Capital Outlay	-	275,391	253,016	-	528,407
Other Expenditures	-	-	-	1,450	1,450
Total Expenditures	15,827,891	275,391	253,016	1,117,549	17,473,847
Excess (Deficiency) of Revenues Over Expenditures	469,397	(275,391)	(253,016)	330,756	271,746
OTHER FINANCING SOURCES AND (USES)					
Redeemed from Appropriations		92,000	266,705		358,705
Operating Transfers In	55,438	3,400,000	-	15,374	3,470,812
Operating Transfers (Out)	(3,411,390)	(49,438)	(3,984)	(6,000)	(3,470,812)
Total Other Sources (Uses)	(3,355,952)	3,442,562	262,721	9,374	358,705
Net Change in Fund Balances	(2,886,555)	3,167,171	9,705	340,130	630,451
Fund Balances (Deficit) - Beginning of Year	6,617,795	(543,119)	(823,457)	286,722	5,537,941
Fund Balances (Deficit) - End of Year	**$ 3,731,240**	**$ 2,624,052**	**$ (813,752)**	**$ 626,852**	**$ 6,168,392**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds		**$ 630,451**
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Outlay	$ 649,236	
Net Book Value of Disposed Assets	(107,507)	
Depreciation Expense	(983,045)	(441,316)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of Bond Principal	$ 595,000	
Amortization of Bond Premium	56,276	651,276
Long-term liabilities, such as those associated with employee benefits, and compensated absences are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Fund financial statements.		
Other Postemployment Benefits Liability	$ (1,943,393)	
Compensated Absences	174,806	(1,768,587)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.		
Change in Accrued Interest Payable		8,493
Changes in the School District's proportionate share of net pension assets/liabilities have no effect on current financial resources and therefore are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.		
ERS	$ 61,410	
TRS	(576,049)	(514,639)
Net Change in Net Position of Governmental Activities		**$ (1,434,322)**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	Custodial Fund
ASSETS	
Cash - Unrestricted	$ 51,282
Total Assets	**$ 51,282**
NET POSITION	
Unassigned	**$ 51,282**

See Notes to Basic Financial Statements

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Fund
ADDITIONS	
Extraclass Cash Receipts	$ 53,153
DEDUCTIONS	
Extraclass Cash Disbursements	46,526
Change in Net Position	6,627
Net Position - Beginning of Year	44,655
Net Position - End of Year	**$ 51,282**

See Notes to Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies**

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

Reporting Entity

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the School District;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

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

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. While the Extraclassroom Activity Funds are not considered a component unit of the School District, due to the School District's fiduciary responsibility in relation to the Funds, they are reported in the School District's Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's business office, located at 171 Second Street, Deposit, New York 13754.

Note 1 **Summary of Significant Accounting Policies - Continued**

Joint Venture
The School District is one of 15 component school districts in the Broome-Tioga 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 §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 (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law (GML).

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law §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 §1950 of the Education Law.

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Note 1 **Summary of Significant Accounting Policies - Continued**

Basis of Presentation - Governmental Fund Financial Statements
The fund statements provide information about the School District's funds, including Fiduciary Funds. Separate statements for each fund category (Governmental and Fiduciary) are presented. The emphasis of Governmental Fund financial statements is on major Governmental Funds, each displayed in a separate column. The following are the District's Governmental Funds.

Major Funds

- General Fund: The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.

- Capital Projects Fund - Construction: Accounts for the financial resources used for various capital projects of the School District.

- Capital Projects Fund - Buses: Accounts for the financial resources used for the purchase of buses for the School District.

Non-Major Funds

- Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

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

    - School Lunch Fund: Accounts for revenues and expenditures in connection with the School District's food service program.

    - Miscellaneous Special Revenue Fund: Used to account for student scholarships whose funds are restricted as to use.

- Debt Service Fund: Accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of Governmental Activities.

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

Note 1 **Summary of Significant Accounting Policies - Continued**

Basis of Presentation - Governmental Fund Financial Statements - Continued
The School District reports the following Fiduciary Funds:

- Custodial Fund: Assets are held by the School District as agent for Extraclassroom Activity Funds.

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

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within six months after the end of the fiscal year.

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

Cash and Investments
The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments are stated at fair value.

Note 1 **Summary of Significant Accounting Policies - Continued**

Accounts Receivable
Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

Due to/Due From Other Funds
Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

Inventories and Prepaid Items
Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

Nonspendable fund balance equal to these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets
Capital assets are reported at actual cost. 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 capital assets reported in the District-wide financial statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings	$ 5,000	40 Years
Building Improvements	5,000	20-30 Years
Furniture and Equipment	5,000	5-20 Years

The School District utilizes the straight-line method of depreciation.

Note 1 Summary of Significant Accounting Policies - Continued

Vested Employee Benefits - Compensated Absences
Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

Sick leave eligibility and accumulation are 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.

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

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the 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 Governmental Fund financial 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.

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 10 for additional information.

Note 1 **Summary of Significant Accounting Policies - Continued**

Deferred Outflows and Deferred Inflows of Resources
In addition to assets, the Statement of Net Position reports 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 School District reports deferred outflows of resources related to pensions and OPEB plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 9 and 10, respectively.

In addition to liabilities, the Statement of Net Position reports 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 will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 9 and 10, respectively.

Unearned Revenue
Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Restricted Resources
When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Equity Classifications - District-Wide Financial Statements
Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted: Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Note 1 **Summary of Significant Accounting Policies - Continued**

Equity Classifications - District-Wide Financial Statements - Continued

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

Equity Classifications - Governmental Fund Financial Statements
The School District follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which requires classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a Fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable: Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.

- Restricted: Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.

- Committed: Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.

- Assigned: Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

- Unassigned: Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Note 1 **Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued
Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education is authorized to assign fund balance. The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Legally Adopted Reserves
Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Reserves currently in use by the School District include the following:

- Capital Reserve (Education Law §3657): Used to pay the cost of any object or purpose for which bonds may be issued. The creation of a Capital Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

- Unemployment Insurance Reserve (GML §6-m): Used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 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 funds over the sum sufficient to pay pending claims may be transferred to any other Reserve Fund. This reserve is accounted for in the General Fund.

Note 1 **Summary of Significant Accounting Policies - Continued**

Legally Adopted Reserves - Continued

- Employee Benefit Accrued Liability Reserve (GML §6-p): Used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

- Retirement Contribution Reserve (GML §6-r): Used to reserve funds for the payment of retirement contributions, due to volatility in the economic marketplace. 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 must be legally appropriated. This reserve is accounted for in the General Fund.

- Workers' Compensation Reserve (GML §6-j): Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses for administering this self-insurance program. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or applied to the appropriations of the succeeding fiscal year's budget. The reserve is accounted for in the General Fund.

Property Taxes
Real property taxes are levied annually by the Board of Education no later than September 4, 2020 and became a lien on August 10, 2020. Taxes were collected during the period September 1 to November 2, 2020.

Uncollected real property taxes are subsequently enforced by the Counties of Broome and Delaware. An amount representing uncollected real property taxes transmitted to the counties for enforcement is paid by the counties to the School District no later than the following April 1.

Interfund Transfers
The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

Note 1 **Summary of Significant Accounting Policies - Continued**

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported 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.

Future Accounting Standards

- GASB has issued Statement No. 87, "Leases," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending June 30, 2022.

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

Note 2 **Participation in BOCES**
During the year ended June 30, 2021, the School District's share of BOCES income amounted to $574,056. The School District was billed $2,527,867 for administration and program costs. Financial statements for Broome-Tioga BOCES are available from the BOCES administrative office at 435 Glenwood Avenue, Binghamton, New York 13905.

Note 3 **Cash, Cash Equivalents, and Investments - Custodial and Concentration of Credit Risk**
Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Note 3 **Cash, Cash Equivalents, and Investments - Custodial and Concentration of Credit Risk - Continued**

The School District's aggregate bank balances of $8,613,404 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

Restricted cash at June 30, 2021 consisted of the following:

General Fund Reserves	$	2,459,692
Restricted for School Lunch		253,585
Restricted for Debt Service		193,021
Restricted for Capital Projects		2,624,017
Restricted for Scholarships		32,680
Total	**$**	**5,562,995**

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State.

Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Note 4 **Interfund Balances and Activity**

Governmental Fund interfund balances at June 30, 2021 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 249,976	$ 4,258	$ 55,438	$ 3,411,390
Capital Projects Fund - Construction	-	57,302	3,400,000	49,438
Capital Projects Fund - Buses	-	-	-	3,984
Non-Major Funds	35	188,451	15,374	6,000
Total	**$ 250,011**	**$ 250,011**	**$ 3,470,812**	**$ 3,470,812**

Note 4 **Interfund Balances and Activity - Continued**

Interfund receivables and payables, other than between Governmental Activities and Fiduciary Funds, are eliminated on the Statement of Net Position.

The School District typically transfers from the General Fund to the Special Aid Fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Projects Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Note 5 **Capital Assets**

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets that are Not Depreciated:				
Land	$ 35,378	$ -	$ -	$ 35,378
Construction in Progress	1,216,703	275,391	(400,165)	1,091,929
Total Nondepreciable Historical Cost	1,252,081	275,391	(400,165)	1,127,307
Capital Assets that are Depreciated:				
Buildings	29,315,496		400,165	29,715,661
Furniture and Equipment	3,660,263	373,845	(295,765)	3,738,343
Total Depreciable Historical Cost	32,975,759	373,845	104,400	33,454,004
Total Historical Cost	34,227,840	649,236	(295,765)	34,581,311
Less Accumulated Depreciation:				
Buildings	(11,009,694)	(737,241)	-	(11,746,935)
Furniture and Equipment	(2,097,837)	(245,804)	188,258	(2,155,383)
Total Accumulated Depreciation	(13,107,531)	(983,045)	188,258	(13,902,318)
Total Historical Cost, Net	**$ 21,120,309**	**$ (333,809)**	**$ (107,507)**	**$ 20,678,993**

Note 5 **Capital Assets - Continued**

Depreciation expense was charged to governmental functions as follows:

General Support	$ 98,519
Instruction	647,166
Pupil Transportation	221,750
School Lunch Program	15,610
Total Depreciation Expense	**$ 983,045**

Note 6 **Short-Term Debt**

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs or TANs during the year.

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

The School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Two BANs were outstanding at June 30, 2021.

BAN activity for the year is summarized below:

Description of Issue	Interest Rate	Maturity Date	Beginning Balance	Issued	Renewed or Redeemed	Ending Balance
BAN 2019 - Buses	1.51%	08/29/2019	$ 823,457	$ -	$ (823,457)	$ -
BAN 2020 - Construction	0.85%	06/03/2020	1,550,000	-	(1,550,000)	-
BAN 2021- Buses	0.63%	09/10/2021	-	813,752	-	813,752
BAN 2021- Construction	0.32%	06/24/2022	-	1,458,000	-	1,458,000
Total			**$ 2,373,457**	**$ 2,271,752**	**$ (2,373,457)**	**$ 2,271,752**

Note 6 **Short-Term Debt - Continued**

Interest expense related to short-term debt during the year was comprised of:

Interest Paid	$	25,575
Less Interest Accrued in the Prior Year		(11,557)
Plus Interest Accrued in the Current Year		4,250
Total	**$**	**18,268**

Note 7 **Long-Term Debt**

At June 30, 2021, the total outstanding indebtedness of the School District represented 12.1% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds and Statutory Installment Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

The following is a summary of the School District's long-term debt for the year ended June 30, 2021:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2021
2010 Serial Bond	06/15/2010	06/15/2024	3.00%-5.00%	$ 420,000
2014 Serial Bond	06/15/2014	06/15/2032	2.00%-5.00%	4,320,000
2017 Serial Bond	06/15/2017	06/15/2032	2.69%	675,000
Total Bonds				5,415,000
Unamortized Premium				619,032
Total				**$ 6,034,032**

Interest expense related to long-term debt during the year was comprised of:

Interest Paid	$	278,481
Less Interest Accrued in the Prior Year		(11,818)
Plus Interest Accrued in the Current Year		10,632
Less Amortization of Bond Premium		(56,276)
Total	**$**	**221,019**

Interest rates on the Serial Bonds vary from year to year, in accordance with the interest rates specified in the bond agreements.

Note 7 **Long-Term Debt - Continued**

Long-term debt balances and activity for the year are summarized as follows:

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Serial Bonds	$ 6,010,000	$ -	$ (595,000)	$ 5,415,000	$ 630,000
Premium on Obligations	675,308	-	(56,276)	619,032	56,276
Total	**$ 6,685,308**	**$ -**	**$ (651,276)**	**$ 6,034,032**	**$ 686,276**

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

Year	Principal	Interest	Total
2022	$ 630,000	$ 250,000	880,000
2023	655,000	219,771	874,771
2024	690,000	188,293	878,293
2025	650,000	155,378	805,378
2026	625,000	124,563	749,563
2027-2031	1,945,000	236,689	2,181,689
2032	220,000	7,826	227,826
Total	**$ 5,415,000**	**$ 1,182,520**	**$ 6,597,520**

Note 8 **Compensated Absences**

Compensated absences represent funds accrued to pay for the School District's share of sick and vacation time. This liability is liquidated through the General Fund.

	Beginning Balance	Additions	Deletions	Ending Balance
Total	**$ 478,515**	**$ -**	**$ (174,806)**	**$ 303,709**

The change in compensated absences is recorded as a net change, as it is not feasible to separate out additions and deletions.

Note 9 **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) (System)
The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee 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 (RSSL) of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Plan Descriptions and Benefits Provided - Continued

Employees' Retirement System (ERS) (System)
The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. 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 a state statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies
The Systems' financial statements from which the Systems' respective fiduciary net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Plan Descriptions and Benefits Provided - Continued

Contributions
The School District is required to contribute at an actuarially determined rate. The School District's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding Plan years were as follows:

	ERS	TRS
2021	**$ 182,846**	**$ 393,153**
2020	186,408	465,910
2019	184,713	450,272

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2021, the School District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The School District's proportionate share of the net pension liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

	ERS	TRS
Actuarial Valuation Date	04/01/2020	06/30/2019
Net Pension Asset/Liability	$ 99,573,957	$ 2,763,270,835
School District's Proportionate Share of the Plan's Total Net Pension Asset/Liability	4,508	720,693
School District's Share of the Net Pension Asset/Liability	0.0045269%	0.026081%

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

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

For the year ended June 30, 2021, the School District recognized pension expense of $125,273 for ERS and $998,210 for TRS in the District-wide financial statements. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	**TRS**	**ERS**	**TRS**
Differences Between Expected and Actual Experience	$ 55,050	$ 631,472	$ -	$ 36,934
Changes in Assumptions	828,805	911,510	15,632	324,906
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	470,676	1,294,852	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	48,927	147,732	4,799	34,172
School District's Contributions Subsequent to the Measurement Date	53,060	422,873	-	-
Total	**$ 985,842**	**$ 2,584,263**	**$ 1,315,283**	**$ 396,012**

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	ERS	TRS
2022	$ (58,178)	$ 308,653
2023	(15,155)	594,642
2024	(63,729)	487,592
2025	(245,439)	312,427
2026	-	25,932
Thereafter	-	36,132

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

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 the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Investment Rate of Return	5.9%	7.1%
Salary Increases	4.4%	1.90%-4.72%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2019.

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Actuarial Assumptions - Continued

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows.

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Asset Type		
Domestic Equities	4.1%	7.1%
International Equities	6.3%	7.7%
Global Equities		7.4%
Real Estate	5.0%	6.8%
Private Equity	6.8%	10.4%
Opportunistic Portfolio	4.5%	
Real Assets	6.0%	
Cash	0.5%	
Credit	3.6%	
Domestic Fixed Income Securities		1.8%
Global Fixed Income Securities		1.0%
Private Debt		5.2%
Real Estate Debt		3.6%
High-Yield Fixed Income Securities		3.9%
Short-Term		0.7%

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension Asset/Liability	$ 1,251,139	$ 4,508	$ (1,145,179)

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
School District's Proportionate Share of the Net Pension Asset/Liability	$ 4,552,372	$ 720,693	$ (2,495,056)

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates were as follows:

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Employers' Total Pension Asset/Liability	$ 220,680,157	$ 123,242,776
Plan Net Position	(220,580,583)	(120,479,505)
Employers' Net Pension Asset/Liability	**$ 99,574**	**$ 2,763,271**
Ratio of Plan Net Position to the Employers' Total Pension Asset/Liability	99.9%	97.8%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $53,060.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $464,188.

Note 9 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Current Year Activity
The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Asset/Liability	$ 1,143,922	$ (1,139,414)	$ 4,508
Deferred Outflows of Resources	(776,119)	(209,723)	(985,842)
Deferred Inflows of Resources	27,556	1,287,727	1,315,283
Subtotal	395,359	(61,410)	333,949
TRS			
Net Pension Asset/Liability	(682,376)	1,403,069	720,693
Deferred Outflows of Resources	(2,319,122)	(265,141)	(2,584,263)
Deferred Inflows of Resources	957,891	(561,879)	396,012
Subtotal	(2,043,607)	576,049	(1,467,558)
Total	**$ (1,648,248)**	**$ 514,639**	**$ (1,133,609)**

Note 10 **Other Postemployment Benefits**

General Information about the OPEB Plan
Plan Description - The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the School District has in place with different classifications of employees. The School District acquires health insurance through a consortium known as the Broome-Tioga-Delaware Health Insurance Consortium. Benefits provided by the Consortium are administered by Blue Cross/Blue Shield. The Consortium plan covers medical and pharmaceutical costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Note 10 **Other Postemployment Benefits - Continued**

General Information about the OPEB Plan - Continued
Employees Covered by Benefit Terms - At June 30, 2021, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	148
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Active Employees	107
Total	**255**

Total OPEB Liability
The School District's total OPEB liability of $56,763,988 was measured as of June 30, 2021, and determined by an actuarial valuation as of July 1, 2020.

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

Long-Term Bond Rate	2.16%
Salary Increases Including Inflation	2.6%
Actuarial Cost Method	Entry Age Normal
Healthcare Cost Trend Rates	5.3% for 2021, Decreasing to an Ultimate Rate of 4.1% for Years After 2077

The long-term bond rate was based on a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Retirement rates are based on tables used by the New York State Teachers' Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2020 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Note 10 **Other Postemployment Benefits - Continued**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	$ 51,101,764
Changes for the Year	
Service Cost	1,592,398
Interest Cost	1,144,518
Changes of Benefit Terms	(187,778)
Differences Between Expected and Actual Experience	(267,871)
Changes in Assumptions	5,202,989
Benefit Payments	(1,822,032)
Net Change	5,662,224
Balance at June 30, 2021	**$ 56,763,988**

Sensitivity of the total OPEB liability to changes in the discount rate - the following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$ 65,306,066	$ 56,763,988	$ 47,161,847

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

	1% Decrease (4.3% to 3.1%)	Healthcare Cost Trend Rate (5.3% to 4.1%)	1% Increase (6.3% to 5.1%)
Total OPEB Liability	$ 47,536,528	$ 56,763,988	$ 65,122,514

For the year ended June 30, 2021, the School District recognized OPEB expense of $3,765,425.

Note 10 **Other Postemployment Benefits - Continued**

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

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 420,283	$ 887,029
Changes in Assumptions or Other Inputs	9,532,070	2,822,565
Total	**$ 9,952,353**	**$ 3,709,594**

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
2022	$ 1,216,287
2023	1,216,287
2024	1,216,287
2025	1,638,715
2026	795,987
Thereafter	159,196

Current Year Activity
The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
OPEB Liability	$ 51,101,764	$ 5,662,224	$ 56,763,988
Deferred Outflows of Resources	(7,033,835)	(2,918,518)	(9,952,353)
Deferred Inflows of Resources	4,509,907	(800,313)	3,709,594
Total	**$ 48,577,836**	**$ 1,943,393**	**$ 50,521,229**

Note 11 **Commitments and Contingencies**

Risk Financing and Related Insurance - General Information
The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Risk Financing and Related Insurance - Health Insurance
The School District incurs costs related to an employee health insurance plan (Plan) sponsored by the Broome-Tioga-Delaware County Health Insurance Consortium. 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. Plan members include 15 school districts and one BOCES, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

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 risks 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.

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures totaling $3,839,682.

Risk Financing and Related Insurance - Workers' Compensation Insurance
The School District participates in the Workers' Compensation Self-Insurance Alliance (Plan). 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. School districts joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by forwarding a resolution passed by the School District's Board of Education prior to the end of the fiscal year.

Note 11 **Commitments and Contingencies - Continued**

Risk Financing and Related Insurance - Workers' Compensation Insurance - Continued
Plan members include 15 school districts and one BOCES, with the School District bearing its proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

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 risks 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) reported but not settled, and claims incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures totaling $73,912.

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

Note 12 **Fund Balance Detail**

At June 30, 2021, nonspendable, restricted, and assigned fund balance in the governmental funds was as follows:

	General Fund	Capital Projects Fund - Construction	Non-Major Funds
Nonspendable			
Inventory	$ -	$ -	$ 22,740
Total Nonspendable Fund Balance	**$ -**	**$ -**	**$ 22,740**
Restricted			
Workers' Compensation Reserve	$ 153,256	$ -	$ -
Reserve for Employees' Retirement Contributions	1,105,874	-	-
Unemployment Insurance Reserve	46,435		
Reserve for Teachers' Retirement Contributions	261,864	-	-
Employee Benefit Accrued Liability Reserve	65,362	-	-
Capital Reserve	826,901	-	-
Capital Projects	-	2,624,052	-
Debt	-	-	193,021
School Lunch	-	-	378,411
Scholarships	-	-	32,680
Total Restricted Fund Balance	**$ 2,459,692**	**$ 2,624,052**	**$ 604,112**
Assigned			
Appropriated for Next Year's Budget	$ 500,000	$ -	$ -
Encumbered for:			
General Support	36,030	-	-
Instruction	22,316	-	-
Pupil Transportation	10,025	-	-
Total Assigned Fund Balance	**$ 568,371**	**$ -**	**$ -**

Note 13 **Restricted Fund Balances**

Portions of fund balance are restricted and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity for the year ended June 30, 2021 of the General Fund and Debt Service Fund restricted fund balances were as follows:

General Fund	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Workers' Compensation Reserve	$ 153,240	$ -	$ 16	$ -	$ 153,256
Reserve for Employees' Retirement Contributions	1,105,757	-	117	-	1,105,874
Reserve for Teachers' Retirement Contributions	173,846	88,000	18	-	261,864
Unemployment Insurance Reserve	63,507	-	6	(17,078)	46,435
Employee Benefit Accrued Liability Reserve	65,355	-	7	-	65,362
Capital Reserve	3,511,666	615,000	235	(3,300,000)	826,901
Total General Fund	**$ 5,073,371**	**$ 703,000**	**$ 399**	**$ (3,317,078)**	**$ 2,459,692**
Debt Service Fund	**$ 193,659**	**$ 3,984**	**$ 1,378**	**$ (6,000)**	**$ 193,021**

Note 14 **Tax Abatements**

For the year ended June 30, 2021, the School District was subject to property tax abatements negotiated by Broome County IDA and Delaware County IDA for the purpose of economic development. School District property tax revenue was reduced by $47,900. The School District received payment in lieu of tax (PILOT) payments totaling $140,739.

	Taxable Assesed	Tax Value	PILOT Received	Taxes Abated
Delaware County IDA	$ 229,944	$ 72,982	$ 54,763	$ 18,219
Broome County IDA	4,974,633	115,657	85,976	29,681
Totals	**$ 5,204,577**	**$ 188,639**	**$ 140,739**	**$ 47,900**

Note 15 **Stewardship, Compliance, and Accountability**

Deficit Fund Balance

At June 30, 2021, the Capital Projects Fund - Buses had a deficit fund balance of $813,752. This deficit will be eliminated as short-term debt is redeemed or converted to long-term bond financing.

Deficit Net Position

At June 30, 2021, the District-wide Statement of Net Position had an unrestricted deficit of $47,595,822. This is primarily the result of the requirement to record net other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 10). The deficit is not expected to be eliminated during the normal course of operations.

Note 16 **Restatement**

During the year, the District adopted GASB Statement No. 84. The District's June 30, 2020 net position for Governmental Activities has been restated to reflect the following:

Net Position (Deficit) Beginning of Year	$ (27,490,823)
GASB Statement No. 84 Implementation	32,287
Net Position (Deficit) Beginning of Year, as Restated	**$ (27,458,536)**

In addition, net position for the Custodial Fund has been restated to reflect the following:

Net Position Beginning of Year	$ -
GASB Statement No. 84 Implementation	44,655
Net Position Beginning of Year, as Restated	**$ 44,655**

Note 17 **Economic Uncertainty**

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the area in which the District exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the District expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real Property Taxes	$ 8,257,912	$ 7,836,426	$ 7,824,217	$ (12,209)
Real Property Tax Items	158,885	580,371	579,982	(389)
Use of Money and Property	2,000	2,000	233,887	231,887
Miscellaneous	427,256	437,570	402,725	(34,845)
Total Local Sources	8,846,053	8,856,367	9,040,811	184,444
State Sources	7,499,093	7,301,121	7,204,626	(96,495)
Federal Sources	-	197,972	654	(197,318)
Medicaid Reimbursement	50,000	50,000	51,197	1,197
Total Revenues	16,395,146	16,405,460	16,297,288	(108,172)
OTHER FINANCING SOURCES				
Operating Transfers In	6,000	6,000	55,438	49,438
Total Revenues and Other Financing Sources	16,401,146	16,411,460	**$16,352,726**	**$ (58,734)**
Appropriated Fund Balance	500,000	3,817,078		
Appropriated Reserves	296,444	296,444		
Encumbrances Carried Forward from Prior Year	155,719	155,719		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	**$17,353,309**	**$20,680,701**		

See Notes to Required Supplementary Information

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	$ 27,733	$ 29,077	$ 15,187	$ 3,560	$ 10,330
Central Administration	198,520	198,521	192,996	612	4,913
Finance	282,027	283,586	264,521	2,172	16,893
Staff	78,311	78,761	66,326	5,260	7,175
Central Services	969,863	1,235,614	1,165,340	24,426	45,848
Special Items	157,352	158,488	155,109	-	3,379
Total General Support	1,713,806	1,984,047	1,859,479	36,030	88,538
Instruction					
Instruction, Administration, and Improvement	444,590	460,966	441,854	1,127	17,985
Teaching - Regular School	3,476,152	3,377,013	3,180,973	5,843	190,197
Programs for Children with Handicapping Conditions	2,067,884	1,949,742	1,742,958	4,204	202,580
Occupational Education	572,288	572,808	563,588	631	8,589
Teaching - Special School	750	750	-	-	750
Instructional Media	713,888	724,182	698,729	-	25,453
Pupil Services	747,137	763,842	615,388	10,511	137,943
Total Instruction	8,022,689	7,849,303	7,243,490	22,316	583,497
Pupil Transportation	832,849	841,832	583,018	10,025	248,789
Community Services	1,000	1,000	-	-	1,000
Employee Benefits	5,375,379	5,296,933	4,884,143	-	412,790
Debt Service					
Principal	936,705	954,530	953,705	-	825
Interest	321,881	304,056	304,056	-	-
Total Debt Service	1,258,586	1,258,586	1,257,761	-	825
Total Expenditures	17,204,309	17,231,701	15,827,891	68,371	1,335,439
OTHER FINANCING USES					
Operating Transfers Out	149,000	3,449,000	3,411,390	-	37,610
Total Expenditures and Other Financing Uses	**$ 17,353,309**	**$ 20,680,701**	19,239,281	**$ 68,371**	**$ 1,373,049**
Net Change in Fund Balance			(2,886,555)		
Fund Balance - Beginning of Year			6,617,795		
Fund Balance - End of Year			**$ 3,731,240**		

See Notes to Required Supplementary Information

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE LAST 10 FISCAL YEARS

	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Contractually Required Contribution	**$ 182,846**	$ 186,408	$ 184,713	$ 184,765	$ 175,650	$ 194,399	$ 210,250	$ 214,781	$ 200,145	$ 185,544
Contributions in Relation to the Contractually Required Contribution	**(182,846)**	(186,408)	(184,713)	(184,765)	(175,650)	(194,399)	(210,250)	(214,781)	(200,145)	(185,544)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ending June 30,	**1,428,594**	1,391,648	1,315,873	1,255,889	1,182,017	1,110,182	1,112,901	1,102,215	1,156,892	1,211,198
Contributions as a Percentage of Covered Employee Payroll	**12.8%**	13.4%	14.0%	14.7%	14.9%	17.5%	18.9%	19.5%	17.3%	15.3%

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS
NYSTRS PENSION PLAN
FOR THE LAST 10 FISCAL YEARS

	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Contractually Required Contribution	**$ 422,873**	$ 393,153	$ 465,910	$ 450,272	$ 540,458	$ 573,461	$ 760,222	$ 728,433	$ 469,084	$ 453,142
Contributions in Relation to the Contractually Required Contribution	**(422,873)**	(393,153)	(465,910)	(450,272)	(540,458)	(573,461)	(760,222)	(728,433)	(469,084)	(453,142)
Contribution Deficiency (Excess)	**-**	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ending June 30,	**4,437,282**	4,437,393	4,387,100	4,594,612	4,611,416	4,324,744	4,344,126	4,468,814	3,961,858	4,078,686
Contributions as a Percentage of Covered Employee Payroll	**9.5%**	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%	11.8%	11.1%

See Notes to Required Supplementary Information

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Asset/Liability	**0.0045269%**	0.0043199%	0.0044261%	0.0041245%	0.0039639%	0.0042580%	0.0040783%
School District's Proportionate Share of the Net Pension Asset/Liability	**$ 4,508**	$ 1,413,922	$ 313,604	$ 133,115	$ 372,455	$ 683,415	$ 137,776
School District's Covered Employee Payroll During the Measurement Period	**1,406,100**	1,372,016	1,302,885	1,239,844	1,170,219	1,097,282	1,107,105
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Employee Payroll	**0.3%**	103.1%	24.1%	10.7%	31.8%	62.3%	12.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	**99.9%**	96.3%	96.3%	98.2%	94.7%	97.9%	97.9%

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Asset/Liability	**0.026081%**	0.0262650%	0.0273370%	0.0283130%	0.0274190%	0.0281870%	0.0281870%
School District's Proportionate Share of the Net Pension Asset/Lliability	**$ 720,693**	$ (682,376)	$ (494,321)	$ (215,205)	$ 293,668	$(2,927,708)	$(3,380,420)
School District's Covered Employee Payroll During the Measurement Period	**4,437,393**	4,387,100	4,594,612	4,611,416	4,324,744	4,344,126	4,468,814
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Employee Payroll	**16.2%**	15.6%	10.8%	4.7%	6.8%	67.4%	75.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	**97.8%**	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

See Notes to Required Supplementary Information

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost	**$ 1,592,398**	$ 1,273,420	$ 1,548,775	$ 1,492,086	$ *	$ *	$ *	$ *	$ *	$ *
Interest Cost	**1,144,518**	1,490,862	1,467,466	1,409,488	*	*	*	*	*	*
Changes of Benefit Terms	**(187,778)**	-	(952,262)		*	*	*	*	*	*
Differences Between Expected and Actual Experience	**(267,871)**		(1,246,802)	900,607	*	*	*	*	*	*
Changes in Assumptions or Other Inputs	**5,202,989**	7,818,669	(5,313,063)		*	*	*	*	*	*
Benefit Payments	**(1,822,032)**	(1,593,921)	(1,505,178)	(2,341,142)	*	*	*	*	*	*
	5,662,224	8,989,030	(6,001,064)	1,461,039	*	*	*	*	*	*
Total OPEB Liability - Beginning	**51,101,764**	42,112,734	48,113,798	46,652,759	*	*	*	*	*	*
Total OPEB Liability - Ending	**$ 56,763,988**	$ 51,101,764	$ 42,112,734	$ 48,113,798	$46,652,759	$ *	$ *	$ *	$ *	$ *
Covered Employee Payroll	**$ 4,418,113**	$ 4,685,173	$ 4,685,173	$ 5,612,909	$ *	$ *	$ *	$ *	$ *	$ *
Total OPEB Liability as a Percentage of Covered Payroll	**1284.8%**	1090.7%	898.9%	857.2%	*	*	*	*	*	*
Discount Rate	**2.16%**	2.21%	3.50%	3.00%	*	*	*	*	*	*

**Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it become available.*

See Notes to Required Supplementary Information

Note 1 **Budgetary Procedures and Budgetary Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education (Board) for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Adopted Budget	$ 17,197,590
Carryover Encumbrances	155,719
Original Budget	17,353,309
Appropriated Reserves	3,317,078
Insurance Recoveries	10,314
Final Budget	**$ 20,680,701**

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

Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid and School Lunch). Budgetary controls for the Special Aid Fund are established in accordance with the applicable grant agreements. Special Aid Funds may also cover a period other than the School District's fiscal year. Budgetary controls for School Lunch Fund are established internally.

Note 2 **Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are shown in a separate column and are not included in the actual results at June 30, 2021.

Note 3 **Schedule of Changes in the School District's Total OPEB Liability and Related Ratios**

Changes in Demographics

From July 1, 2018 to July 1, 2020, overall membership decreased from 259 to 255. The number of active members decreased from 107 to 92, and the number of inactive members decreased from 152 to 163. The average age of active members decreased slightly from 46.6 to 46.1, and the average age of retired members remained the same at 71.8.

Note 3 **Schedule of Changes in the School District's Total OPEB Liability and Related Ratios - Continued**

Changes of Assumptions
Medicare Part B reimbursement for spouses of teachers decreased from 50% to 0%. This decreased the accrued liability by about $0.1 million (0.3%). The actuarial valuation reflects the adoption o the Pub-2010 Mortality Table (from RP-2014 Adjusted to 2006 Total Dataset Mortality Table) with generational projection of future improvements per the MP-2019 Ultimate Scale. Additionally, retirement and turnover rates were updated to reflect the assumptions used in the 2020 Annual Report to the Comptroller on Actuarial Assumptions for the New York State and Local Retirement System. The valuation of future implementation of the excise tax on medical benefits is no longer used, as it has been officially repealed as of December 20, 2019. The combined impact of these assumption changes was an increase in the accrued liability of $1.7 million (4.2%).

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of the projections, the decision has been made to not make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

The discount rate has been changed to 2.16% (from 2.21%) since this is the discount rate that will be used to measure the total OPEB liability for the purposes of GASB Statement No. 75. This increased the accrued liability by $12.4 million (28.9%) after the inclusion of all assumption changes described above.

Note 4 **Schedules of the School District's Proportionate Share of the Net Position Asset/Liability**
The Schedules of the School District's Proportionate Share of the Net Position Asset/Liability, required supplementary information, will present ten years of information as it becomes available from the pension plans.

Note 5 **Schedules of School District Contributions - NYLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

NYSLRS

Changes in Benefit Terms
There were no significant legislative changes in benefits for the April 1, 2020 actuarial valuation.

Changes of Assumptions
2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

Note 5 **Schedules of School District Contributions - NYLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

NYSLRS - Continued

Changes of Assumptions - Continued
2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions
The April 1, 2019 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

Note 5 **Schedules of School District Contributions - NYLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

NYSTRS

Changes in Benefit Terms
Effective with the 2019 actuarial valuation an increase in the NYS Governor's salary limit from $179,000 to $200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary limit may ultimately increase to $250,000 phased in over the next two years.

Changes of Assumptions
Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 7.10%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement is changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

Note 5 **Schedules of School District Contributions - NYLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

NYSTRS - Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions
The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the School District's Contributions.

Actuarial Cost Method	The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.
Asset Valuation Method	Five-year phased in deferred recognition of each year's net investment income/loss in excess of (or less than) the valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.
Inflation	2.25%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return	7.25% compounded annually, net of investment expenses, including inflation.
Projected Cost of Living Adjustments	1.5% compounded annually.

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET		
Adopted Budget		$17,197,590
Prior Year's Encumbrances		155,719
Original Budget		17,353,309
Budget Revisions:		
Appropriated Reserves		3,317,078
Insurance Recoveries		10,314
Total Additions		3,327,392
Final Budget		**$20,680,701**
§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
Next Year's 2021-2022 Voter Approved Budget	**$17,764,432**	
Maximum Allowed (4% of 2021-2022 Budget)		**$ 710,577**
General Fund Fund Balance Subject to §1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 568,371	
Unassigned Fund Balance	703,177	
Total Unrestricted Fund Balance	1,271,548	
Less:		
Appropriated Fund Balance	$ 500,000	
Encumbrances Included in Assigned Fund Balance	68,371	
Total Adjustments	568,371	
General Fund Fund Balance Subject to §1318 of Real Property Law		**$ 703,177**
Actual Percentage		3.96%

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

			Expenditures					Methods of Financing				
PROJECT TITLE	Original Budget	Revised Budget	Prior Years	Current Year	Transfer to Debt Service / General Fund	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2021
2021 Buses	$ 257,000	$ 257,000	$ -	$253,016	$ 3,984	$ 257,000	$ -	$ -	$ -	$ 257,000	$ 257,000	$ -
District-Wide 7999-02	200,000	200,000	118,906	-	40,547	159,453	40,547	-	-	159,453	159,453	-
UPK Project 7999-03	100,000	100,000	-	91,109	8,891	100,000	-	251,862	-	242,252	494,114	394,114 *
2020-2021 Capital Project 9999-999	266,000	266,000	-	102,099	-	102,099	163,901	-	-	-	-	(102,099) *
Capital Improvements	80,082	1,150,242	241,033	81,654	-	322,687	827,555	812,724	-	-	812,724	490,037 *
Smart Bonds Jr./Sr. High School 0001-021	229,400	229,400	-	-	-	-	229,400	-	-	-	-	- *
Early Education Center 0002-009	150,000	150,000	149,471	529	-	150,000	-	-	-	150,000	150,000	-
2020-2021 Authorized Project	-	-	-	-	-	-	-	-	-	3,300,000	3,300,000	3,300,000 *
Smart Bonds Elementary School 0002-009	385,878	385,878	-	-	-	-	385,878	-	-	-	-	- *
Subtotal	1,668,360	2,738,520	509,410	528,407	53,422	1,091,239	1,647,281	1,064,586	-	4,108,705	5,173,291	4,082,052
Unredeemed BANs - Construction	-	-	-	-	-	-	-	(1,458,000)	-	-	(1,458,000)	(1,458,000)
Unredeemed BANs - Buses	-	-	-	-	-	-	-	(813,752)	-	-	(813,752)	(813,752)
Total	**$1,668,360**	**$2,738,520**	**$ 509,410**	**$528,407**	**$ 53,422**	**$1,091,239**	**$ 1,647,281**	**$ (1,207,166)**	**$ -**	**$4,108,705**	**$2,901,539**	**$ 1,810,300**

**Architectural and State approved budget modifications for sub-project reallocations not yet finalized and were unavailable at this report date.*

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets, Net	$ 20,678,993
Deduct	
Premium on Bonds Payable - Short-Term Portion	(56,276)
Premium on Bonds Payable - Long-Term Portion	(562,756)
BANs Payable	(2,271,752)
Short-Term Portion of Bonds Payable	(630,000)
Long-Term Portion of Bonds Payable	(4,785,000)
Less: Unspent Bond Proceeds	641,899
Net Investment in Capital Assets	**$ 13,015,108**

DEPOSIT CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds				Total
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Non-Major Governmental Funds
ASSETS					
Cash - Unrestricted	$ 26,249	$ -	$ -	$ -	$ 26,249
Cash - Restricted	-	253,585	32,680	192,986	479,251
Receivables:					
Due from Other Funds	-	-	-	35	35
State and Federal Aid	180,737	134,494	-	-	315,231
Other	-	303	-	-	303
Inventories	-	22,740	-	-	22,740
Total Assets	**$206,986**	**$411,122**	**$ 32,680**	**$ 193,021**	**$ 843,809**
Payables:					
Accounts Payable	$ 1,308	$ 1,118	$ -	$ -	$ 2,426
Accrued Liabilities	3,832	6,542	-	-	10,374
Due to Other Funds	188,451	-	-	-	188,451
Due to Other Governments	-	361	-	-	361
Unearned Revenues	13,395	1,950	-	-	15,345
Total Liabilities	206,986	9,971	-	-	216,957
FUND BALANCES					
Nonspendable	-	22,740	-	-	22,740
Restricted	-	378,411	32,680	193,021	604,112
Total Fund Balances	-	401,151	32,680	193,021	626,852
Total Liabilities and Fund Balances	**$206,986**	**$411,122**	**$ 32,680**	**$ 193,021**	**$ 843,809**

DEPOSIT CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				Total
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Non-Major Governmental Funds
REVENUES					
Use of Money and Property	$ -	$ 11	$ 6	$ 1,378	$ 1,395
Miscellaneous	12,062	62	1,837	-	13,961
State Sources	129,560	53,244	-	-	182,804
Federal Sources	448,758	788,183	-	-	1,236,941
Sales - School Lunch	-	13,204	-	-	13,204
Total Revenues	590,380	854,704	1,843	1,378	1,448,305
EXPENDITURES					
Instruction	561,271	188,506	-	-	749,777
Pupil Transportation	11,737	-	-	-	11,737
Employee Benefits	28,762	76,054	-	-	104,816
Cost of Sales	-	249,769	-	-	249,769
Other Expenditures	-	-	1,450	-	1,450
Total Expenditures	601,770	514,329	1,450	-	1,117,549
Excess (Deficiency) of Revenues Over Expenditures	(11,390)	340,375	393	1,378	330,756
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers In	11,390	-	-	3,984	15,374
Operating Transfers (Out)	-	-	-	(6,000)	(6,000)
Total Other Sources (Uses)	11,390	-	-	(2,016)	9,374
Net Change in Fund Balance	-	340,375	393	(638)	340,130
Fund Balances - Beginning of Year, as Restated	-	60,776	32,287	193,659	286,722
Fund Balances - End of Year	**$ -**	**$ 401,151**	**$ 32,680**	**$193,021**	**$ 626,852**

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

Board of Education
Deposit Central School District
Deposit, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Deposit Central School District (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 13, 2021

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

Board of Education
Deposit Central School District
Deposit, New York

Report on Compliance for Each Major Federal Program

We have audited the Deposit Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 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 the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Deposit 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, 2021.

Other Matters
The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001. Our opinion on the major federal programs is not modified with respect to this matter. Deposit Central School District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance
Management of the 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 the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the School District's internal control over compliance.

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

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

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

Respectfully submitted,

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Ithaca, New York
October 13, 2021

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass - Through Grantor Program Title	Federal CFDA #	Pass Through Grantor #	Passed Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021210175	$ -	$ 179,837
Supporting Effective Instruction State Grants	84.367	0147210175	-	9,617
Supporting Effective Instruction State Grants	84.367	0147200175	-	18,332
Subtotal			-	27,949
Special Education Cluster:				
Special Education - Grants to States	84.027	0032210057	-	107,588
Special Education - Grants to States	84.027	0032200057	-	154
Special Education - Preschool Grants	84.173	0033210057	-	837
Total Special Education Cluster			-	108,579
Rural Education Achievement Program	84.358B	0006210175	-	8,040
Full-Service Community Schools Program	84.215J	021SUB359	-	108,670
Full-Service Community Schools Program	84.215J	020SUB359	-	15,683
Subtotal			-	124,353
Education Stabilization Fund:				
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	5890210175	-	560
COVID-19 Governor's Emergency Education Relief Fund	84.425C	5895210175	-	94
Subtotal				654
Total U.S. Department of Education			-	449,412
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
COVID-19-Summer Food Program	10.559	(1)	-	788,183
Total Child Nutrition Cluster			-	788,183
Total U.S. Department of Agriculture			-	788,183
Total Expenditures of Federal Awards			**$ -**	**$ 1,237,595**

(1) - Unable to determine.

See Notes to Schedule of Expenditures of Federal Awards

DEPOSIT CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the Deposit Central School District, an entity as defined in Note 1 to the Deposit Central School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, preparation of the financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The Deposit Central School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 **Matching Costs**

Matching costs, such as the Deposit Central School District's share of certain program costs, are not included in the reported expenditures.

Note 5 **Non-Monetary Federal Program**

The Deposit Central School District is the recipient of a Federal award program that does not result in cash receipts or disbursements termed a “non-monetary program.” During the year ended June 30, 2021, the Deposit Central School District received $27,259 worth of commodities under the Summer Food Service Program (CFDA #10.559).

Note 6 **Subrecipients**

No amounts were provided to subrecipients.

Note 7 **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with Federal Funds. Any equipment purchased with Federal Funds has only a nominal value and is covered by the School District’s casualty insurance policies.

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

DEPOSIT CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued — Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ yes __√__ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ____ yes __√__ none reported
- Noncompliance material to financial statements noted? ____ yes __√__ no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a)? __√__ yes ____ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.559	Child Nutrition Cluster

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

Auditee qualified as low risk? ____ yes __√__ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section II **Financial Statement Findings** None

Section III **Federal Award Findings and Questioned Costs**

2021-001 Net Cash Resources

Condition: At June 30, 2021, net cash resources in the school lunch fund exceeded the allowable limit of cash by $226,062.

Criteria: The school food authority shall limit its net cash resources to an amount that does not exceed 3 months' average expenditures for its school lunch fund or such other amount as may be approved by the New York State agency in accordance with §210.19(a).

Cause: Revenues exceeded expenditures by $340,375 in the school lunch fund for the year ended June 30, 2021.

Effect: The School District is not in compliance with 7 CFR §210.19(a).

Recommendation: We recommend the School District review its net cash resources in the School Lunch Fund and develop a plan to reduce them to an allowable amount.

Management Response: The School District agrees with condition, cause and recommendation.

FORM OF BOND COUNSEL'S OPINION

September 8, 2022

Deposit Central School District
Broome and Delaware Counties
State of New York

Re: Deposit Central School District, Broome and Delaware Counties, New York
$5,042,034 Bond Anticipation Notes, 2022

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $5,042,034 Bond Anticipation Notes, 2022 (the "Obligation"), of the Deposit Central School District, Broome and Delaware Counties, New York (the "Obligor"), dated September 8, 2022, numbered 1, of the denomination of $5,042,034, bearing interest at the rate of ___% per annum, payable at maturity, and maturing September 8, 2023.

We have examined:

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

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

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

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

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

In our opinion:

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

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

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP