

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond Counsel, under existing law (1) interest on the Notes is excluded from the gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code"), except that the School District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance thereof, and (2) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See the caption "TAX MATTERS" herein.

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

\$32,130,000

CITY SCHOOL DISTRICT OF THE CITY OF GENEVA

ONTARIO COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$25,130,000 Bond Anticipation Notes, 2020 (Renewals)
(the "Bond Anticipation Notes")

Dated: June 25, 2020

Due: June 25, 2021

\$7,000,000 Revenue Anticipation Notes, 2020
(the "Revenue Anticipation Notes")

Dated: June 23, 2020

Due: June 23, 2021

(collectively referred to herein as the "Notes")

The Notes are general obligations of the City School District of the City of Geneva, Ontario County, New York (the "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 THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The School District is unable to identify and state herein all of the direct or indirect effects, if any, of the COVID-19 pandemic on the School District or on the fair market value, at any time, of the Notes.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of the Law Offices of Timothy R. McGill, Bond Counsel, Fairport, New York. It is anticipated that the Bond Anticipation 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(s), or about June 25, 2020. It is anticipated that the Revenue Anticipation 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(s), or about June 23, 2020.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 3, 2020 by no later than 11:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

May 20, 2020

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL 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 "APPENDIX E – MATERIAL EVENT NOTICES" HEREIN.



**CITY SCHOOL DISTRICT OF THE CITY OF GENEVA
ONTARIO COUNTY, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

JOSÈ CANARIO
President



EMILY FISHER
Vice President

STEPHANIE ANEER
MICHAEL ELLIS
MAY FARNSWORTH
RENEE GRANT
ANDREW WILLIAMS

* * * * *

ADMINISTRATION

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Superintendent of Schools

MARY GERE-PENNA
Director of Business & Finance

ADRIANNE MILLER
Board Clerk

MARK SOCOLA
Treasurer

PHYLLIS MOORE
Deputy Treasurer

 **FERRARA FIORENZA PC** 
ATTORNEYS AND COUNSELORS AT LAW
School District Attorney

TIMOTHY R. MCGILL, ESQ.
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by City School District of the City of Geneva 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 City School District of the City of Geneva.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
CITY SCHOOL DISTRICT OF THE CITY OF GENEVA
ONTARIO COUNTY, NEW YORK

Relating To
\$25,130,000 Bond Anticipation Notes, 2020 (Renewals)
&
\$7,000,000 Revenue Anticipation Notes, 2020

This Official Statement, which includes the cover page and appendices, has been prepared by the City School District of the City of Geneva, Ontario County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$25,130,000 principal amount of Bond Anticipation Notes, 2020 (Renewals) (the "Bond Anticipation Notes") and \$7,000,000 principal amount of Revenue Anticipation Notes, 2020 (the "Revenue Anticipation Notes") (collectively referred to herein as 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.

NATURE OF OBLIGATION

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

Holders of any series of notes or bonds of the School 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 School District and will contain a pledge of the faith and credit of the School 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 School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School 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"). 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 School 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 School District's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

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

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

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

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

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

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

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

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 of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “NATURE OF OBLIGATION” herein and “TAX LEVY LIMITATION LAW” herein.

The Bond Anticipation Notes are dated June 25, 2020 and mature, without option of prior redemption, on June 25, 2021. The Revenue Anticipation Notes are dated June 23, 2020 and mature, without option of prior redemption, on June 23, 2021. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in denominations of \$5,000 each or multiples thereof, in either (i) registered in the name of the purchaser, in certificated form with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) as registered book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of 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

The Bond Anticipation Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and bond resolutions adopted by the Board of Education on October 29, 2015 for a \$29,160,000 capital project, with \$2,000,000 to be provided from capital reserves and \$27,160,000 serial bonds for the construction, reconstruction, and improvements of school buildings and facilities. The proceeds of the Bond Anticipation Notes, along with \$1,165,000 available funds of the District will partially redeem and renew \$26,295,000 bond anticipation notes maturing June 26, 2020 for the aforementioned purpose.

The Revenue Anticipation Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law in anticipation of revenues due from the State during the School District's fiscal year, commencing July 1, 2020 and ending June 30, 2021, and pursuant to a revenue anticipation note resolution duly adopted by the Board of Education on April 14, 2020. An estimated cash flow forecast is included as "Appendix – D" in this Official Statement.

In the event the aforesaid aid is not received by June 23, 2021, the Revenue Anticipation Notes may be renewed. Revenue anticipation renewal notes may again be renewed in the event such aid has still not been received on the maturity date of such renewal notes. The final renewal of any such revenue anticipation renewal notes must mature no later than June 30, 2022. In the event such aid has not been received by such maturity date, principal of and interest on such notes will be paid from School District monies.

The Revenue Anticipation Notes are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding (see "APPENDIX – D" ESTIMATED MONTHLY CASH FLOW"). Such cash flow deficit is the result of mistiming in the receipt of State aid revenues, which receipt is not congruent with the cash flow needs of the School District.

COVID – 19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization on March 11, 2020. The outbreak of the disease has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The School District has been communicating with the New York State Education Department and with local and State level department of health agencies. The School District has been following all relevant guidance as it has been released by State and federal agencies. Pursuant to an Executive Order of the Governor, the School District is closed through at least May 15, 2020. Pursuant to an additional Executive Order of the Governor, the school district annual board of education election and budget vote originally scheduled for May 19, 2020 has been postponed until June 9, 2020. The degree of the impact of COVID-19 on the School District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. The State has publicly announced that COVID-19 will have a significant negative impact on the State's revenues and 2020-21 budget. There can be no assurances that the spread of COVID-19 will not result in a delay and/or reduction in State aid paid to school districts, including the School District. Any delay or reduction in State aid payments to the School District would have a negative impact on the School District's finances and operations.

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. 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 Geneva City School District, formed in 1839, is located in the Towns of Geneva, Seneca and Phelps in Ontario County, the Town of Benton in Yates County and the Town of Waterloo in Seneca County. The aforesaid towns are hereinafter referred to as the "Towns". The aforesaid counties are hereinafter referred to as the "Counties". The District also includes the City of Geneva (the "City"), located in Ontario County. The District covers approximately 43 square miles and has an estimated population of 17,792. The District lies mid-way between the cities of Rochester and Syracuse, approximately five miles south of Exit 42 of the New York State Thruway.

New York State Routes 5, 14, 14A, 20, 245, 96 and 96A, and Interstate Route 90 (NYS Thruway) serve the District. Commercial air transportation is available at the Greater Rochester International Airport and the Syracuse International Airport. Bus transportation is available in the City of Geneva.

The District is primarily a residential/rural area with the population concentrated in the City of Geneva. Many residents are employed locally, while others commute to the Rochester and Syracuse areas for employment.

Water and sewer services are provided primarily by the City, with outlying areas using private wells and septic systems. Electricity and natural gas are supplied by New York State Electric & Gas Corporation. Telephone service is provided by Verizon New York Inc. The City of Geneva, also provides police protection, fire protection and ambulance service to areas within the City. Areas outside the City are provided fire protection and ambulance service by volunteer organizations. The County Sheriffs and New York State Police provide police protection throughout the District.

Residents find commercial services and recreational facilities primarily in the City of Geneva. Banking services are provided by JP Morgan Chase Bank, NA and Five Star Bank.

The District provides public education for grades PreK-12, or students in grades K-8 may elect to attend parochial school within the District boundaries. Opportunities for higher education are available locally at Hobart and William Smith Colleges, Finger Lakes Community College and at the many colleges and universities in the Rochester, Syracuse and Ithaca areas.

Source: District officials.

Population

The current estimated population of the District is 17,004. (Source: 2018 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the City of Geneva, the Towns of Geneva, Phelps, Seneca, Waterloo and Benton (collectively, the “Towns”) and the County of Ontario. The figures set forth below with respect to the City, 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 City, Towns or County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>
City of:						
Geneva	\$ 15,609	20,911	\$ 20,230	\$ 41,224	53,088	\$ 53,306
Towns of:						
Geneva	22,990	32,972	31,985	58,350	94,567	64,681
Phelps	21,297	29,042	29,782	53,854	75,301	74,375
Seneca	19,165	24,199	33,686	51,705	61,475	74,917
Waterloo	15,773	21,941	27,211	40,304	50,309	63,125
Benton	16,843	20,725	28,169	43,988	56,417	85,938
County of:						
Ontario	21,533	28,950	35,121	52,698	69,877	81,002
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

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

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

Five Largest Employers

Some of the major employers located within or in close proximity to the District are as follows:

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Finger Lakes Health	Health Care Facility	1,800
Hobart & William Smith Colleges	Higher Education	695
Zoto’s International	Manufacturer	625
Geneva City School District	Public Education	525
Guardian Glass	Manufacturer	300

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) is the County of Ontario. The information set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or the State, are necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Ontario County	6.3%	5.2%	4.7%	4.3%	4.5%	3.9%	3.9%
New York State	7.7	6.3	5.3	4.8	4.7	4.1	4.0

	<u>2020 Monthly Figures</u>				
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Ontario County	4.7%	4.5%	4.8%	N/A	N/A
New York State	4.1	3.9	4.4	N/A	N/A

Note: Unemployment rates for April and May 2020 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping four-year terms. The President and the Vice Presidents are selected by the Board members. The President of the Board is the chief fiscal officer of the District.

The duties of the administrative officers of the District are to implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

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 2018-19 year was approved by the qualified voters on May 15, 2018 by a vote of 514 to 156. The District's adopted budget for 2018-19 includes a tax increase of 3.10%, which is within the District's allowable limit of 3.10%.

The budget for the 2019-20 year was approved by the qualified voters on May 21, 2019 by a vote of 676 to 178. The District's budget for 2019-20 includes a tax increase of 3.20%, which is within the District's allowable limit of 3.20%.

The school district budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020, however, annual school budget votes across the State were postponed under an Executive Order from Governor Andrew Cuomo that extends and expands restrictions aimed at limiting the spread of COVID-19. The budget vote will now take place on June 9, 2020. The District's budget for the 2020-21 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 1.96%, which is equal to the District tax levy limit of \$20,485,626.

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 revenue 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 or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (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. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District has adopted its own Investment Policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The Policy prohibits investing through any private entity or brokerage firm and provides for written Security Agreements and/or Custodial Agreements with each commercial bank or trust company.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-2020 fiscal year, approximately 61.43% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

The Tax Cuts and Jobs Act also made extensive changes to the deductibility of various taxes, including placing a cap of \$10,000 on a taxpayer's deduction of state and local taxes (the "SALT Deduction Limitation"). While it cannot yet be predicted what precise effects the SALT Deduction Limitation will have for the State, it is possible that government officials at both the State and local level may find it politically more difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

Potential reductions in Federal aid received by the State.

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

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

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

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.

COVID-19

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

Building aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-2020 preliminary building aid ratios, the District expects to receive State building aid of approximately 88.7% 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 (2015-2016): The 2015-2016 State budget included a partial reduction in the Gap Elimination Adjustment with \$603 million in GEA cuts being restored, and provided an additional \$428 million in foundation aid and \$268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

School district fiscal year (2016-2017): The 2016-2017 State 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.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called “Deficit Reduction Assessment”) as a way to help close the State’s then \$10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately \$9,457,289. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-2018 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2018-2019): The State’s 2018-2019 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately \$859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at \$26.03 billion statewide, a 3.4% increase over the prior year. The State’s 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State’s 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. \$50 million of the Foundation Aid increase was “set aside” for certain school districts to fund community schools. The State’s 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-2019.

School district fiscal year (2019-2020): The State’s 2019-2020 Enacted Budget includes a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6 percent and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 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 the extraordinary challenges from the COVID-19 health crisis creating a \$10 billion loss in revenue to the State, the State’s Enacted 2020-2021 Budget includes a total of \$27.9 billion State aid, which is essentially the same amount of State aid to school districts included in the State’s 2019-2020 Enacted Budget. The State’s Enacted 2020-2021 Budget includes a “pandemic adjustment” for each school district, a reduction in State funding that will match how much school districts expect to receive from the federal CARES stimulus program. In addition, the State’s Enacted 2020-2021

Budget authorizes the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget becomes unbalanced because revenues fall below projections or expenditures rise above projections during a given period. The proposed reductions would be shared with the Legislature which would then have 10 days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director's proposed reductions would go into effect automatically.

State Aid Litigation

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

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

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

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York* (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asked 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.

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 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.

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State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2014-2015	\$ 46,343,054	\$ 26,756,797	57.74%
2015-2016	48,905,029	29,139,105	59.58
2016-2017	50,858,267	30,507,178	59.98
2017-2018	51,898,578	31,005,129	59.74
2018-2019	53,605,058	32,608,740	60.83
2019-2020 (Budgeted)	55,312,425	33,977,938	61.43
2020-2021 (Proposed)	56,890,705	34,671,772	60.94

⁽¹⁾ General Fund only. Figures do not include interfund transfers.

Source: Audited financial statements for the 2014-2015 fiscal year through and including the 2018-2019 fiscal year and the adopted budget of the District for the 2019-2020 fiscal year. This table is not audited.

District Facilities

<u>Name</u>	<u>Type</u>	<u>Capacity</u>	<u>Year(s) Built</u>
North Street Elementary	PK-5	758	1957, '97 '03, '10, '18
West Street Elementary	K-5	522	1956, '97, '04, '10
Carter Road Middle School	6-8	595	2003, '18
Carter Road High School	9-12	769	1981, '97, '03, '10, '18

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2015-16	2,223	2020-21	2,110
2016-17	2,194	2021-22	2,123
2017-18	2,137	2022-23	2,178
2018-19	2,194	2023-24	2,201
2019-20	2,103	2024-25	2,215

Source: District officials.

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Employees

The approximate number of persons employed by the District is 513. The collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
261	Geneva Teachers' Association (NYSUT)	June 30, 2019 ⁽¹⁾
14	Instructional Supervision Negotiating Unit (ISNU)	June 30, 2020 ⁽¹⁾
178	Civil Service Employees Association (CSEA)	June 30, 2021
9	Confidential	June 30, 2022

⁽¹⁾ Currently under negotiation.

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 the current fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2014-2015	\$ 688,482	\$ 2,603,644
2015-2016	488,315	2,079,284
2016-2017	514,986	1,791,839
2017-2018	505,610	1,586,682
2018-2019	496,390	1,704,985
2019-2020 (Budgeted)	560,000	2,168,300
2020-2021 (Proposed)	660,000	2,200,000

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 has early retirement incentive programs for its employees.

The District offered early retirement incentives as follows:

<u>Fiscal Year</u>	<u>Staff Participants</u>	<u>Replacement Cost</u>	<u>Savings</u>
2017-2018	6	\$ 267,000	\$ 174,705
2018-2019	1	44,500	44,500
2019-2020	2	89,000	53,421

Source: District officials.

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 (2016 to 2020) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2015-16	18.2%	13.26%
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86

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 established a reserve fund for the purpose of funding the cost of TRS contributions and has funded it with \$355,490 to date.

Other Post Employee Benefits

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

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

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

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

The District contracted with Questar III BOCES to calculate its OPEB in accordance with GASB 75.

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The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

	June 30, 2017	June 30, 2018
Balance beginning at:	<u>\$ 128,056,793</u>	<u>\$ 133,699,809</u>
Changes for the year:		
Service cost	5,334,982	5,420,202
Interest	3,957,724	4,118,422
Change in benefit terms	-	(1,030,710)
Differences between expected and actual experience	(692,551)	(2,670,655)
Changes in assumptions or other inputs	-	(12,307,517)
Benefit payments	<u>(2,957,139)</u>	<u>(3,705,946)</u>
Net Changes	<u>\$ 5,643,016</u>	<u>\$ (10,176,204)</u>
Balance ending at:	<u>June 30, 2018</u>	<u>June 30, 2019</u>
	<u>\$ 133,699,809</u>	<u>\$ 123,523,605</u>

Note: The above table is not audited. For additional information see “APPENDIX – F” attached hereto.

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

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

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

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

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

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

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the 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, 2019 and is attached hereto as "APPENDIX – F". 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 (GAAPFR), 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.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on June 22, 2018. The purpose of the audit was to Determine whether the Board reasonably and transparently financed reserves for the period July 1, 2012 through February 6, 2018.

Key Findings:

- The Board has not adopted a reserve policy.
- The Board did not include provisions to fund reserves in its annual budgets.
- Seven reserves with balances totaling \$9.4 million (72 percent of total reserves) are overfunded by \$7.8 million and potentially unnecessary.

Key Recommendations:

- The Board should adopt a reserve policy.
- Appropriately budget to fund reserves.
- Determine if the amounts reserved are necessary, reasonable and in compliance with statutory requirements.

The District provided a complete response to the State Comptroller's office on May23, 2018. 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 other State Comptrollers audits of the District that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller.

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

The State Comptroller's Fiscal Stress Monitoring System

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

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible 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 past three fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	6.7%
2018	No Designation	6.7%
2017	No Designation	6.7%

Source: Website of the Office of the New York State Comptroller.

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

TAX INFORMATION

Taxable Assessed Valuations ⁽¹⁾

<u>Fiscal Year Ending June 30:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Taxable Assessed Value	\$ 824,566,211	\$ 865,405,685	\$ 894,488,202	\$ 898,552,571	\$ 933,054,199
Taxable Full Valuation ⁽²⁾	832,208,299	865,665,925	894,565,629	924,261,081	964,527,167
Taxable Full Valuation ⁽³⁾	868,343,336	898,523,215	966,907,372	986,881,789	1,002,005,807

⁽¹⁾ Please refer to "APPENDIX – C & C1" attached hereto for greater detail as to the taxable valuations by the City and the Towns.

⁽²⁾ Full Valuation computed using regular State Equalization Rates.

⁽³⁾ Full Valuation computed using special State Equalization Rates.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of:					
Geneva	\$ 21.85	\$ 21.11	\$ 21.09	\$ 21.93	\$ 22.36
Towns of:					
Geneva	21.85	21.11	21.09	21.48	20.80
Seneca	21.63	21.11	21.09	21.05	20.80
Phelps	21.63	21.11	21.09	21.05	21.23
Benton	21.63	21.11	21.30	22.40	20.80
Waterloo	22.77	23.45	21.09	21.05	21.44

Tax Collection Procedure

The Board of Education annually levies real property taxes no later than September 1. Taxes are collected during the period September 1 to February 28. Uncollected taxes are subsequently enforced by the City of Geneva, New York, and the County of Ontario. An amount representing uncollected real property taxes must be transmitted by the School District within two years from the return of unpaid taxes to such counties. Real property taxes receivable expected to be collected within six months subsequent to June 30, less similar amounts collected during this period in the preceding year, are recognized as revenues. Otherwise, real property taxes receivable is offset by deferred revenues.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Tax Levy ⁽¹⁾	\$ 18,994,591	\$ 18,293,170	\$ 18,878,664	\$ 19,467,849	\$ 20,091,313
Amount Uncollected	1,470,181	1,415,891	1,020,897	1,219,493	1,459,428
% Uncollected	7.74%	7.74%	5.41%	6.26%	7.26%

⁽¹⁾ See "Tax Collection Procedure" herein.

Larger Taxpayers 2019 for 2019-2020 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
New York State Electric & Gas	Utility	\$25,656,974
Seneca Foods	Manufacturing	15,944,600
Indus Hamilton Street, Inc.	Motel	9,806,900
DRR, LP	Various	8,877,900
Wal-Mart	Retail	8,274,600
Geneva General Hospital	Hospital	6,200,000
Geneva Shopping Center, LLC	Retail	6,074,000
Wegmans Food Markets	Retail	5,687,000
Pennsylvania Lines LLC	Railroad	4,693,825
City of Geneva	Various	4,184,088

The ten larger taxpayers listed above have a total taxable assessed valuation of \$95,399,887, which represents 10.2% of the tax base of the District for the 2019-2020 fiscal year.

Source: District Tax Rolls.

Tax Certioraris. As of the date of this Official Statement, the District currently has the following pending or outstanding tax certioraris that are known to have a material impact on the District.

<u>Pending Tax Certiorari Cases</u>			
<u>Name of Entity</u>	<u>Current Assessment</u>	<u>Requested Assessment</u>	<u>Potential Annual Impact</u>
Auto Zone	\$ 877,500	\$ 87,750	\$ 28,113
Cornell University	1,300,000	0	34,057
Geneva Land LLC	1,288,000	900,000	8,459
Midas	955,000	191,100	16,655
Rite Aid	2,483,500	248,350	97,405
Total Current Possible Impact			<u>\$ 184,689</u>

The District has a Tax Certioraris Reserve with a current balance of \$184,689.

Source: District officials.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2014-2015	46,343,054	18,710,188	40.37
2015-2016	48,905,029	19,151,384	39.16
2016-2017	50,858,267	19,530,239	38.40
2017-2018	51,898,578	19,708,191	37.97
2018-2019	53,605,058	20,060,496	37.42
2019-2020 (Budgeted)	55,312,425	20,754,487	37.52
2020-2021 (Proposed)	56,890,705	21,247,933	37.35

⁽¹⁾ General Fund only. Figures do not include interfund transfers.

Source: Audited financial statements for the 2014-2015 fiscal year through and including the 2018-2019 fiscal year and the adopted budget of the District for the 2019-2020 fiscal year. This table is not audited.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities (“STAR Adjusted Gross Income”) of \$88,050 or less for 2020, increased annually according to a Cost-of-Living adjustment, are eligible for an “enhanced” exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of \$500,000 are eligible for a “basic” exemption on their primary residence.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
City of Geneva	\$ 69,800	\$ 30,000	4/10/2020
Town of Geneva	69,800	30,000	4/10/2020
Town of Seneca	69,800	30,000	4/10/2020
Town of Phelps	68,400	29,400	4/10/2020
Town of Benton	79,010	34,500	4/10/2020
Town of Waterloo	67,710	29,100	4/10/2020

\$2,711,460 of the District’s \$19,467,849 school tax levy for the 2018-2019 fiscal year was exempted by the STAR Program. The District received full reimbursement from such taxes in January and March 2019.

\$2,568,477 of the District’s \$20,091,313 school tax levy for the 2019-2020 fiscal year was exempt by the STAR Program. The District received full reimbursement from such taxes in January and March 2020.

Additional Tax Information

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

Senior citizens' exemptions from District taxes are offered to those who qualify.

The assessment roll of the District is constituted approximately as follows: 15% commercial, 10% industrial, 70% residential and 5% other.

The total property tax bill of a typical residence with a market value of \$100,000 is estimated to be 4,645 including County, Town and City and 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, as amended, 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.)

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 to expire on June 15, 2020 unless extended; it has been made permanent by the State legislation in the current session. 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.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applies in the years 2016 through 2019 and includes continued tax cap compliance.

See “THE SCHOOL DISTRICT – Budgetary Procedures” herein for additional information regarding the District’s Tax Levy.

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 five per centum of the average 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 five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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 School 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

<u>Fiscal Years Ending June 30th:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 40,604,000	\$ 37,253,000	\$ 32,970,000	\$ 28,555,000	\$ 24,270,000
Bond Anticipation Notes	12,300,000	0	0	27,160,000	26,295,000
Revenue Anticipation Notes	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Energy Performance Contract	<u>1,267,865</u>	<u>1,185,070</u>	<u>1,098,691</u>	<u>1,008,572</u>	<u>914,549</u>
Total Debt Outstanding	\$ 60,171,865	\$ 44,438,070	\$ 40,068,691	\$ 62,723,572	\$ 57,479,549

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 20, 2020.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2020-2032	\$ 24,395,000
<u>Revenue Anticipation Notes</u>	June 24, 2020	6,000,000 ⁽¹⁾
<u>Bond Anticipation Notes</u>		
Various Capital Improvements	June 26, 2020	26,295,000 ⁽²⁾
Capital Project	July 17, 2020	<u>4,900,000</u> ⁽³⁾
	Total Indebtedness	<u>\$ 61,590,000</u>

- ⁽¹⁾ To be paid in full at maturity with available funds of the District.
- ⁽²⁾ To be redeemed at maturity with the proceeds of the Bond Anticipation Notes and \$1,165,000 available funds of the District.
- ⁽³⁾ To be redeemed and renewed at maturity with the proceeds of the bond anticipation notes and available funds of the District. See "Capital Project Plans" herein.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 20, 2020:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios
Five-year Average Full Valuation of Taxable Real Property.....	\$ 896,245,620	\$ 944,532,304
Debt Limit 5% thereof	44,812,281	47,226,615
Inclusions:		
Bonds.....	\$ 24,395,000	\$ 24,395,000
Bond Anticipation Notes.....	31,195,000	31,195,000
Revenue Anticipation Notes.....	6,000,000	6,000,000
Total Inclusions.....	<u>\$ 61,590,000</u>	<u>\$ 61,590,000</u>
Exclusions:		
Appropriations.....	\$ 3,765,000	\$ 3,765,000
Revenue Anticipation Notes.....	6,000,000	6,000,000
Total Exclusions.....	<u>\$ 9,765,000</u>	<u>\$ 9,765,000</u>
Total Net Indebtedness ⁽¹⁾⁽²⁾	<u>\$ 51,825,000</u>	<u>\$ 51,825,000</u>
Net Debt-Contracting Margin ⁽³⁾	<u>\$ (7,012,719)</u>	<u>\$ (4,598,385)</u>
The percent of debt contracting power exhausted is.....	115.65%	109.74%

⁽¹⁾ The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said Office of Real Property Services, and are used for all other purposes. See "TAX INFORMATION - Taxable Assessed Valuations" herein or "APPENDIX – C & C1" attached hereto.

⁽²⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. The District, as a school district located in a city, may not under Section 121.20 of the Local Finance Law exclude from gross indebtedness estimated State aid for School building purposes. As noted above, the District receives New York State debt service building aid in an amount approximating 88.7% of its outstanding debt. 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.

⁽³⁾ The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the District.

Note: The District received the consents of the Board of Regents and the Office of the State Comptroller to exceed its debt limit on December 12, 2016 and June 4, 2019.

Bonded Debt Service

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

Capital Project Plans

The District voters approved three propositions for the following: (1) reconstruction of buildings for \$12.9 million, (2) reconstruction of buildings for \$15.3 million, using \$2 million of reserve funds and (3) \$18,000 for the purchase of property. The financing will exceed the District's constitutional debt limit. The District received approval from the State to exceed its constitutional debt limit on December 12, 2016. The District issued \$10,000,000 bond anticipation notes on July 13, 2017 as the first borrowing for this project. The District issued an additional \$17,160,000 in bond anticipation notes on December 8, 2017 to mature July 13, 2018 and represent the second borrowing for this project. The District renewed in full these \$27,160,000 bond anticipation notes to mature on June 28, 2019. The District issued \$26,295,000 bond anticipation notes on June 27, 2019, which, along with \$865,000 available funds of the District partially redeemed and renewed the bond anticipation notes maturing June 28, 2019. The Bond Anticipation Notes are being issued along with \$1,165,000 available funds of the District to partially redeem and renew the bond anticipation notes maturing June 26, 2020. Pending market conditions and project completion, the District plans to permanently finance these bond anticipation notes at maturity with serial bonds in June 2021.

On May 15, 2018, the District voters approved a Capital Project in the amount of \$6,000,000. A \$1,100,000 portion of the project will be funded through a capital reserve and the remaining \$4,900,000 will come from borrowings. The project will exceed the District's debt limit and received a super majority vote. The District received consent to exceed its debt limit on June 4, 2019. On July 18, 2019, the District issued \$4,900,000 bond anticipation notes to mature July 17, 2020, which represented the first borrowing against this authorization. The District plans to renew the notes in full on July 16, 2020.

The District annually issues bus financings in the fall of each year. The District plans to issue \$653,746 serial bonds on July 16, 2020 for the purchase of school buses authorized by the voters in May 2019. The District plans will ask the voters to authorize \$744,000 to purchase buses on June 9, 2020. If successful, the District will plan on bonding the cost of the buses in November 2020.

The District is currently in the preliminary stages of planning a capital project for voter approval in late 2021. The amount of the project and scope have not been determined as of the date of this Official Statement.

Federal Sequestration

In May 2012, the District issued \$5,000,000 of Qualified School Construction Bonds ("QSCBs") with a final maturity of June 15, 2026. At the time of issue the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments processed on or after October 1, 2015 and on or before September 30, 2016 will be reduced by the fiscal year 2016 sequestration rate of 6.8%, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

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

The District budgets annually for the full interest payment due on these bonds on an annual basis to cover for possible delays or shortfalls in the expected tax credit subsidy.

Cash Flow Borrowings

The District has found it necessary to issue revenue anticipation notes in anticipation of State aid. The chart below illustrates the District's recent revenue anticipation note borrowing history:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Dated Date</u>	<u>Due Date</u>
2007 - 2008	\$ 1,000,000	7/31/2007	6/30/2008
2007 - 2008	3,000,000	2/1/2008	11/21/2008
2008 - 2009	4,000,000	9/5/2008	6/5/2009
2009 - 2010	4,000,000	6/22/2009	6/22/2010
2010 - 2011	6,000,000	6/24/2010	6/24/2011
2011 - 2012	4,000,000	6/24/2011	6/22/2012
2012 - 2013	6,000,000	6/21/2012	6/21/2013
2013 - 2014	6,000,000	6/20/2013	6/20/2014
2014 - 2015	6,000,000	6/19/2014	6/19/2015
2015 - 2016	6,000,000	6/18/2015	6/17/2016
2016 - 2017	6,000,000	6/16/2016	6/16/2017
2017 - 2018	6,000,000	6/26/2017	6/26/2018
2018 - 2019	6,000,000	6/25/2018	6/25/2019
2019 - 2020	6,000,000	6/24/2019	6/24/2020
2020 - 2021	7,000,000	6/23/2020	6/23/2021

Source: District records.

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 as of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Ontario	12/31/2018	\$ 20,615,000	\$ -	\$ 20,615,000	9.46%	\$ 1,950,179
Seneca	12/31/2018	29,486,270	-	29,486,270	0.13%	38,332
Yates	12/31/2018	9,163,918	-	9,163,918	0.29%	26,575
City of:						
Geneva	12/31/2018	56,291,598	32,046,598	24,245,000	50.22%	12,175,839
Town of:						
Benton	12/31/2018	2,521,063	2,442,413	78,650	3.92%	3,083
Geneva	12/31/2018	495,273	427,773	67,500	49.72%	33,561
Phelps	12/31/2018	4,621,945	3,477,945	1,144,000	4.53%	51,823
Seneca	12/31/2018	-	-	-	28.43%	-
Waterloo	12/31/2018	2,359,339	885,000	1,474,339	0.91%	13,416
Total:						<u>\$ 14,292,809</u>

- (1) Bonds and bond anticipation notes as. 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.

Note: The 2019 Comptroller’s Special Report is currently unavailable as of the date of this Official Statement.

Source: Comptroller’s Special Report on Municipal Affairs for Local Finance Years Ended in 2018.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 20, 2020:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 51,825,000	\$ 3,047.81	5.37%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	66,117,809	3,888.37	6.85

- (a) The current estimated population of the District is 17,004. (See “THE SCHOOL DISTRICT - Population” herein.)
- (b) The District's full value of taxable real estate for the 2019-2020 fiscal year using regular state equalization rates is \$964,527,167. (See “TAX INFORMATION – Taxable Assessed Valuations” herein or “APPENDIX – C & C1” attached hereto.)
- (c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
- (d) Estimated net overlapping indebtedness is \$14,292,809. (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. The Notes 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.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or 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. The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, which was first detected in China in December of 2019 and has since spread world-wide, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic, but some economists have predicted that the short-term economic fallout will be worse than the 2008-09 global financial crisis. The World Trade Organization has estimated that world trade will fall by between 13% and 32% in 2020, and news outlets have reported on possibilities of supply chain problems as the pandemic spreads to different countries around the world.

While initially the hospitality and tourism industries were hardest hit, there is now widespread unemployment across all economic sectors in the United States. In the last two weeks of March and the first week of April, 2020, almost 17 million Americans filed for unemployment, and it has been reported that this may not be an accurate count because of the number of persons who attempted to file but were unable to access the overloaded systems in certain states.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide much-needed liquidity, but the markets remain volatile. Under these conditions, holders of the Notes are likely to have significantly more difficulty trading the Notes on satisfactory terms, or at all.

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which attempt to address financial stability and liquidity issues through a variety of stimulus measures.

Stimulus Measures for Individuals and Businesses: Individual taxpayers who meet certain income limits will receive direct cash payments from the federal government. Unemployment rules have been changed to allow self-employed workers, independent contractors and others who would not normally qualify to receive benefits, and unemployment insurance recipients will receive an additional \$600 per week payment for up to four months.

Businesses will benefit from various federal tax law changes, including a payroll tax credit. Air carriers and businesses critical to national security are eligible for direct loans and loan guarantees from the Treasury, and the Federal Reserve has received financial support for its lending programs. Smaller businesses have been incentivized to keep workers in their jobs through the Paycheck Protection Program (offering short-term loans that can be forgiven in whole or in part).

Stimulus Efforts for State and Local Governments: The CARES Act includes a \$150 billion Coronavirus Relief Fund, which provides funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations can receive monies from the amount allocated to their state). This money is intended for programs that are necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money is not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it may indirectly assist with revenue shortfalls in cases where the expenses that are being covered by this fund would otherwise create a further budget shortfall. Because this money is targeted to larger governmental units, it is unlikely that the District will stand to benefit directly from this program.

The CARES Act also includes an Education Stabilization Fund, which provides \$30.75 billion for K-12 and higher education systems. There are three main forms of relief: \$13.2 billion for K-12 schools that will be administered on a state-by-state basis, \$14 billion for public and private colleges and universities, and \$3 billion in emergency relief that governors may distribute to schools, colleges and universities that have been particularly affected by COVID-19 and the ensuing crisis.

Municipal Liquidity Facility: The Federal Reserve is establishing a new “Municipal Liquidity Facility” (“MLF”) that will offer up to \$500 billion in direct federal lending. The MLF will purchase certain short-term debt from states, counties with at least two million residents and cities with at least one million residents. Importantly, these larger issuers may then use their own loan proceeds to make loans to smaller governmental units that would not otherwise qualify for this program. Proceeds may be used to help manage the cash flow impact of income tax deferrals resulting from an extension of income tax filing deadlines, potential reductions of tax and other revenues or increases in expenses related to or resulting from the pandemic, and requirements for the payment of principal and interest on outstanding obligations. It is not yet clear whether New York State will borrow from the MLF. If it does borrow, there is no mechanism or arrangement currently in place for the State to make loans to smaller governments within the State, although the MLF program does authorize this. It is uncertain at this point the extent to which, if at all, the District might ultimately be able to access short-term MLF loan funding through the State.

Executive orders: Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic, including various mandates requiring “non-essential” employees to work from home. As of March 22, 100% of such “non-essential” employees have been mandated to work from home or take leave without accruals. Entities providing essential services or functions are not subject to the in-person work restriction, but may only operate at the minimal level necessary to provide such service or function. Local governments are exempt from the 100% requirements, however, they are required to have no more than 50% of employees working in-person.

Pursuant to State Executive Order 202.4, every school in the State was directed to close no later than March 18, 2020. While schools were originally ordered closed until April 1, the time period has since been extended through the remainder of the school year (June 2020). School districts must normally maintain 180-day in-class attendance for State aid; however, this requirement has been waived to the extent attributable to COVID-19 related closures during the 2019-20 school year. Additionally, pursuant to State Executive Order No. 202.13, the school district elections and budget votes that normally would have been held on May 19, 2020 have been postponed until at least June 2. As of the date of this Official Statement, no date has yet been set for such elections/votes.

State budget: The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of \$10-\$15 billion.

To mitigate such a potential gap, the State’s adopted budget for the fiscal year ending March 31, 2021 allows the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 - April 30, May 1- June 30, and July 1 - December 31), tax receipts are lower than anticipated or disbursements from the State’s general fund are higher than anticipated. In such a scenario, the State Budget Director will develop a plan to make spending reductions. The State Budget Director’s plan would take effect automatically unless the Legislature passes its own plan within ten days. It is theoretically possible for such reductions to later be restored under certain circumstances.

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic will almost certainly have a significant adverse effect on the District’s finances. If the State has a further budget shortfall as stated above, there may be a delay and/or reduction in the State aid received by the District, which would have a negative impact on the District’s finances and operations. The District is continuing to monitor this situation and will attempt to mitigate any such adverse effects through program cuts or staffing reductions as needed.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the 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”) and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Complete copies of the proposed forms of opinion of Bond Counsel are set forth in “APPENDIX – G” and “APPENDIX – H” hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the 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 Notes 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 excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the 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, 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 Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 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, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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.

LEGAL MATTERS

The validity of the Notes will be covered by the unqualified legal opinion of Timothy R. McGill, Esq., Fairport, New York, Bond Counsel to the District, such opinion to be delivered with the Notes. The proposed forms of opinion of Bond Counsel are set forth in "APPENDIX – G" and "APPENDIX – H" hereto.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein 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 District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, 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. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the School District, or (ii) on the market price and fair market value of the Notes at initial issuance or at any time thereafter.

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, the form of which is attached hereto as “APPENDIX – E”.

Historical 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.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) 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).

Moody's Investors Service (“Moody's”) has assigned its underlying rating of “A1” to the District’s outstanding bonds. The rating reflects only the view of Moody’s and any desired explanation of the significance of such rating should be obtained from Moody's, 99 Church Street - 9th Floor, New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

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.

The Law Offices of Timothy R. McGill, Fairport, 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's contact information is as follows: Ms. Mary Gere-Penna, Director of Business and Finance, 400 West North Street, Geneva, New York 14456 telephone (315) 781-0400 x 1300, fax (518) 332-7260, email mary.gerepenna@genevacsd.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

CITY SCHOOL DISTRICT OF THE CITY OF GENEVA

Dated: May 20, 2020

**JOSE CANARIO
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 14,817,093	\$ 13,591,613	\$ 15,262,942	\$ 14,985,542	\$ 15,789,727
Taxes Receivable	-	-	-	-	-
Receivables	736,168	2,484,815	2,861,362	2,840,385	3,093,165
Due from Other Governments	2,174,500	-	-	-	-
Due from Other Funds	4,980,907	5,172,910	4,249,857	4,051,841	3,967,830
Prepaid Items	687,522	697,836	716,191	862,758	936,511
Inventory	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 23,396,190</u>	<u>\$ 21,947,174</u>	<u>\$ 23,090,352</u>	<u>\$ 22,740,526</u>	<u>\$ 23,787,233</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 366,410	\$ 367,953	\$ 96,365	\$ 237,264	\$ 121,405
Accrued Liabilities	311,615	119,910	73,037	148,560	74,835
Bond Interest and Matured Bonds	-	-	-	-	-
Revenue Anticipation Notes Payable	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Due to Other Funds	328,517	29,963	152,097	206,434	550,284
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	2,972,302	2,370,974	2,179,770	1,911,404	2,056,089
Due to Employees' Retirement System	250,861	180,056	182,237	178,746	165,887
Compensated Absences	-	-	-	-	-
Unearned Revenues	-	-	-	4,613	28,750
Deferred Revenues	-	221,278	205,024	150,963	322,523
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>10,229,705</u>	<u>9,290,134</u>	<u>8,888,530</u>	<u>8,837,984</u>	<u>9,319,773</u>
<u>FUND EQUITY</u>					
Reserved	\$ 10,481,831	\$ 9,796,464	\$ 11,183,449	\$ 10,711,747	\$ 11,401,244
Unreserved:					
Appropriated	733,249	850,592	920,173	975,181	802,531
Unappropriated	1,951,405	2,009,984	2,098,200	2,215,614	2,263,685
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	<u>13,166,485</u>	<u>12,657,040</u>	<u>14,201,822</u>	<u>13,902,542</u>	<u>14,467,460</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 23,396,190</u>	<u>\$ 21,947,174</u>	<u>\$ 23,090,352</u>	<u>\$ 22,740,526</u>	<u>\$ 23,787,233</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 18,209,378	\$ 18,710,188	\$ 19,151,384	\$ 19,530,239	\$ 16,180,765
Real Property Tax Items	-	-	-	-	3,527,426
Charges for Services	54,184	30,342	1,979	1,713	24,078
Use of Money & Property	204,755	99,529	25,249	110,899	158,326
Sale of Property and Compensation for Loss	-	-	21,237	31,694	51,031
Miscellaneous	363,587	526,479	303,113	329,054	572,874
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	25,526,509	26,756,797	29,139,105	30,507,178	31,005,129
Revenues from Federal Sources	273,268	209,928	262,962	290,308	333,107
Premium on Obligations Issued	-	-	-	57,182	45,842
Total Revenues	<u>\$ 44,631,681</u>	<u>\$ 46,333,263</u>	<u>\$ 48,905,029</u>	<u>\$ 50,858,267</u>	<u>\$ 51,898,578</u>
Other Sources:					
Operating Transfers (in)	<u>27,279</u>	<u>9,791</u>	<u>17,425</u>	<u>12,179</u>	<u>11,574</u>
Total Revenues and Other Sources	<u>44,658,960</u>	<u>46,343,054</u>	<u>48,922,454</u>	<u>50,870,446</u>	<u>51,910,152</u>
<u>EXPENDITURES</u>					
General Support	\$ 5,039,256	\$ 4,954,807	\$ 5,181,656	\$ 4,899,868	\$ 5,081,478
Instruction	20,928,667	20,458,766	22,586,047	24,782,527	26,319,751
Pupil Transportation	1,532,810	1,451,042	1,439,205	1,424,125	1,479,208
Community Services	31,695	32,541	33,159	33,827	34,595
Employee Benefits	11,039,236	11,542,856	11,438,349	11,417,079	11,277,107
Debt Service	5,030,573	5,342,185	6,295,768	6,567,751	6,610,859
Total Expenditures	<u>\$ 43,602,237</u>	<u>\$ 43,782,197</u>	<u>\$ 46,974,184</u>	<u>\$ 49,125,177</u>	<u>\$ 50,802,998</u>
Other Uses:					
Operating Transfers (out)	<u>90,372</u>	<u>411,676</u>	<u>2,179,863</u>	<u>200,487</u>	<u>1,406,434</u>
Total Expenditures and Other Uses	<u>43,692,609</u>	<u>44,193,873</u>	<u>49,154,047</u>	<u>49,325,664</u>	<u>52,209,432</u>
Excess (Deficit) Revenues Over Expenditures	<u>966,351</u>	<u>2,149,181</u>	<u>(231,593)</u>	<u>1,544,782</u>	<u>(299,280)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	10,050,953	11,017,304	12,888,633	12,657,040	14,201,822
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 11,017,304</u>	<u>\$ 13,166,485</u>	<u>\$ 12,657,040</u>	<u>\$ 14,201,822</u>	<u>\$ 13,902,542</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:

	2019			2020	2021
	Adopted <u>Budget</u>	Modified <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>	Proposed <u>Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 19,467,849	\$ 16,754,840	\$ 16,581,729	\$ 20,754,487	\$ 20,485,626
Real Property Tax Items	771,860	3,484,869	3,478,767	-	762,307
Charges for Services	17,000	17,000	31,334	-	21,000
Use of Money & Property	88,125	88,125	138,506	-	130,000
Sale of Property and Compensation for Loss	10,000	33,070	59,157	-	-
Miscellaneous	367,000	391,240	447,234	580,000	670,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	32,108,523	32,146,523	32,608,740	33,977,938	34,671,772
Revenues from Federal Sources	100,000	100,000	259,591	-	150,000
Premium on Obligations Issued	-	-	-	-	-
Total Revenues	\$ 52,930,357	\$ 53,015,667	\$ 53,605,058	\$ 55,312,425	\$ 56,890,705
Other Sources:					
Operating Transfers (in)	600,000	600,000	635,766	-	-
Total Revenues and Other Sources	53,530,357	53,615,667	54,240,824	55,312,425	56,890,705
<u>EXPENDITURES</u>					
General Support	\$ 5,558,992	\$ 5,892,160	\$ 5,159,512	\$ 5,602,042	\$ 5,596,054
Instruction	27,672,817	28,447,032	26,755,872	28,700,559	30,357,878
Pupil Transportation	1,901,564	1,942,092	1,553,916	1,842,854	1,960,014
Community Services	35,775	39,292	38,692	37,254	42,870
Employee Benefits	13,088,360	11,863,837	11,498,390	13,016,376	12,971,000
Debt Service	7,158,029	7,847,142	7,847,141	7,193,029	7,812,889
Total Expenditures	\$ 55,415,537	\$ 56,031,555	\$ 52,853,523	\$ 56,392,114	\$ 58,740,705
Other Uses:					
Operating Transfers (out)	200,000	841,495	822,383	200,000	300,000
Total Expenditures and Other Uses	55,615,537	56,873,050	53,675,906	56,592,114	59,040,705
Excess (Deficit) Revenues Over Expenditures	(2,085,180)	(3,257,383)	564,918	(1,279,689)	(2,150,000)
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	2,085,180	3,257,383	13,902,542	1,279,689	2,150,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 14,467,460	\$ -	\$ -

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

APPENDIX - B
City School District of the City of Geneva

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2020	\$ 4,462,500	\$ 1,037,054.80	\$ 5,499,554.80
2021	4,470,000	869,784.39	5,339,784.39
2022	4,465,000	684,828.14	5,149,828.14
2023	2,830,000	495,972.51	3,325,972.51
2024	1,515,000	393,827.51	1,908,827.51
2025	1,385,000	332,296.27	1,717,296.27
2026	1,180,000	269,846.27	1,449,846.27
2027	1,090,000	215,696.25	1,305,696.25
2028	1,135,000	164,883.75	1,299,883.75
2029	1,160,000	111,340.00	1,271,340.00
2030	770,000	56,027.50	826,027.50
2031	415,000	25,833.76	440,833.76
2032	215,000	9,406.26	224,406.26
TOTALS	\$ 25,092,500	\$ 4,666,797.41	\$ 29,759,297.41

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2011 Refunding of 2003 Bonds			2012 QSCB Bond**			2012 Refunding of 2003 and 2004 Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2020	\$ 1,885,000	\$ 389,402.50	\$ 2,274,402.50	\$ 375,000	\$ 96,593.76	\$ 471,593.76	\$ 825,000	\$ 93,850.00
2021	1,965,000	307,152.50	2,272,152.50	375,000	82,343.76	457,343.76	855,000	63,475.00	918,475.00
2022	2,060,000	213,277.50	2,273,277.50	375,000	67,718.76	442,718.76	885,000	29,125.00	914,125.00
2023	1,405,000	110,277.50	1,515,277.50	375,000	52,718.76	427,718.76	-	-	-
2024	155,000	64,615.00	219,615.00	375,000	37,343.76	412,343.76	-	-	-
2025	165,000	59,383.76	224,383.76	375,000	21,593.76	396,593.76	-	-	-
2026	165,000	53,608.76	218,608.76	125,000	5,468.76	130,468.76	-	-	-
2027	175,000	47,627.50	222,627.50	-	-	-	-	-	-
2028	180,000	41,065.00	221,065.00	-	-	-	-	-	-
2029	190,000	33,865.00	223,865.00	-	-	-	-	-	-
2030	195,000	26,265.00	221,265.00	-	-	-	-	-	-
2031	205,000	18,221.26	223,221.26	-	-	-	-	-	-
2032	215,000	9,406.26	224,406.26	-	-	-	-	-	-
TOTALS	\$ 8,960,000	\$1,374,167.54	\$10,334,167.54	\$ 2,375,000	\$ 363,781.32	\$ 2,738,781.32	\$ 2,565,000	\$ 186,450.00	\$2,751,450.00

** The District receives a direct federal subsidy on the interest portion of this bond. The subsidy is equal to approximately 93.2% of the interest payable for 2015-16.

Fiscal Year Ending June 30th	2014 Capital Improvements			2015D Capital Improvements - DASNY		
	Principal	Interest	Total	Principal	Interest	Total
	2020	\$ 80,000	\$ 21,856.25	\$ 101,856.25	\$ 600,000	\$ 405,012.50
2021	80,000	19,856.25	99,856.25	625,000	375,012.50	1,000,012.50
2022	80,000	17,856.25	97,856.25	660,000	343,762.50	1,003,762.50
2023	80,000	15,856.25	95,856.25	690,000	310,762.50	1,000,762.50
2024	85,000	13,856.25	98,856.25	725,000	276,262.50	1,001,262.50
2025	85,000	11,306.25	96,306.25	760,000	240,012.50	1,000,012.50
2026	90,000	8,756.25	98,756.25	800,000	202,012.50	1,002,012.50
2027	75,000	6,056.25	81,056.25	840,000	162,012.50	1,002,012.50
2028	75,000	3,806.25	78,806.25	880,000	120,012.50	1,000,012.50
2029	45,000	1,462.50	46,462.50	925,000	76,012.50	1,001,012.50
2030	-	-	-	575,000	29,762.50	604,762.50
2031	-	-	-	210,000	7,612.50	217,612.50
TOTALS	\$ 775,000	\$ 120,668.75	\$ 895,668.75	\$ 8,290,000	\$2,548,250.00	\$ 10,838,250.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Buses			2015 Buses - Series B			2016 Buses		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 140,000	\$ 1,295.00	\$ 141,295.00	\$ 165,000	\$ 3,913.75	\$ 168,913.75	\$ 125,000	\$ 5,000.00	\$ 130,000.00
2021	-	-	-	170,000	1,317.50	171,317.50	125,000	3,046.88	128,046.88
2022	-	-	-	-	-	-	125,000	1,015.63	126,015.63
TOTALS	\$ 140,000	\$ 1,295.00	\$ 141,295.00	\$ 335,000	\$ 5,231.25	\$ 340,231.25	\$ 375,000	\$ 9,062.50	\$ 384,062.50

Fiscal Year Ending June 30th	2017 Buses			2019 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 110,000	\$ 8,230.00	\$ 118,230.00	\$ 157,500	\$ 11,901.04	\$ 169,401.04
2021	115,000	5,980.00	120,980.00	160,000	11,600.00	171,600.00
2022	115,000	3,622.50	118,622.50	165,000	8,450.00	173,450.00
2023	115,000	1,207.50	116,207.50	165,000	5,150.00	170,150.00
2024	-	-	-	175,000	1,750.00	176,750.00
TOTALS	\$ 455,000	\$ 19,040.00	\$ 474,040.00	\$ 822,500	\$ 38,851.04	\$ 861,351.04

APPENDIX - C
City School District of the City of Geneva

COMPUTATION OF FULL VALUATION

Using Regular Equalization Rates

Fiscal Year Ending June 30:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2019</u>	<u>2020</u>
<u>Assessed Valuation</u>						
City of: Geneva	\$ 375,977,326	\$ 379,947,847	\$ 401,624,520	\$ 405,586,888	\$ 409,056,782	\$ 411,774,186
Towns of: Geneva	358,665,324	364,495,547	381,914,395	401,528,639	400,544,745	425,005,760
Seneca	51,296,375	52,414,620	54,159,442	58,124,644	59,777,207	65,714,676
Phelps	17,589,446	17,749,451	17,700,125	18,793,914	18,713,170	19,205,065
Benton	7,385,191	7,632,046	7,665,047	7,665,270	7,678,157	8,532,713
Waterloo	<u>2,333,200</u>	<u>2,326,700</u>	<u>2,342,156</u>	<u>2,788,847</u>	<u>2,782,510</u>	<u>2,821,799</u>
Total Assessed Valuation	\$ 813,246,862	\$ 824,566,211	\$ 865,405,685	\$ 894,488,202	\$ 898,552,571	\$ 933,054,199
<u>State Equalization Rates</u>						
City of: Geneva	100.00%	99.00%	100.00%	100.00%	96.00%	93.00%
Towns of: Geneva	100.00%	99.00%	100.00%	100.00%	98.00%	100.00%
Seneca	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Phelps	100.00%	100.00%	100.00%	100.00%	100.00%	98.00%
Benton	100.00%	100.00%	100.00%	99.00%	94.00%	100.00%
Waterloo	100.00%	95.00%	90.00%	100.00%	100.00%	97.00%
<u>Full Valuation</u>						
City of: Geneva	\$ 375,977,326	\$ 383,785,704	\$ 401,624,520	\$ 405,586,888	\$ 426,100,815	\$ 442,767,942
Towns of: Geneva	358,665,324	368,177,320	381,914,395	401,528,639	408,719,128	425,005,760
Seneca	51,296,375	52,414,620	54,159,442	58,124,644	59,777,207	65,714,676
Phelps	17,589,446	17,749,451	17,700,125	18,793,914	18,713,170	19,597,005
Benton	7,385,191	7,632,046	7,665,047	7,742,697	8,168,252	8,532,713
Waterloo	<u>2,333,200</u>	<u>2,449,158</u>	<u>2,602,396</u>	<u>2,788,847</u>	<u>2,782,510</u>	<u>2,909,071</u>
Total Full Valuation	\$ 813,246,862	\$ 832,208,299	\$ 865,665,925	\$ 894,565,629	\$ 924,261,081	\$ 964,527,167

APPENDIX - C1
City School District of the City of Geneva

COMPUTATION OF FULL VALUATION

Using Special Equalization Ratios

Fiscal Year Ending June 30:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2019</u>	<u>2020</u>
<u>Assessed Valuation</u>						
City of: Geneva	\$ 375,977,326	\$ 379,947,847	\$ 401,624,520	\$ 405,586,888	\$ 409,056,782	\$ 411,774,186
Towns of: Geneva	358,665,324	364,495,547	381,914,395	401,528,639	400,544,745	425,005,760
Seneca	51,296,375	52,414,620	54,159,442	58,124,644	59,777,207	65,714,676
Phelps	17,589,446	17,749,451	17,700,125	18,793,914	18,713,170	19,205,065
Benton	7,385,191	7,632,046	7,665,047	7,665,270	7,678,157	8,532,713
Waterloo	<u>2,333,200</u>	<u>2,326,700</u>	<u>2,342,156</u>	<u>2,788,847</u>	<u>2,782,510</u>	<u>2,821,799</u>
Total Assessed Valuation	\$ 813,246,862	\$ 824,566,211	\$ 865,405,685	\$ 894,488,202	\$ 898,552,571	\$ 933,054,199
<u>Special Equalization Ratios</u>						
City of: Geneva	95.06%	95.04%	95.51%	92.42%	91.32%	90.28%
Towns of: Geneva	95.83%	95.62%	98.10%	92.98%	90.84%	95.86%
Seneca	91.52%	92.07%	93.59%	91.95%	93.02%	94.36%
Phelps	99.29%	89.60%	89.72%	97.23%	95.70%	94.31%
Benton	89.11%	96.89%	92.01%	71.23%	68.37%	90.17%
Waterloo	89.17%	84.33%	84.28%	95.92%	93.92%	91.98%
<u>Full Valuation</u>						
City of: Geneva	\$ 395,515,806	\$ 399,776,775	\$ 420,505,204	\$ 438,851,859	\$ 447,937,781	\$ 456,107,871
Towns of: Geneva	374,272,487	381,191,745	389,311,310	431,844,094	440,934,330	443,360,901
Seneca	56,049,361	56,929,097	57,868,834	63,213,316	64,262,747	69,642,514
Phelps	17,715,224	19,809,655	19,728,182	19,329,337	19,553,992	20,363,763
Benton	8,287,724	7,877,021	8,330,667	10,761,294	11,230,301	9,462,918
Waterloo	<u>2,616,575</u>	<u>2,759,042</u>	<u>2,779,018</u>	<u>2,907,472</u>	<u>2,962,638</u>	<u>3,067,840</u>
Total Full Valuation	\$ 854,457,177	\$ 868,343,336	\$ 898,523,215	\$ 966,907,372	\$ 986,881,789	\$1,002,005,807

CITY SCHOOL DISTRICT OF THE CITY OF GENEVA
2020-2021 ESTIMATED MONTHLY CASH FLOW

(General Fund)

ESTIMATED RECEIPTS	2020						2021						Total
	Estimated July (1)	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Estimated January	Estimated February	Estimated March	Estimated April	Estimated May	Estimated June	
Beginning Cash Balance	\$ 7,494,519	\$ 7,443,217	\$ 5,659,717	\$ 11,521,520	\$ 12,298,620	\$ 9,182,550	\$ 7,589,000	\$ 6,853,250	\$ 8,139,344	\$ 16,159,086	\$ 14,005,119	\$ 14,028,619	
General Cash Receipts													
- Taxes & Penalties	\$ -	\$ 85,000	\$ 7,500,000	\$ 3,250,000	\$ 375,000	\$ 325,000	\$ 375,000	\$ 3,250,000	\$ 850,000	\$ 730,000	\$ 95,000	\$ 25,000	\$ 16,860,000
- Payment in Lieu of Taxes	65,000	12,000	-	36,000	-	-	535,000	13,000	14,000	17,000	17,000	-	709,000
- Gifts & Donations	-	-	-	100	350	200	3,500	-	3,000	500	-	-	7,650
- Admissions	-	-	1,250	2,000	-	1,000	2,000	2,000	-	375	-	-	8,625
- Medicaid	45,000	112,000	8,500	11,000	20,000	24,000	43,000	22,000	60,000	27,000	25,000	45,000	442,500
- Interest	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
- Insurance Settlements/Refunds	-	-	1,500	1,500	-	750	-	1,000	2,500	-	-	-	7,250
- Miscellaneous/Accounts Receivable	45,000	80,000	14,500	16,000	26,000	28,000	9,000	4,250	20,000	127,500	40,000	78,000	488,250
- State Aid	-	830,000	2,750,000	190,000	1,600,000	2,250,000	2,800,000	200,000	11,300,000	1,450,000	3,500,000	5,350,000	32,220,000
- Reimbursement of Expenditures	35,000	4,000	175,000	72,000	135,000	100,000	100,000	100,000	120,000	89,000	100,000	135,000	1,165,000
- Revenue Anticipation Note (RAN)	-	-	-	-	-	-	-	-	-	-	-	6,000,000	6,000,000
- ERRP / Equity Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-
- BOCES Aid	50,000	-	-	900,000	-	-	250,000	450,000	-	-	-	575,000	2,225,000
Total Receipts	\$ 593,698	\$ 1,126,500	\$ 10,454,303	\$ 4,482,100	\$ 2,173,930	\$ 2,732,450	\$ 4,121,000	\$ 4,046,094	\$ 13,121,772	\$ 2,446,033	\$ 3,780,500	\$ 12,211,500	\$ 61,289,880
General Cash Disbursements													
- General Monthly Disbursements	\$ 310,000	\$ 1,685,000	\$ 2,860,000	\$ 1,910,000	\$ 2,775,000	\$ 1,945,000	\$ 1,990,000	\$ 960,000	\$ 3,013,402	\$ 2,220,000	\$ 1,950,000	\$ 2,250,000	\$ 23,868,402
- Payroll & Related Benefits	335,000	675,000	1,728,000	1,795,000	1,800,000	1,785,000	2,765,000	1,800,000	1,783,628	1,715,000	1,800,000	4,100,000	22,081,628
- Debt Service Principal	-	-	-	-	698,000	-	-	-	-	-	-	3,765,000	4,463,000
- Debt Service Interest	-	-	-	-	17,000	596,000	-	-	-	-	7,000	503,358	1,123,358
- Revenue Anticipation Note (RAN)	-	-	-	-	-	-	-	-	-	-	-	6,000,000	6,000,000
- Revenue Anticipation Note Interest	-	-	-	-	-	-	-	-	-	-	-	45,842	45,842
- Bond Anticipation Note Interest	-	-	-	-	-	-	-	-	-	-	-	493,313	493,313
Total Estimated Disbursements	\$ 645,000	\$ 2,910,000	\$ 4,592,500	\$ 3,705,000	\$ 5,290,000	\$ 4,326,000	\$ 4,856,750	\$ 2,760,000	\$ 5,102,030	\$ 4,600,000	\$ 3,757,000	\$ 17,157,513	\$ 59,701,792
Monthly Cash Increase/(Decrease)	\$ (51,302)	\$ (1,783,500)	\$ 5,861,803	\$ 777,100	\$ (3,116,070)	\$ (1,593,550)	\$ (735,750)	\$ 1,286,094	\$ 8,019,742	\$ (2,153,967)	\$ 23,500	\$ (4,946,013)	\$ 1,588,087
Ending Cash Balance	\$ 7,443,217	\$ 5,659,717	\$ 11,521,520	\$ 12,298,620	\$ 9,182,550	\$ 7,589,000	\$ 6,853,250	\$ 8,139,344	\$ 16,159,086	\$ 14,005,119	\$ 14,028,619	\$ 9,082,606	
- Less Reserve Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Operating Cash	\$ 7,443,217	\$ 5,659,717	\$ 11,521,520	\$ 12,298,620	\$ 9,182,550	\$ 7,589,000	\$ 6,853,250	\$ 8,139,344	\$ 16,159,086	\$ 14,005,119	\$ 14,028,619	\$ 9,082,606	

(1) Includes proceeds of the RAN

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 Note.

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

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the 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 government 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 Note; 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 aforescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Note 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 Note (including holders of beneficial interests in the Note). The right of holders of the Note 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 Note nor entitle any holder of the Note 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 at closing.

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**CITY SCHOOL DISTRICT OF THE CITY OF GENEVA
ONTARIO COUNTY, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2019

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

GENEVA CITY SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2019

MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

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MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Geneva City School District, 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 the Geneva City School District, New York, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 Geneva City School District, New York, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–13 and 49–53 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 Geneva City School District, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019 on our consideration of the Geneva City School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Geneva City School District, New York's internal control over financial reporting and compliance.

Rochester, New York
September 20, 2019



Geneva City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2019

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2019. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded its total assets plus deferred outflows (what the district owns) by \$72,075,358 (net position) a decrease of \$1,384,180 from the prior year.

General revenues which include Federal and State Aid, Real Property Taxes, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$54,213,270 or 86% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions accounted for \$8,699,025 or 14% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of (\$7,910,719), a decrease of \$6,282,533 in comparison with the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains five individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the special aid fund, and the capital projects fund which are reported as major funds. Data for the school lunch fund and the debt service fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As a Whole

Net Position

The District's combined net position were higher on June 30, 2019, than they were the year before, increasing by 2% to (\$72,075,358) as shown in table below.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 29,648,364	\$ 37,635,749	\$ (7,987,385)
Capital Assets	89,484,645	84,039,640	5,445,005
Total Assets	<u>\$ 119,133,009</u>	<u>\$ 121,675,389</u>	<u>\$ (2,542,380)</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 11,086,872</u>	<u>\$ 12,401,142</u>	<u>\$ (1,314,270)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 150,261,735	\$ 164,250,379	\$ (13,988,644)
Other Liabilities	35,558,351	38,668,032	(3,109,681)
Total Liabilities	<u>\$ 185,820,086</u>	<u>\$ 202,918,411</u>	<u>\$ (17,098,325)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 16,475,153</u>	<u>\$ 4,617,659</u>	<u>\$ 11,857,494</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 38,231,789	\$ 34,866,223	\$ 3,365,566
<u>Restricted For:</u>			
Debt Service Reserve	2,561,733	2,706,199	(144,466)
Reserve for ERS	4,042,251	4,038,223	4,028
Workers' Compensation Reserve	1,619,719	1,618,094	1,625
Capital Reserve	2,864,653	2,403,058	461,595
Other Purposes	2,669,331	2,902,838	(233,507)
Unrestricted	(124,064,834)	(121,994,173)	(2,070,661)
Total Net Position	<u>\$ (72,075,358)</u>	<u>\$ (73,459,538)</u>	<u>\$ 1,384,180</u>

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

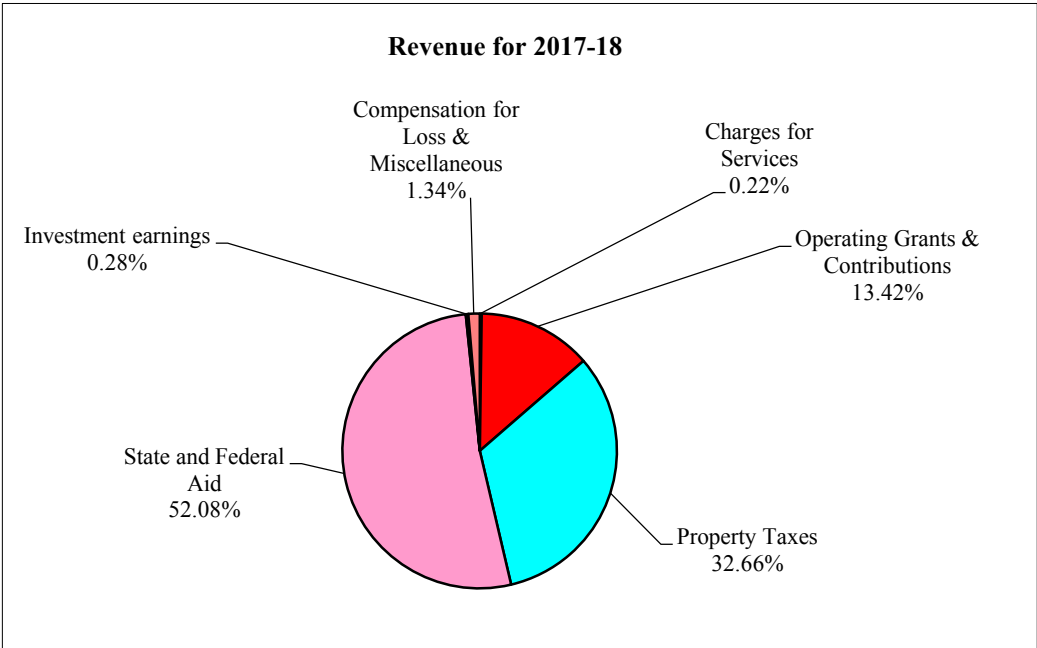
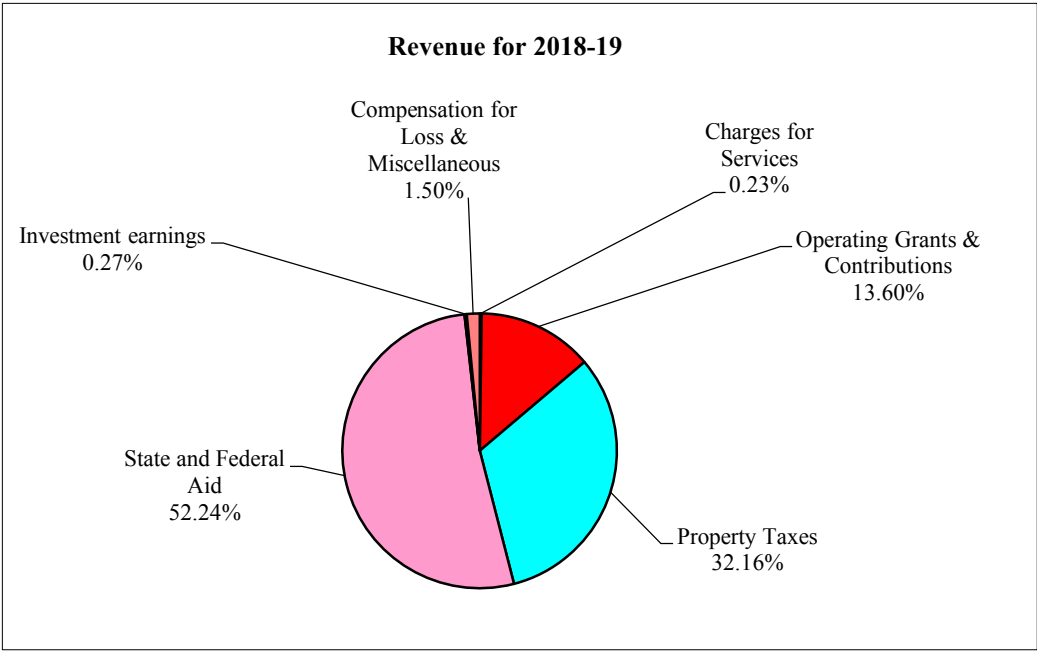
There are five restricted net asset balances Debt Service, Reserve for ERS, Workers' Compensation Reserve, Capital Reserves, and Other Purposes. The remaining balance of unrestricted net position is a deficit of (\$124,064,834).

Changes in Net Position

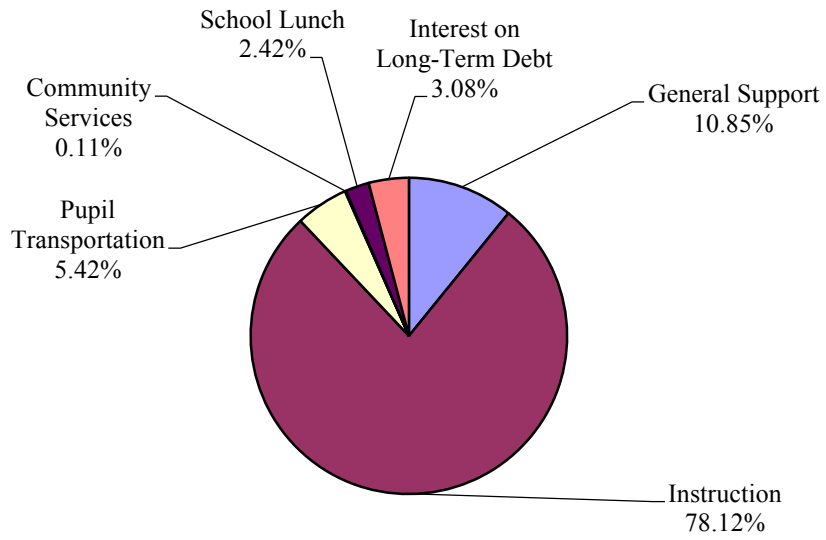
The District’s total revenue increased 5% to \$62,912,295. State and federal aid 52% and property taxes 32% accounted for most of the District’s revenue. The remaining 16% of the revenue comes from operating grants, charges for services, use of money and property, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services decreased 5% to \$61,528,115. The District’s expenses are predominately related to education and caring for the students (instruction) 77%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 11% of the total costs. See table below:

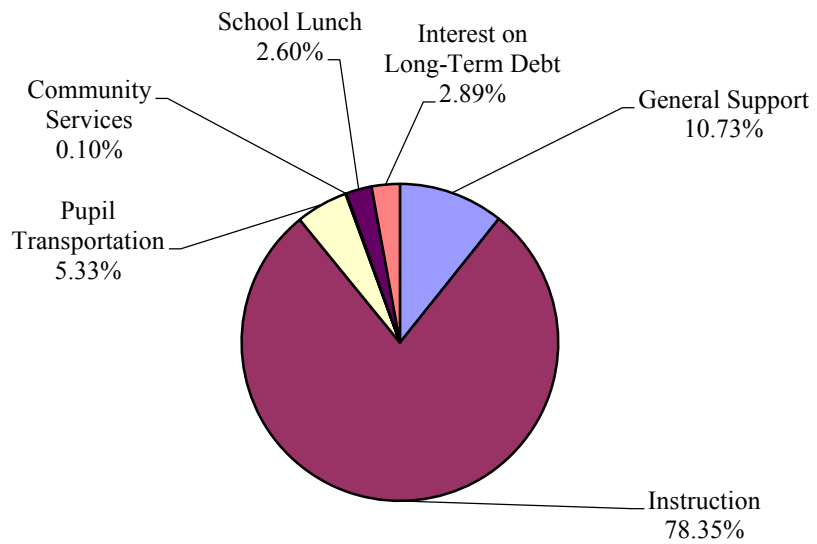
	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2019</u>	<u>2018</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 142,149	\$ 133,193	\$ 8,956
Operating Grants & Contributions	8,556,876	8,077,409	479,467
Total Program	\$ 8,699,025	\$ 8,210,602	\$ 488,423
<u>General -</u>			
Property Taxes	\$ 20,232,056	\$ 19,654,130	\$ 577,926
State and Federal Aid	32,868,331	31,338,236	1,530,095
Investment Earnings	168,027	166,380	1,647
Compensation for Loss	69,397	51,031	18,366
Miscellaneous	875,459	754,114	121,345
Total General	\$ 54,213,270	\$ 51,963,891	\$ 2,249,379
TOTAL REVENUES	\$ 62,912,295	\$ 60,174,493	\$ 2,737,802
<u>EXPENSES:</u>			
General Support	\$ 6,673,905	\$ 6,856,227	\$ (182,322)
Instruction	47,450,433	50,081,397	(2,630,964)
Pupil Transportation	3,337,660	3,406,082	(68,422)
Community Services	67,759	64,835	2,924
School Lunch	1,489,312	1,662,285	(172,973)
Interest	2,509,046	1,845,915	663,131
TOTAL EXPENSES	\$ 61,528,115	\$ 63,916,741	\$ (2,388,626)
INCREASE IN NET POSITION	\$ 1,384,180	\$ (3,742,248)	
NET POSITION, BEGINNING OF YEAR	(73,459,538)	(69,717,290)	
NET POSITION, END OF YEAR	\$ (72,075,358)	\$ (73,459,538)	



Expenses for 2018-19



Expenses for 2017-18



Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of (\$7,910,719) which is less than last year's ending fund balance of (\$1,628,186).

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$14,467,460. Fund balance for the General Fund increased by \$564,918 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2019</u>	<u>2018</u>	<u>Total Variance</u>
Nonspendable	\$ 936,511	\$ 862,758	\$ 73,753
Restricted	10,464,733	9,848,989	615,744
Assigned	802,531	975,181	(172,650)
Unassigned	2,263,685	2,215,614	48,071
Total General Fund Balances	<u>\$ 14,467,460</u>	<u>\$ 13,902,542</u>	<u>\$ 564,918</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$1,482,693. This change is attributable to \$225,181 for carry over encumbrances from the prior year, \$23,070 for insurance reimbursements, \$6,076 for donations, \$89,289 for tax settlement, \$32,913 for use of building reserve, \$38,000 for bullet aid, \$550,000 for emergency project-Gambee Rd, \$500,000 for transfer from debt service for BAN, and \$18,164 for a NYSEG rebate.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Programs for Children with Handicapping Conditions	\$508,307	A majority of this variance was caused by additional students with disabilities placed in BOCES programs and private schools
Employee Benefits	(\$1,224,523)	ERS and TRS rate reductions, CSEA switch to high deductible health insurance as base plan, vacant positions, senior staff replaced by newer staff at lower salaries
Debt Service-Principal	\$500,000	Used fund balance to lower future cost of borrowing
Transfers-Out	\$641,495	\$100K for 18/19 Capital Outlay Project, \$550K for Gambee Road emergency project

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
State Sources	\$462,217	Actual BOCES Aid \$400K higher than aid projections
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Central Services	\$567,036	Several open positions and lower than anticipated utility rates/usage, rollovers
Teaching-Regular School	\$543,928	Salaries, supplies transferred to grants

Capital Asset and Debt Administration

Capital Assets

By the end of the 2018-19 fiscal year, the District had invested \$89,484,645 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2019</u>	<u>2018</u>
Land	\$ 678,197	\$ 678,197
Work in Progress	29,344,851	21,696,624
Buildings and Improvements	56,673,875	59,038,842
Machinery and Equipment	2,787,722	2,625,978
Total Capital Assets	<u>\$ 89,484,645</u>	<u>\$ 84,039,641</u>

More detailed information can be found in the footnotes to the financial statements.

Long-Term Debt

At year end, the District had \$150,261,735 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2019</u>	<u>2018</u>
Serial Bonds	\$ 24,270,000	\$ 28,555,000
Installment Purchase Debt	914,549	1,008,571
OPEB	123,523,605	133,699,809
Net Pension Liability	1,068,828	481,643
Compensated Absences	484,753	505,356
Total Long-Term Obligations	<u>\$ 150,261,735</u>	<u>\$ 164,250,379</u>

More detailed information can be found in the footnotes to the financial statements.

Factors Bearing on the District's Future

The following items will impact the District financial operations and budget practices:

- Unfunded mandates
- PILOTs
- Properties coming off tax rolls due to expansion of colleges and hospitals
- Increases in minimum wage
- Contractual salary increases
- Property Tax Cap
- State aid and federal grant volatility
- Tax certioraris
- Increase in students with disabilities and English as a New Language (ENL) students
- Health insurance increases

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Geneva City School District
400 West North Road
Geneva, New York 14456

GENEVA CITY SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 21,890,404
Accounts receivable	4,768,795
Inventories	79,197
Prepaid items	937,397
Net pension asset	1,972,571
Capital Assets:	
Land	678,197
Work in progress	29,344,851
Other capital assets (net of depreciation)	59,461,597
TOTAL ASSETS	<u>\$ 119,133,009</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 11,086,872</u>
 LIABILITIES	
Accounts payable	\$ 421,607
Accrued liabilities	384,243
Unearned revenues	234,907
Due to other governments	618
Due to teachers' retirement system	2,056,089
Due to employees' retirement system	165,887
Bond anticipation notes payable	26,295,000
Revenue anticipation notes payable	6,000,000
Long-Term Obligations:	
Due in one year	4,510,088
Due in more than one year	145,751,647
TOTAL LIABILITIES	<u>\$ 185,820,086</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 16,475,153</u>
 NET POSITION	
Net investment in capital assets	\$ 38,231,789
Restricted For:	
Debt service	2,561,733
Reserve for employee retirement system	4,042,251
Worker's compensation reserve	1,619,719
Capital reserves	2,864,653
Other purposes	2,669,331
Unrestricted	(124,064,834)
TOTAL NET POSITION	<u>\$ (72,075,358)</u>

(See accompanying notes to financial statements)

GENEVA CITY SCHOOL DISTRICT, NEW YORK

Statement of Activities

For Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Primary Government -				
General support	\$ 6,673,905	\$ -	\$ -	\$ (6,673,905)
Instruction	47,450,433	31,334	7,107,240	(40,311,859)
Pupil transportation	3,337,660	-	-	(3,337,660)
Community services	67,759	-	-	(67,759)
School lunch	1,489,312	110,815	1,449,636	71,139
Interest	2,509,046	-	-	(2,509,046)
Total Primary Government	<u>\$ 61,528,115</u>	<u>\$ 142,149</u>	<u>\$ 8,556,876</u>	<u>\$ (52,829,090)</u>
 General Revenues:				
Property taxes				\$ 20,232,056
State and federal aid				32,868,331
Investment earnings				168,027
Compensation for loss				69,397
Miscellaneous				875,459
Total General Revenues				<u>\$ 54,213,270</u>
Changes in Net Position				\$ 1,384,180
Net Position, Beginning of Year				<u>(73,459,538)</u>
Net Position, End of Year				<u>\$ (72,075,358)</u>

(See accompanying notes to financial statements)

GENEVA CITY SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2019

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 15,789,727	\$ 1,119,870	\$ 2,209,303	\$ 2,771,504	\$ 21,890,404
Receivables	3,093,165	1,559,692	-	115,938	4,768,795
Inventories	-	-	-	79,197	79,197
Due from other funds	3,967,830	284	550,000	288	4,518,402
Prepaid items	936,511	886	-	-	937,397
TOTAL ASSETS	<u>\$ 23,787,233</u>	<u>\$ 2,680,732</u>	<u>\$ 2,759,303</u>	<u>\$ 2,966,927</u>	<u>\$ 32,194,195</u>
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	\$ 121,405	\$ 125,448	\$ 174,754	\$ -	\$ 421,607
Accrued liabilities	74,835	12,061	-	2,985	89,881
Notes payable - revenue anticipation notes	6,000,000	-	-	-	6,000,000
Notes payable - bond anticipation notes	-	-	26,295,000	-	26,295,000
Due to other funds	550,284	2,341,484	1,626,634	-	4,518,402
Due to other governments	-	-	-	618	618
Due to TRS	2,056,089	-	-	-	2,056,089
Due to ERS	165,887	-	-	-	165,887
Unearned revenue	28,750	201,739	-	4,418	234,907
TOTAL LIABILITIES	<u>\$ 8,997,250</u>	<u>\$ 2,680,732</u>	<u>\$ 28,096,388</u>	<u>\$ 8,021</u>	<u>\$ 39,782,391</u>
Deferred Inflows -					
Deferred inflows of resources	<u>\$ 322,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,523</u>
Fund Balances -					
Nonspendable	\$ 936,511	\$ -	\$ -	\$ 79,197	\$ 1,015,708
Restricted	10,464,733	-	731,221	2,561,733	13,757,687
Assigned	802,531	-	-	317,976	1,120,507
Unassigned	2,263,685	-	(26,068,306)	-	(23,804,621)
TOTAL FUND BALANCE	<u>\$ 14,467,460</u>	<u>\$ -</u>	<u>\$ (25,337,085)</u>	<u>\$ 2,958,906</u>	<u>\$ (7,910,719)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,787,233</u>	<u>\$ 2,680,732</u>	<u>\$ 2,759,303</u>	<u>\$ 2,966,927</u>	

**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,484,645
Taxes receivable is deferred for those amounts collected after ninety (90) days on fund basis, while those amounts are recorded as revenue on the full accrual basis.	322,523
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(294,362)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(24,270,000)
OPEB	(123,523,605)
Compensated absences	(484,752)
Installment purchase debt	(914,550)
Net pension asset	1,972,571
Deferred outflow - pension	11,086,872
Net pension liability	(1,068,828)
Deferred inflow - pension	(2,957,149)
Deferred inflow - OPEB	(13,518,004)
Net Position of Governmental Activities	<u>\$ (72,075,358)</u>

GENEVA CITY SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2019

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 20,060,496	\$ -	\$ -	\$ -	\$ 20,060,496
Charges for services	31,334	-	-	-	31,334
Use of money and property	138,506	-	-	29,677	168,183
Sale of property and compensation for loss	59,157	-	-	10,084	69,241
Miscellaneous	447,234	62,691	-	2,212	512,137
State sources	32,608,740	2,561,174	-	32,571	35,202,485
Federal sources	259,591	4,483,375	-	1,417,065	6,160,031
Sales	-	-	-	110,815	110,815
Premium on obligations issued	-	-	-	426,013	426,013
TOTAL REVENUES	<u>\$ 53,605,058</u>	<u>\$ 7,107,240</u>	<u>\$ -</u>	<u>\$ 2,028,437</u>	<u>\$ 62,740,735</u>
EXPENDITURES					
General support	\$ 5,159,512	\$ 74,991	\$ -	\$ -	\$ 5,234,503
Instruction	26,755,872	6,468,551	-	-	33,224,423
Pupil transportation	1,553,916	152,085	594,011	-	2,300,012
Community services	38,692	-	-	-	38,692
Employee benefits	11,498,390	580,566	-	282,840	12,361,796
Debt service - principal	5,244,022	-	-	-	5,244,022
Debt service - interest	2,603,119	-	-	-	2,603,119
Cost of sales	-	-	-	624,897	624,897
Other expenses	-	-	-	527,689	527,689
Capital outlay	-	-	7,729,115	-	7,729,115
TOTAL EXPENDITURES	<u>\$ 52,853,523</u>	<u>\$ 7,276,193</u>	<u>\$ 8,323,126</u>	<u>\$ 1,435,426</u>	<u>\$ 69,888,268</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 751,535</u>	<u>\$ (168,953)</u>	<u>\$ (8,323,126)</u>	<u>\$ 593,011</u>	<u>\$ (7,147,533)</u>
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 635,766	\$ 191,495	\$ 630,888	\$ -	\$ 1,458,149
Transfers - out	(822,383)	(22,542)	(13,224)	(600,000)	(1,458,149)
BAN's redeemed from appropriations	-	-	865,000	-	865,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (186,617)</u>	<u>\$ 168,953</u>	<u>\$ 1,482,664</u>	<u>\$ (600,000)</u>	<u>\$ 865,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 564,918</u>	<u>\$ -</u>	<u>\$ (6,840,462)</u>	<u>\$ (6,989)</u>	<u>\$ (6,282,533)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>13,902,542</u>	<u>-</u>	<u>(18,496,623)</u>	<u>2,965,895</u>	<u>(1,628,186)</u>
FUND BALANCE, END OF YEAR	<u>\$ 14,467,460</u>	<u>\$ -</u>	<u>\$ (25,337,085)</u>	<u>\$ 2,958,906</u>	<u>\$ (7,910,719)</u>

(See accompanying notes to financial statements)

GENEVA CITY SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For Year Ended June 30, 2019

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ (6,282,533)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 7,729,115	
Additions to Assets, Net	742,626	
Depreciation	<u>(3,026,737)</u>	
		5,445,004

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 5,244,022	
Proceeds from BAN Redemption	<u>(865,000)</u>	
		4,379,022

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 94,073

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 171,560

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (2,727,065)

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System		395,731
Employees' Retirement System		(112,216)

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences		<u>20,604</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 1,384,180**

GENEVA CITY SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position
June 30, 2019

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 37,228	\$ 62,524
TOTAL ASSETS	\$ 37,228	\$ 62,524
LIABILITIES		
Accounts payable	\$ -	\$ 32
Extraclassroom activity balances	-	62,413
Other liabilities	-	79
TOTAL LIABILITIES	\$ -	\$ 62,524
NET POSITION		
Restricted for scholarships	\$ 37,228	
TOTAL NET POSITION	\$ 37,228	

Statement of Changes in Fiduciary Net Position
For Year Ended June 30, 2019

	Private Purpose Trust
ADDITIONS	
Contributions	\$ 6,050
Investment earnings	44
TOTAL ADDITIONS	\$ 6,094
DEDUCTIONS	
Other expenses	\$ 14,650
TOTAL DEDUCTIONS	\$ 14,650
CHANGE IN NET POSITION	\$ (8,556)
NET POSITION, BEGINNING OF YEAR	45,784
NET POSITION, END OF YEAR	\$ 37,228

GENEVA CITY SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2019

I. Summary of Significant Accounting Policies

The financial statements of the Geneva City School District, New York (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agency for various student organizations in an agency fund.

(I.) (Continued)

B. Joint Venture

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

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

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

During the year, the District was billed \$11,033,376 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$2,409,905.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

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

Capital Projects Fund - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

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

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, 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 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 District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 28, 2018. Taxes are collected during the period September 1, 2018 through February 28, 2019.

The City and Counties in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenues. Otherwise, deferred revenues offset real property taxes receivable.

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventory and Prepaid Items

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

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

A non-spendable fund balance for 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.

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

(I.) (Continued)

M. Unearned Revenue

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

N. Deferred Outflows and Inflows of Resources

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

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

O. Vested Employee Benefits

1. Compensated Absences

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

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

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

(I.) (Continued)

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

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

P. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

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

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

R. Accrued Liabilities and Long-Term Obligations

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

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

(I.) (Continued)

S. **Equity Classifications**

1. **District-Wide Statements**

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

- a. **Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- b. **Restricted Net Position** - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

On the Statement of Net Position the following balances represent the restricted for other purposes:

	<u>Total</u>
Capital Projects	\$ 731,221
Unemployment Costs	238,843
TRS Reserve	355,379
Insurance	397,954
Tax Certiorari	184,689
Repair	262,102
Employee Benefit Accrued Liability	<u>499,143</u>
Total Net Position - Restricted for Other Purposes	<u><u>\$ 2,669,331</u></u>

- c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

2. **Fund Statements**

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

- a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

	<u>Total</u>
Inventory in School Lunch	\$ 79,197
Prepaid Items	936,511
Total Nonspendable Fund Balance	<u><u>\$ 1,015,708</u></u>

(I.) (Continued)

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

Capital Reserve - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for 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. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
Building Reserve	\$ 10,000,000	\$ 5,959,196	\$ 2,864,653

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

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

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

(I.) (Continued)

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

Teachers' Retirement Reserve – General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous years TRS salary.

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

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

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

(I.) (Continued)

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

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 1,619,719
Unemployment Costs	238,843
Retirement Contribution	4,042,251
Insurance	397,954
Tax Certiorari	184,689
Repair	262,102
TRS Reserve	355,379
Capital Reserves	2,864,653
Employee Benefit Accrued Liability	499,143
<u>Capital Fund -</u>	
Capital Construction and Acquisition	731,221
<u>Debt Service Fund -</u>	
Debt Service	2,561,733
Total Restricted Fund Balance	<u><u>\$ 13,757,687</u></u>

The District appropriated and/or budgeted funds from the following reserves for the 2019-20 budget:

	<u>Total</u>
Workers' Compensation	\$ 280,000
Unemployment Costs	10,000
Retirement Contribution	386,689
Total	<u><u>\$ 676,689</u></u>

(I.) (Continued)

c. **Assigned Fund Balance** – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District’s purchasing agent through their authorization of a purchase order prior to year end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be 299,543, the Special Aid Fund to be 52,307, and the Capital Projects Fund to be 61,901. The District reports the following significant encumbrances:

<u>Capital Projects Fund -</u>	
Capital Outlay	<u>\$ 4,931,701</u>

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 202,531
General Fund - Appropriated for Taxes	600,000
School Lunch Fund - Year End Equity	317,976
Total Assigned Fund Balance	<u>\$ 1,120,507</u>

d. **Unassigned Fund Balance** – Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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

3. **Order of Use of Fund Balance**

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

(I.) (Continued)

T. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2019, the District implemented the following new standards issued by GASB:

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, which will be effective for reporting periods beginning after June 15, 2018.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, which will be effective for reporting periods beginning after June 15, 2018.

U. Future Changes in Accounting Standards

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2019.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2019

GASB has issued Statement No. 90, *Majority equity Interests – an amendment of GASB statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2018.

GASB has issued statement No. 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2020.

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

II. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

(II.) (Continued)

Appropriations established by 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. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year: \$225,181 for prior year encumbrances, \$550,000 for emergency capital project, \$38,000 for Bullet Aid, \$500,000 to reduce debt issuance, \$32,918 for appropriation from repair reserve, \$89,289 for tax certiorari claims, \$6,076 in donations, \$23,070 for insurance reimbursements, and \$18,164 for a rebate.

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

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

B. Encumbrances

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

C. Deficit Net Position

The District-wide net position had a deficit at June 30, 2019 of (\$72,075,358). The deficit is a result of the implementation of GASB 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", which required the recognition of an unfunded liability of \$123,523,605 at June 30, 2019. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

D. Deficit Fund Balance – Capital Projects Fund

The Capital Projects Fund had a deficit unassigned fund balance of \$26,068,306 at June 30, 2019, which is a result of expenses incurred by the additions, renovations, and athletic fields project before receiving financing.

III. Cash and Cash Equivalents

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates

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

Uncollateralized	\$ -
Collateralized within Trust Department or Agent	23,713,904
Total	<u><u>\$ 23,713,904</u></u>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$13,757,687 within the governmental funds and \$37,228 in the fiduciary funds.

IV. Receivables

Receivables at June 30, 2019 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Non-Major Funds</u>	
Accounts Receivable	\$ 606,912	\$ -	\$ 5,104	\$ 612,016
Due From State and Federal	1,196,764	1,559,692	110,834	2,867,290
Due From Other Governments	1,289,489	-	-	1,289,489
Total Receivables	<u><u>\$ 3,093,165</u></u>	<u><u>\$ 1,559,692</u></u>	<u><u>\$ 115,938</u></u>	<u><u>\$ 4,768,795</u></u>

District management has deemed the amounts to be fully collectible.

V. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2019 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 3,967,830	\$ 550,284	\$ 635,766	\$ 822,383
Special Aid Fund	284	2,341,484	191,495	22,542
Debt Service Fund	288	-	-	600,000
Capital Projects Fund	550,000	1,626,634	630,888	13,224
Total	<u>\$ 4,518,402</u>	<u>\$ 4,518,402</u>	<u>\$ 1,458,149</u>	<u>\$ 1,458,149</u>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

VI. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u>			<u>Balance</u>
	<u>7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2019</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 678,197	\$ -	\$ -	\$ 678,197
Work in progress	21,696,624	8,323,126	674,899	29,344,851
<i>Total Nondepreciable</i>	<u>\$ 22,374,821</u>	<u>\$ 8,323,126</u>	<u>\$ 674,899</u>	<u>\$ 30,023,048</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 97,901,888	\$ 80,888	\$ -	\$ 97,982,776
Machinery and equipment	8,889,005	1,064,692	871,867	9,081,830
<i>Total Depreciated Assets</i>	<u>\$ 106,790,893</u>	<u>\$ 1,145,580</u>	<u>\$ 871,867</u>	<u>\$ 107,064,606</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 38,863,046	\$ 2,445,855	\$ -	\$ 41,308,901
Machinery and equipment	6,263,027	580,882	549,801	6,294,108
<i>Total Accumulated Depreciation</i>	<u>\$ 45,126,073</u>	<u>\$ 3,026,737</u>	<u>\$ 549,801</u>	<u>\$ 47,603,009</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 61,664,820</u>	<u>\$ (1,881,157)</u>	<u>\$ 322,066</u>	<u>\$ 59,461,597</u>
Total Capital Assets	<u>\$ 84,039,641</u>	<u>\$ 6,441,969</u>	<u>\$ 996,965</u>	<u>\$ 89,484,645</u>

(VI.) (Continued)

Depreciation expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	
General Government Support	\$ 217,081
Instruction	2,149,093
Pupil Transportation	614,630
School Lunch	45,933
Total Depreciation Expense	<u><u>\$ 3,026,737</u></u>

VII. Short-Term Debt

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

	<u>Original</u>	<u>Maturity</u>	<u>Interest</u>	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>Amount</u>		<u>Rate</u>	<u>7/1/2018</u>			<u>6/30/2019</u>
RAN-Cash Flow	\$ 6,000,000	2019	2.75%	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -
RAN-Cash Flow	\$ 6,000,000	2020	2.25%	-	6,000,000	-	6,000,000
BAN-Construction	\$ 10,000,000	2018	2.00%	10,000,000	-	10,000,000	-
BAN-Construction	\$ 17,160,000	2018	2.00%	17,160,000	-	17,160,000	-
BAN-Construction	\$ 27,160,000	2019	3.00%	-	27,160,000	27,160,000	-
BAN-Construction	\$ 26,295,000	2019	2.00%	-	26,295,000	-	26,295,000
Total Short-Term Debt				<u><u>\$ 33,160,000</u></u>	<u><u>\$ 59,455,000</u></u>	<u><u>\$ 60,320,000</u></u>	<u><u>\$ 32,295,000</u></u>

A summary of the short-term interest expense for the year is as follows:

Interest Paid	\$ 1,353,080
Less: Interest Accrued in the Prior Year	(310,079)
Plus: Interest Accrued in the Current Year	225,758
Total Short-Term Interest Expense	<u><u>\$ 1,268,759</u></u>

VIII. Long-Term Debt Obligations

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

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due Within</u>
	<u>7/1/2018</u>			<u>6/30/2019</u>	<u>One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 28,555,000	\$ -	\$ 4,285,000	\$ 24,270,000	\$ 4,305,000
Installment Purchase Debt	1,008,571	-	94,022	914,549	98,093
Total Bonds and Notes Payable	<u><u>\$ 29,563,571</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,379,022</u></u>	<u><u>\$ 25,184,549</u></u>	<u><u>\$ 4,403,093</u></u>
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 481,643	\$ 587,185	\$ -	\$ 1,068,828	\$ -
OPEB	133,699,809	-	10,176,204	123,523,605	-
Compensated Absences	505,356	-	20,603	484,753	106,995
Total Other Liabilities	<u><u>\$ 134,686,808</u></u>	<u><u>\$ 587,185</u></u>	<u><u>\$ 10,196,807</u></u>	<u><u>\$ 125,077,186</u></u>	<u><u>\$ 106,995</u></u>
Total Long-Term Obligations	<u><u>\$ 164,250,379</u></u>	<u><u>\$ 587,185</u></u>	<u><u>\$ 14,575,829</u></u>	<u><u>\$ 150,261,735</u></u>	<u><u>\$ 4,510,088</u></u>

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

(VIII.) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2019</u>
Serial Bonds -					
Construction	\$ 5,000,000	2013	2026	1.350%-4.375%	\$ 2,375,000
Refunding	\$ 21,890,000	2012	2032	2.000%-4.375%	8,960,000
Construction	\$ 9,945,000	2015	2031	3.0%-5.0%	8,290,000
Buses	\$ 659,000	2015	2020	1.00%-1.85%	140,000
Construction	\$ 1,152,665	2014	2029	2.25%-3.25%	775,000
Refunding	\$ 9,435,000	2012	2022	2.0%-5.0%	2,565,000
Buses	\$ 808,000	2016	2021	1.55%	335,000
Buses	\$ 610,000	2017	2022	1.500%-1.625%	375,000
Buses	\$ 560,000	2018	2023	2.0%-2.1%	455,000
Total Serial Bonds					\$ 24,270,000
Installment Purchase Debt -					
Installment Purchase Debt	\$ 1,438,042	2012	2027	4.33%	\$ 914,549

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Installment Purchase Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 4,305,000	\$ 1,025,153	\$ 98,093	\$ 39,600
2021	4,310,000	858,185	102,341	35,353
2022	4,300,000	676,378	106,772	30,921
2023	2,665,000	490,823	111,395	26,298
2024	1,340,000	392,078	116,219	21,475
2025-29	5,950,000	1,094,063	379,729	33,348
2030-32	1,400,000	91,267	-	-
Total	\$ 24,270,000	\$ 4,627,947	\$ 914,549	\$ 186,995

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$12,130,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2019 was composed of:

Interest Paid	\$ 1,250,039
Less: Interest Accrued in the Prior Year	(78,356)
Plus: Interest Accrued in the Current Year	68,604
Total Long-Term Interest Expense	\$ 1,240,287

IX. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 11,086,872	\$ 2,957,149
OPEB	-	13,518,004
Total	<u>\$ 11,086,872</u>	<u>\$ 16,475,153</u>

X. Pension Plans

A. General Information

The District participates in the New York State Teacher’s Retirement System (TRS) and the New York State and Local Employee’s Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers’ Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System’s website at www.nystrs.org.

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

(X.) (Continued)

C. **Funding Policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2019:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2019	\$ 620,422	\$ 2,056,089

D. **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At June 30, 2019, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Net pension assets/(liability)	\$ (1,068,828)	\$ 1,972,571
District's portion of the Plan's total net pension asset/(liability)	0.015085%	0.109080%

For the year ended June 30, 2019, the District recognized pension expenses of \$719,781 for ERS and \$1,514,078 for TRS. At June 30, 2019 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(X.) (Continued)

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expended and actual experience	\$ 210,475	\$ 1,474,087	\$ 71,748	\$ 267,015
Changes of assumptions	268,660	6,895,431	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	274,320	2,189,705
Changes in proportion and differences between the District's contributions and proportionate share of contributions	67,117	96,310	11,170	143,191
Subtotal	<u>\$ 546,252</u>	<u>\$ 8,465,828</u>	<u>\$ 357,238</u>	<u>\$ 2,599,911</u>
District's contributions subsequent to the measurement date	165,887	1,908,905	-	-
Grand Total	<u>\$ 712,139</u>	<u>\$ 10,374,733</u>	<u>\$ 357,238</u>	<u>\$ 2,599,911</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2019	\$ -	\$ 1,960,347
2020	238,690	1,325,559
2021	(193,936)	124,741
2022	(7,471)	1,320,912
2023	151,731	911,283
Thereafter	-	223,075
Total	<u>\$ 189,014</u>	<u>\$ 5,865,917</u>

E. 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. The actuarial valuations used the following actuarial assumptions:

(X.) (Continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest rate	7.00%	7.25%
Salary scale	4.20%	4.72%-1.90%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.25%
COLA's	1.30%	1.50%

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-2014. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale AA.

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

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
<u>Asset Type -</u>		
Domestic equity	4.55%	5.80%
International equity	6.35%	7.30%
Global equity	0.00%	6.70%
Private equity	7.50%	8.90%
Real estate	5.55%	4.90%
Absolute return strategies *	3.75%	0.00%
Opportunistic portfolios	5.68%	0.00%
Real assets	5.29%	0.00%
Bonds and mortgages	1.31%	0.00%
Cash	-0.25%	0.00%
Inflation-indexed bonds	1.25%	0.00%
Private debt	0.00%	6.80%
Real estate debt	0.00%	2.80%
High-yield fixed income securities	0.00%	3.50%
Domestic fixed income securities	0.00%	1.30%
Global fixed income securities	0.00%	0.90%
Short-term	0.00%	0.30%

(X.) (Continued)

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.3% for TRS.

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

F. Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net 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.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7% for ERS and 7.25% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6% for ERS and 6.25% for TRS) or 1-percentagepoint higher (8% for ERS and 8.25% for TRS) than the current rate:

	1% Decrease (<u>6%</u>)	Current Assumption (<u>7%</u>)	1% Increase (<u>8%</u>)
<u>ERS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (4,673,085)	\$ (1,068,828)	\$ 1,959,004
	1% Decrease (<u>6.25%</u>)	Current Assumption (<u>7.25%</u>)	1% Increase (<u>8.25%</u>)
<u>TRS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (13,551,888)	\$ 1,972,571	\$ 14,977,754

(X.) (Continued)

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Employers' total pension liability	\$ 189,803,429	\$ 118,107,253
Plan net position	182,718,124	119,915,517
Employers' net pension asset/(liability)	<u>\$ (7,085,305)</u>	<u>\$ 1,808,264</u>
Ratio of plan net position to the employers' total pension asset/(liability)	96.27%	101.53%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to \$165,887.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to \$2,056,089.

XI. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

(XI.) (Continued)

Inactive employees or beneficiaries currently receiving benefit payments	433
Active Employees	439
Total	\$ 872

B. Total OPEB Liability

The District's total OPEB liability of \$123,523,605 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Salary Increases	2.6 percent, average, including inflation
Discount Rate	3.5 percent
Healthcare Cost Trend Rates	Initial rate of 6.1 percent decreasing to an ultimate rate of 4.1 percent in over 57 years
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2016.

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	<u>\$ 133,699,809</u>
<u>Changes for the Year -</u>	
Service cost	\$ 5,420,202
Interest	4,118,422
Changes of benefit terms	(1,030,710)
Differences between expected and actual experience	(2,670,655)
Changes in assumptions or other inputs	(12,307,517)
Benefit payments	<u>(3,705,946)</u>
Net Changes	<u>\$ (10,176,204)</u>
Balance at June 30, 2019	<u>\$ 123,523,605</u>

The change reflects material plan changes after the prior year valuation.

(XI.) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	<u>(2.5%)</u>	<u>(3.5%)</u>	<u>(4.5%)</u>
Total OPEB Liability	\$ 146,755,394	\$ 123,523,605	\$ 105,254,770

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	<u>(5.1</u>	<u>(6.1</u>	<u>(7.1</u>
	Decreasing	Decreasing	Decreasing
	<u>to 3.1)</u>	<u>to 4.1)</u>	<u>to 5.1)</u>
Total OPEB Liability	\$ 102,410,679	\$ 123,523,605	\$ 151,406,242

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$6,433,010. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ -	\$ 2,851,489
Changes of assumptions	-	10,666,515
Total	\$ -	\$ 13,518,004

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

Year	
2020	\$ (2,074,904)
2021	(2,074,904)
2022	(2,074,904)
2023	(2,074,904)
2024	(2,074,904)
Thereafter	(3,143,484)
Total	<u>\$ (13,518,004)</u>

XII. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. 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 two years.

B. Workers' Compensation

The District incurs costs related to the Wayne-Finger Lakes Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, of Ontario, Seneca, Yates, Cayuga and Wayne Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Ontario, Seneca, Yates, Cayuga and Wayne Counties BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of Wayne-Finger Lakes BOCES and twenty-two districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid.

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 expenses in the periods in which they are made. During the year ended June 30, 2019, the Geneva City School District, New York incurred premiums or contribution expenditures totaling \$310,097. The District has established a workers' compensation reserve totaling \$1,619,719 as of June 30, 2019.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2018, revealed that the Plan was underfunded.

(XII.) (Continued)

C. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2018-19 fiscal year totaled \$14,692. The balance of the fund at June 30, 2019 was \$238,843 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2019, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XIII. Commitments and Contingencies

A. Litigation

There is an outstanding notice of claim case currently pending. No outcome can be determined at this time.

B. Grants

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

C. Subsequent Events

On July 15, 2019 the District issued \$822,500 in serial bonds for the purchase of buses at an interest rate of 1.875%-2% which matures in 2023.

On July 15, 2019 the District issued a \$4,900,000 bond anticipation note for construction at an interest rate of 2% which matures on July 17, 2020.

XIV. Tax Abatement

The County of Ontario IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced \$1,954,681. The District received payment in lieu of tax (PILOT) payment totaling \$664,163 to help offset the property tax abatement.

Required Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
(Unaudited)
For Year Ended June 30, 2019

TOTAL OPEB LIABILITY			
		<u>2019</u>	<u>2018</u>
Service cost	\$	5,420,202	\$ 5,334,982
Interest		4,118,422	3,957,724
Changes in benefit terms		(1,030,710)	-
Differences between expected and actual experiences		(2,670,655)	(692,551)
Changes of assumptions or other inputs		(12,307,517)	-
Benefit payments		(3,705,946)	(2,957,139)
Net Change in Total OPEB Liability	\$	(10,176,204)	\$ 5,643,016
Total OPEB Liability - Beginning	\$	133,699,809	\$ 128,056,793
Total OPEB Liability - Ending	\$	123,523,605	\$ 133,699,809
Covered Employee Payroll	\$	18,587,858	\$ 18,120,570
Total OPEB Liability as a Percentage of Covered Employee Payroll		664.54%	737.83%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
(Unaudited)
For Year Ended June 30, 2019

NYSERS Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.015085%	0.0149234%	0.0150413%	0.0153670%	0.0157353%
Proportionate share of the net pension liability (assets)	\$ 1,068,828	\$ 481,643	\$ 1,413,310	\$ 2,466,447	\$ 531,576
Covered-employee payroll	\$ 4,536,653	\$ 4,369,415	\$ 4,306,409	\$ 4,162,267	\$ 4,603,607
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	23.560%	11.023%	32.819%	59.257%	11.547%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.109080%	0.1096400%	0.1086990%	0.1063030%	0.1093350%
Proportionate share of the net pension liability (assets)	\$ (1,972,571)	\$ (833,375)	\$ 1,164,215	\$ (11,041,510)	\$ (12,179,182)
Covered-employee payroll	\$ 17,974,625	\$ 17,768,965	\$ 17,362,908	\$ 16,833,816	\$ 16,482,546
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-10.974%	-4.690%	6.705%	-65.591%	-73.891%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
(Unaudited)
For Year Ended June 30, 2019

NYSERS Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 620,422	\$ 619,031	\$ 626,621	\$ 680,263	\$ 784,930
Contributions in relation to the contractually required contribution	<u>(620,422)</u>	<u>(619,031)</u>	<u>(626,621)</u>	<u>(680,263)</u>	<u>(784,930)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,536,653	\$ 4,369,415	\$ 4,306,409	\$ 4,162,267	\$ 4,603,607
Contributions as a percentage of covered-employee payroll	13.68%	14.17%	14.55%	16.34%	17.05%

NYSTRS Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,056,089	\$ 1,911,404	\$ 2,179,770	\$ 2,370,974	\$ 2,778,230
Contributions in relation to the contractually required contribution	<u>(2,056,089)</u>	<u>(1,911,404)</u>	<u>(2,179,770)</u>	<u>(2,370,974)</u>	<u>(2,778,230)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 17,974,625	\$ 17,768,965	\$ 17,362,908	\$ 16,833,816	\$ 16,482,546
Contributions as a percentage of covered-employee payroll	11.44%	10.76%	12.55%	14.08%	16.86%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
(Unaudited)
For Year Ended June 30, 2019

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 19,467,849	\$ 16,754,840	\$ 16,581,729	\$ (173,111)
Real property tax items	771,860	3,484,869	3,478,767	(6,102)
Charges for services	17,000	17,000	31,334	14,334
Use of money and property	88,125	88,125	138,506	50,381
Sale of property and compensation for loss	10,000	33,070	59,157	26,087
Miscellaneous	367,000	391,240	447,234	55,994
State Sources -				
Basic formula	29,875,523	29,875,523	26,162,064	(3,713,459)
Lottery aid	-	-	3,737,698	3,737,698
BOCES	2,000,000	2,000,000	2,409,905	409,905
Textbooks	190,000	190,000	126,976	(63,024)
All Other Aid -				
Computer software	43,000	43,000	69,810	26,810
Library loan	-	-	14,287	14,287
Other aid	-	38,000	88,000	50,000
Federal Sources	<u>100,000</u>	<u>100,000</u>	<u>259,591</u>	<u>159,591</u>
TOTAL REVENUES	<u>\$ 52,930,357</u>	<u>\$ 53,015,667</u>	<u>\$ 53,605,058</u>	<u>\$ 589,391</u>
Other Sources -				
Transfer - in	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 635,766</u>	<u>\$ 35,766</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 53,530,357</u>	<u>\$ 53,615,667</u>	<u>\$ 54,240,824</u>	<u>\$ 625,157</u>
Appropriated reserves	<u>\$ 1,110,000</u>	<u>\$ 1,232,202</u>		
Appropriated fund balance	<u>\$ 750,000</u>	<u>\$ 1,800,001</u>		
Prior year encumbrances	<u>\$ 225,180</u>	<u>\$ 225,180</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u><u>\$ 55,615,537</u></u>	<u><u>\$ 56,873,050</u></u>		

Required Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
(Unaudited)
For Year Ended June 30, 2019

	Original	Amended	Current		Unencumbered
	<u>Budget</u>	<u>Budget</u>	Year's	<u>Encumbrances</u>	<u>Balances</u>
			<u>Expenditures</u>		
EXPENDITURES					
General Support -					
Board of education	\$ 15,150	\$ 19,128	\$ 16,640	\$ -	\$ 2,488
Central administration	262,350	262,350	256,045	118	6,187
Finance	642,950	635,611	614,987	-	20,624
Staff	513,503	528,294	442,976	204	85,114
Central services	3,602,539	3,817,280	3,244,044	6,200	567,036
Special items	522,500	629,497	584,820	-	44,677
Instructional -					
Instruction, administration and improvement	1,849,392	1,836,063	1,591,773	323	243,967
Teaching - regular school	13,072,584	12,798,669	12,090,331	164,410	543,928
Programs for children with handicapping conditions	8,532,200	9,040,507	8,823,980	372	216,155
Occupational education	665,000	665,000	614,988	-	50,012
Teaching - special schools	20,000	30,000	23,122	-	6,878
Instructional media	1,406,537	1,743,714	1,593,588	30,082	120,044
Pupil services	2,127,104	2,333,079	2,018,090	822	314,167
Pupil Transportation	1,901,564	1,942,092	1,553,916	-	388,176
Community Services	35,775	39,292	38,692	-	600
Employee Benefits	13,088,360	11,863,837	11,498,390	-	365,447
Debt service - principal	4,744,022	5,244,022	5,244,022	-	-
Debt service - interest	2,414,007	2,603,120	2,603,119	-	1
TOTAL EXPENDITURES	<u>\$ 55,415,537</u>	<u>\$ 56,031,555</u>	<u>\$ 52,853,523</u>	<u>\$ 202,531</u>	<u>\$ 2,975,501</u>
Other Uses -					
Transfers - out	\$ 200,000	\$ 841,495	\$ 822,383	\$ -	\$ 19,112
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 55,615,537</u>	<u>\$ 56,873,050</u>	<u>\$ 53,675,906</u>	<u>\$ 202,531</u>	<u>\$ 2,994,613</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564,918</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>13,902,542</u>	<u>13,902,542</u>	<u>13,902,542</u>		
FUND BALANCE, END OF YEAR	<u>\$ 13,902,542</u>	<u>\$ 13,902,542</u>	<u>\$ 14,467,460</u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For Year Ended June 30, 2019

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		\$ 55,390,357
Prior year's encumbrances		225,181
		225,181
Original Budget		\$ 55,615,538
Budget revisions -		
Insurance reimbursements		23,070
Donations		6,076
Tax settlement		89,289
Use of building reserve		32,913
Bullet aid		38,000
Emergency project - Gambee Rd		550,000
Transfer from debt service for BAN		500,000
NYSEG rebate		18,164
		18,164
FINAL BUDGET		\$ 56,873,050

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2019-20 voter approved expenditure budget		\$ 56,592,114
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 802,531	
Unassigned fund balance	2,263,685	
Total Unrestricted fund balance	\$ 3,066,216	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 600,000	
Encumbrances included in assigned fund balance	202,531	
Total adjustments	\$ 802,531	
General fund fund balance subject to Section 1318 of Real Property Tax Law		2,263,685
ACTUAL PERCENTAGE		4.00%

Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For Year Ended June 30, 2019

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing		Fund Balance
			Prior Years	Current Year	Total		Local Sources	Total	
Additions, Renovations & Athletic	\$ 29,160,000	\$ 29,160,000	\$ 21,609,847	\$ 6,729,448	\$ 28,339,295	\$ 820,705	\$ 2,865,000	\$ 2,865,000	\$ (25,474,295)
Univents - NSS 2018	100,000	100,000	86,776	13,224	100,000	-	100,000	100,000	-
Capital Improvement Phase IV	6,000,000	6,000,000	-	918,170	918,170	5,081,830	1,100,000	1,100,000	181,830
Univents - NSS 2019	100,000	100,000	-	80,888	80,888	19,112	80,888	80,888	-
Gambee Road Emergency Project	550,000	550,000	-	609	609	549,391	550,000	550,000	549,391
2018-19 Bus Purchases	822,500	822,500	-	594,011	594,011	228,489	-	-	(594,011)
TOTAL	\$ 36,732,500	\$ 36,732,500	\$ 21,696,623	\$ 8,336,350	\$ 30,032,973	\$ 6,699,527	\$ 4,695,888	\$ 4,695,888	\$ (25,337,085)

Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2019

	<u>Special</u> <u>Revenue Fund</u>		<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Lunch</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	
ASSETS			
Cash and cash equivalents	\$ 210,059	\$ 2,561,445	\$ 2,771,504
Receivables	115,938	-	115,938
Inventories	79,197	-	79,197
Due from other funds	-	288	288
TOTAL ASSETS	<u>\$ 405,194</u>	<u>\$ 2,561,733</u>	<u>\$ 2,966,927</u>
 LIABILITIES AND FUND BALANCES			
<u>Liabilities</u> -			
Accrued liabilities	\$ 2,985	\$ -	\$ 2,985
Due to other governments	618	-	618
Unearned revenue	4,418	-	4,418
TOTAL LIABILITIES	<u>\$ 8,021</u>	<u>\$ -</u>	<u>\$ 8,021</u>
 <u>Fund Balances</u> -			
Nonspendable	\$ 79,197	\$ -	\$ 79,197
Restricted	-	2,561,733	2,561,733
Assigned	317,976	-	317,976
TOTAL FUND BALANCE	<u>\$ 397,173</u>	<u>\$ 2,561,733</u>	<u>\$ 2,958,906</u>
 TOTAL LIABILITIES AND			
FUND BALANCES	<u>\$ 405,194</u>	<u>\$ 2,561,733</u>	<u>\$ 2,966,927</u>

Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Year Ended June 30, 2019

	<u>Special Revenue Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch Fund</u>	<u>Debt Service Fund</u>	
REVENUES			
Use of money and property	\$ 156	\$ 29,521	\$ 29,677
Sale of property and compensation for loss	10,084	-	10,084
Miscellaneous	2,212	-	2,212
State sources	32,571	-	32,571
Federal sources	1,417,065	-	1,417,065
Sales	110,815	-	110,815
Premium on obligations issued	-	426,013	426,013
TOTAL REVENUES	<u>\$ 1,572,903</u>	<u>\$ 455,534</u>	<u>\$ 2,028,437</u>
EXPENDITURES			
Employee benefits	\$ 282,840	\$ -	\$ 282,840
Cost of sales	624,897	-	624,897
Other expenses	527,689	-	527,689
TOTAL EXPENDITURES	<u>\$ 1,435,426</u>	<u>\$ -</u>	<u>\$ 1,435,426</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 137,477</u>	<u>\$ 455,534</u>	<u>\$ 593,011</u>
OTHER FINANCING SOURCES (USES)			
Transfers - out	\$ -	\$ (600,000)	\$ (600,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ (600,000)</u>	<u>\$ (600,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 137,477</u>	<u>\$ (144,466)</u>	<u>\$ (6,989)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>259,696</u>	<u>2,706,199</u>	<u>2,965,895</u>
FUND BALANCE, END OF YEAR	<u>\$ 397,173</u>	<u>\$ 2,561,733</u>	<u>\$ 2,958,906</u>

Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
For Year Ended June 30, 2019

Capital assets, net		\$ 89,484,645
Deduct:		
Bonds payable	\$ 24,270,000	
Assets purchased with short-term financing	26,068,306	
Installment purchase debt	<u>914,550</u>	
		<u>51,252,856</u>
Net Investment in Capital Assets		<u><u>\$ 38,231,789</u></u>

Supplementary Information
GENEVA CITY SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended June 30, 2019

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-19-0666	\$ 652,693
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-18-0666	400
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-19-0666	31,929
Total Special Education Cluster IDEA				\$ 685,022
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-19-2185	130,235
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-18-2185	13,712
Title IIIA, ELL	84.365	N/A	0293-19-2185	20,247
Title IIIA, LEP	84.365	N/A	0293-18-9185	19,372
Title IIIA, Displaced ELLS	84.365	N/A	0154-18-2185	32,174
Title V - rural and Low Income Schools	84.358	N/A	0006-19-2185	23,562
21st Century Community Learning Centers	84.287	N/A	0187-19-7083	968,402
22nd Century Community Learning Centers	84.287	N/A	0187-18-7083	1,184
Math and Science Partnership	84.366	N/A	0294-19-0331	80,251
Title IV - SSAE all	84.048	N/A	0204-19-2185	49,813
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-19-2185	929,505
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-18-2185	100,659
Title I - Grants to Local Educational Agencies	84.010	N/A	0011-19-2072	10,000
Title I - Grants to Local Educational Agencies	84.010	N/A	0011-18-2058	132,462
Total U.S. Department of Education				\$ 3,196,600
<u>U.S. Department of Health and Human Services:</u>				
<u>Direct Program:</u>				
Headstart	93.600	N/A	02CH 010 16701	\$ 37,898
Headstart	93.600	N/A	02CH 010 16701	1,228,878
Total U.S. Department of Health and Human Services				\$ 1,266,776
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department (Child Nutrition Services) -</u>				
Food Service Equipment Assistance Grant	10.579	N/A	0005-18-0001	\$ 19,999
<u>Passed Through NYS Education Department -</u>				
<u>Child Nutrition Cluster -</u>				
National School Lunch Program	10.555	N/A	N/A	\$ 950,606
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	N/A	105,577
National School Snack Program	10.555	N/A	N/A	38,566
National Summer Food Service program	10.559	N/A	N/A	33,809
National School Breakfast Program	10.553	N/A	N/A	288,507
Total Child Nutrition Cluster				\$ 1,417,065
Total U.S. Department of Agriculture				\$ 1,437,064
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 5,900,440

**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***

Independent Auditors' Report

To the Board of Education
Geneva City School District, 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 Geneva City School District, New York, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Geneva City School District, New York's basic financial statements, and have issued our report thereon dated September 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Geneva City School District, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Geneva City School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Geneva City School District, New York'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 Geneva City School District, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Rochester, New York
September 20, 2019

FORM OF BOND COUNSEL'S OPINION – BOND ANTICIPATION NOTES

LAW OFFICES

OF

*Timothy R. McGill*248 WILLOWBROOK OFFICE PARK
FAIRPORT, NEW YORK 14450Kristine M. Bryant
ParalegalTel: (585) 381-7470
Fax: (585) 381-7498

June 25, 2020

Board of Education of the
City School District of the City of Geneva
Ontario County, New YorkRe: ***City School District of the City of Geneva***
\$25,130,000 Bond Anticipation Notes, 2020 (Renewals)

Dear Board Members:

I have examined a record of proceedings relating to the issuance of \$25,130,000 principal amount Bond Anticipation Notes, 2020 (Renewals) of the City School District of the City of Geneva, a school district of the State of New York. The Notes are [registered to _____/in book-entry-only form registered to “Cede & Co.,”] dated June 25, 2020, are numbered 2020B-1, bears interest at the rate of _____ per centum (____%) per annum payable at maturity, mature June 25, 2021 and are issued pursuant to the Local Finance Law of the State of New York and Bond Resolutions adopted by the Board of Education of the City School District of the City of Geneva on October 29, 2015. The propositions approving the matters set forth in the bond resolutions were approved by the voters of the District on December 16, 2015. The Notes are not subject to redemption prior to maturity. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the City School District of the City of Geneva, and the School District has the power and is obligated to levy ad valorem taxes upon all taxable real property within the School District for the payment of the Notes and interest thereon without limitation as to rate or amount, subject to applicable statutory limitations.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me 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 I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Note 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Note for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, sufficiency, completeness or fairness of the Official Statement or any factual information contained therein or any additional proceedings, reports, correspondence, financial statements or other documents containing financial or other information relative to the School District or the financed project and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, 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. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the School District, or (ii) on the market price and fair market value of the Bonds at initial issuance or at any time thereafter.

LAW OFFICES
OF

Timothy R. McGill

Board of Education of the
City School District of the City of Geneva
June 25, 2020

Page 2

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes under Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Notes is not an item of tax preference for purposes of the Federal alternative minimum tax. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Notes. Further, in my opinion, interest on the Notes is exempt from New York State and New York City personal income taxes under existing statutes.

Very truly yours,

Timothy R. McGill, Esq.

TRM:

FORM OF BOND COUNSEL’S OPINION – REVENUE ANTICIPATION NOTES

LAW OFFICES

OF

*Timothy R. McGill*248 WILLOWBROOK OFFICE PARK
FAIRPORT, NEW YORK 14450Kristine M. Bryant
ParalegalTel: (585) 381-7470
Fax: (585) 381-7498

June 23, 2020

Board of Education of the
City School District of the City of Geneva
Ontario County, New YorkRe: *City School District of the City of Geneva*
\$7,000,000 Revenue Anticipation Notes, 2020

Dear Board Members:

I have examined a record of proceedings relating to the issuance of \$7,000,000 principal amount Revenue Anticipation Note, 2020 of the City School District of the City of Geneva, a school district of the State of New York. The Note is [registered to _____/in book-entry-only form registered to “Cede & Co.,”] dated June 23, 2020, is numbered 2020A-1, bears interest at the rate of _____ per centum (____%) per annum payable at maturity, matures June 23, 2021 and is issued pursuant to the Local Finance Law of the State of New York and a Revenue Anticipation Note Resolution adopted by the Board of Education of the City School District of the City of Geneva on April 14, 2020. The Note is not subject to redemption prior to maturity.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors’ rights, the Note is a valid and legally binding obligation of the City School District of the City of Geneva, and the School District has the power and is obligated to levy ad valorem taxes upon all taxable real property within the School District for the payment of the Note and interest thereon without limitation as to rate or amount, subject to applicable statutory limitations.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me 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 I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Note 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Note for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, sufficiency, completeness or fairness of the Official Statement or any factual information contained therein or any additional proceedings, reports, correspondence, financial statements or other documents containing financial or other information relative to the School District or the financed project and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, 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. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the School District, or (ii) on the market price and fair market value of the Bonds at initial issuance or at any time thereafter.

LAW OFFICES
OF

Timothy R. McGill

Board of Education of the
City School District of the City of Geneva
June 23, 2020

Page 2

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Note in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Note is excludable from gross income for Federal income tax purposes under Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Note is not an item of tax preference for purposes of the Federal alternative minimum tax. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Note. Further, in my opinion, interest on the Note is exempt from New York State and New York City personal income taxes under existing statutes.

Very truly yours,

Timothy R. McGill, Esq.

TRM: