PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 4, 2022

NEW ISSUE **BOND ANTICIPATION NOTES**

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

The Notes will be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

$4,900,000

LYNCOURT UNION FREE SCHOOL DISTRICT

ONONDAGA COUNTY, NEW YORK

GENERAL OBLIGATIONS

$4,900,000 Bond Anticipation Notes, 2022

(the "Notes")

Dated: August 18, 2022 **Due: August 18, 2023**

The Notes are general obligations of the Lyncourt Union Free School District, Onondaga County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

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

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. 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 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 Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon by the purchaser(s), on or about August 18, 2022.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on August 11, 2022 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or 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.

August 4, 2022

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

LYNCOURT UNION FREE SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK

2022-2023 BOARD OF EDUCATION

DR. LAWRENCE SALAMINO
President

DAVID FLORCZYK
Vice President

KIMBERLY VESPI
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*   *   *   *   *

ADMINISTRATION

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Superintendent of Schools

CATHYRN MARCHESE
School Business Administrator

BETH T. McDONOUGH
Treasurer

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

LYNCOURT UNION FREE SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK

Relating To

$4,900,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Lyncourt Union Free School District, Onondaga County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $4,900,000 principal amount of Bond Anticipation Notes, 2022 (the "Notes").

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

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

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

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 "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated August 18, 2022 and will mature, without option of prior redemption, on August 18, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder; or (ii) at the option of the purchaser, 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. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The 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 and a bond resolution authorizing a capital improvement project at a maximum estimated cost of $6,400,000 which was approved by the Board of Education on January 12, 2021 authorizing the issuance of $4,900,000 bonds and notes in anticipation thereof and the use of $1,500,000 capital reserve monies to undertake a capital improvement project consisting of renovations, improvements and the construction of an approximately 5,000 square foot addition to the District's existing school building.

The proceeds of the Notes will provide new monies in the amount of $4,900,000 for the abovementioned purpose.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

In addition, the Court of Appeals in the <u>Flushing National Bank</u> (1976) case has held that the payment of debt service on outstanding general obligation Notes 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 Noteholders 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 Notes 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 Note or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 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.

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. Principal and interest 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 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 bearer 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 School District is located in the central part of New York State located in Onondaga County and headquartered in the Town of Salina. Many residents work in the City of Syracuse which is coterminous to the School District. Major highways bisecting the District include State Routes #5 and #11. In close proximity to the School District are Interstate 90 (the New York State Thruway) and Interstate 81 providing east-west and north-south access.

The School District is primarily residential and industrial in nature. Gas and electric services are prepared by National Grid. Sewer and water services are available to residents by the City of Syracuse and O.C.W.A.

Banking services are provided to the School District by JPMorgan Chase Bank located in the City of Syracuse.

Population

The current estimated population of the District is 3,686. (Source: 2020 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The figures set below with respect to the Town and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Town or the County is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Town of:						
Salina	$ 21,839	$ 25,864	$ 33,968	$ 49,394	$ 57,883	$ 62,946
County of:						
Onondaga	21,336	27,037	34,600	38,816	65,929	71,545
State of:						
New York	23,389	30,948	40,898	51,691	67,405	71,419

Note: 2017-2021 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 2016-2020 American Community Survey data.

Unemployment Rate Statistics

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

	Annual Average						
	2015	2016	2017	2018	2019	2020	2021
Onondaga County	4.9%	4.5%	4.7%	4.0%	3.8%	8.4%	4.9%
New York State	5.3%	4.8%	4.6%	4.1%	3.8%	9.9%	6.9%

	2022 Monthly Figures							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Onondaga County	3.8%	4.0%	3.7%	3.2%	3.1%	3.8%	N/A	N/A
New York State	5.3%	5.1%	4.7%	4.2%	4.1%	5.3%	N/A	N/A

Note: Unemployment rates for the months of July and August of 2022 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 School District, consists of five members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other district offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

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 2021-2022 fiscal year was approved by qualified voters on May 18, 2021 by a vote of 66 to 17. The budget for the 2021-2022 fiscal year remained within the Tax Cap Imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.85%, which was equal to the District's tax levy limit of 1.85%.

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 86 to 29. The budget for the 2022-2023 fiscal year remains within the Tax Cap Imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.18%, which was equal to the District's tax levy limit of 3.18%.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 46.41% of the revenues of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal Aid Received by the State

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

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. The District expects to receive $1,804,961 in funds from the American Rescue Plan.

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2022-2023 preliminary building aid ratios, the District State Building aid of approximately 94.5% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School District Fiscal Year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School District Fiscal Year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

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

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

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

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date, but see "*School district fiscal year (2020-2021)*" herein.

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

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

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 figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-17	$9,531,240	$3,403,520	35.71%
2017-18	9,736,246	3,505,755	36.01
2018-19	10,198,830	3,872,475	37.97
2019-20	10,717,483	4,145,203	38.68
2020-21	11,089,070	3,967,888	35.78
2021-22 (Budgeted)	12,060,000	4,954,705	41.80
2021-22 (Unaudited)	13,019,135	4,876,117	37.45
2022-23 (Budgeted)	13,350,000	6,196,300	46.41

Source: 2017 through 2021 audited financial statements and 2021-2022 unaudited figures and 2021-2022 and 2022-2023 adopted budgets of the District. This table is not audited.

School Facilities

Name	Grades	Year(s) Built / Additions
Lyncourt UFSD Building	K-8	1932, ’50, ’65, 07

Source: School District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2017-18	410	2022-23	420
2018-19	411	2023-24	412
2019-20	409	2024-25	418
2020-21	419	2025-26	414
2021-22	415	2026-27	420

Source: School District officials.

Employees

The District employs approximately 82 full-time and 5 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Number	Union	Contract Expiration Date
59	Lyncourt Teachers’ Association	June 30, 2023
20	Service Employee International Union	June 30, 2023
8	Confidential Administration	June 30, 2023

Source: School District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2021-22 and 2022-23 fiscal years along with unaudited figures for the 2021-22 fiscal year are as follows:

Fiscal Year	ERS	TRS
2016-17	$ 76,701	$ 449,408
2017-18	70,863	419,787
2018-19	66,412	350,493
2019-20	69,459	354,138
2020-21	79,285	402,965
2021-22 (Budgeted)	87,500	407,076
2021-22 (Unaudited)	79,285	370,050
2022-23 (Budgeted)	68,532	413,831

Source: School District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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

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

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

Year	ERS	TRS
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 is not participating in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State’s 2019-2020 Enacted Budget, 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. As of May 2019, the District has established such reserve fund and contributed $160,004 as of June 30, 2022.

Retirement System Assumptions. The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School 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 School 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.

While the School District is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

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.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

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The District contracted with an Armory Associates, LLC to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2020 and 2021. The following table outlines the changes to the Total OPEB Liability during 2020 and 2021 fiscal years, by source.

	June 30, 2020	June 30, 2021
Balance beginning at:	$ 20,487,755	$ 20,463,308
Changes for the year:		
Service cost	768,243	697,468
Interest on total OPEB liability	814,495	732,869
Changes in Benefit Terms	(908,963)	-
Differences between expected and actual experience	-	(898,517)
Changes in Assumptions or other inputs	(279,001)	5,055,420
Benefit payments	(419,221)	(443,340)
Net Changes	$ (24,447)	$ 5,143,900
Balance ending at:	June 30, 2020	June 30, 2021
	$ 20,463,308	**$ 25,607,208**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX - D" attached hereto.

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.

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.

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. 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 bonds and notes are to be issued is the Education Law and 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 Continuing Disclosure Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and has been filed with the Electronic Municipal Market Access ("EMMA") website. The audit report for the fiscal year end June 30, 2022 is not yet available as of this Official Statement. It is also attached hereto as APPENDIX-D to this Official Statement. Certain financial information of the School District can also be found attached as Appendices to the Official Statement.

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

Beginning with the fiscal year ending June 30, 2003 the School District was required to issue 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. The District is in full compliance with GASB Statement No. 34.

Unaudited Results for Fiscal Year Ending June 30, 2022:

The District expects to end the fiscal year ending June 30, 2022 with an unassigned fund balance of $618,003.

Summary unaudited information for the General Fund for the period ending June 30, 2022 is as follows:

Revenues:	$13,019,135
Expenditures:	$12,603,460
Excess Revenues Over Expenditures:	$ 415,675
Total Fund Balance at June 30, 2021:	$1,395,420
Total Fund Balance at June 30, 2022:	$1,111,095

New York State Comptroller Reports of Examination

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

The most recent State Comptroller audit report of the District dated February 5, 2021 was to assess the District's financial condition for the period July 1, 2018 through March 13, 2020. Key findings and recommendations of the audit report are summarized below:

Key Findings
- Disabled 17 of the 113 network user accounts we examined. The 17 user accounts were unneeded and included generic, shared and former employee accounts.
- Revoked permissions for eight of the 12 network user accounts with administrative permissions because the permissions were unneeded.

Key Recommendations
- Evaluate all network user accounts to ensure unneeded network user accounts are disabled.
- Assess all network user accounts with administrative permissions and remove unneeded permissions.
- Develop a comprehensive written disaster recovery plan

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The classification of the District for the 2019 through 2021 are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	6.7
2020	No Designation	6.7
2019	No Designation	6.7

Note: The State Comptroller's assessment of the District for fiscal year ending June 30, 2022 is not available as of the date of this Continuing Disclosure Statement.

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

TAX INFORMATION

Taxable Assessed Valuations

Years Ending June 30:	2018	2019	2020	2021	2022
Assessed Valuation					
Town of Salina	$ 172,217,596	$ 189,537,394	$ 176,299,002	$192,396,411	$ 208,044,656
State Equalization Rate					
Town of Salina	100.00%	100.00%	100.00%	100.00%	100.00%
Taxable Full Valuation	$ 172,217,596	$ 189,537,394	$ 176,299,002	$192,396,411	$ 208,044,656

Tax Rate Per $1,000 (Assessed)

Years Ending June 30:	2018	2019	2020	2021	2022
Town of Salina	$ 31.62	$ 29.46	$ 33.54	$ 32.25	$ 30.38

Tax Collection Procedure

Real property tax payments are due September 1 of each year. There is no penalty charge for the first thirty-four days after taxes are due, but a 2% penalty for the next twenty-seven days. On November 15th, uncollected taxes are returnable to the County tax enforcement officer who is required to enforce collection of such unpaid taxes. The District receives the uncollected balance of its tax levy in full from the County before the end of the school year. Responsibility for the collection of unpaid taxes rests with the County.

Tax Collection Record

Years Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 5,445,872	$ 5,583,344	$ 5,917,786	$ 6,208,518	$ 6,323,138
Amount Uncollected	260,746	778,298	338,976	267,387	254,858
% Uncollected (1)	4.8%	13.8%	5.7%	4.3%	4.7%

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.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 9,531,240	$ 5,922,744	62.14%
2017-2018	9,736,246	6,013,577	61.76
2018-2019	10,198,830	6,108,057	59.89
2019-2020	10,717,483	6,426,445	59.96
2020-2021	11,089,070	5,154,280	46.48
2021-2022 (Budgeted)	12,060,000	6,323,138	52.43
2021-2022 (Unaudited)	13,019,135	5,334,680	40.97
2022-2023 (Budgeted)	13,350,000	5,535,887	41.45

Source: 2016-2017 through 2020-2021 audited financial statements and 2021-2022 unaudited figures and 2021-2022 and 2022-2023 adopted budgets of the District. This table is not audited.

Larger Taxpayers 2021 for 2021-22 Tax Roll

Name	Type	Taxable Assessed Valuation
National Grid	Utility	$16,126,904
Shop City PW/LB LLC	Shopping Center	6,250,000
108 Brook Manor LLC	Apartment	4,080,000
SIP Syracuse LLC	Manufacturing	3,500,000
National Grid	Utility	3,146,316
CSX Transportation Inc.	Railroad	2,352,437
Amparit Industries LLC	Manufacturing	1,700,000
2301 Teall Avenue LLC	Manufacturing	1,310,000
108 Brook Manor LLC	Apartment	1,152,000
2700 Court Street LLC	Apartment	914,900

The larger taxpayers listed above have a total estimated assessed valuation of $40,532,557 which represents 19.48% of the tax base of the School District.

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

Source: School District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020-21 and $90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2020-21 school year and $70,700 for the 2021-22 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Salina	$ 74,900	$ 30,000	4/7/2022

$987,998 of the District's $6,323,138 school tax levy for the 2021-2022 fiscal year was exempt by the STAR Program. The District expects to receive reimbursement of such exempt taxes from the State by January 2022.

A similar amount of the District's school tax levy for 2022-23 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2023.

Additional Tax Information

Real property located in the School District is assessed by the Town of Salina.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-71%, Commercial-20% and Industrial-1% and Exempt – 8%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the School District is approximately $4,211 including Counties, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

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

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF THE OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See "TAX LEVY LIMITATION LAW" herein.

Statutory Procedure

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

Debt Limit. The School District has the power to contract indebtedness for any School District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

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

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

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

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. See "THE NOTES – Nature of the Obligation" and "TAX INFORMATION - Tax Levy Limitation Law" herein.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
Bonds	$ 4,625,000	$ 4,105,000	$ 3,555,000	$ 2,990,000	$ 2,395,000
Bond Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 4,625,000	$ 4,105,000	$ 3,555,000	$ 2,990,000	$ 2,395,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 4, 2022.

Type of Indebtedness	Maturity		Amount
Bonds	2023-2033		$ 2,395,000
Bond Anticipation Notes	---		0
		Total Indebtedness	$ 2,395,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 4, 2022:

Full Valuation of Taxable Real Property			$ 208,044,656
Debt Limit 10% thereof			20,804,465
Inclusions:			
Bonds	$ 2,395,000		
Bond Anticipation Notes	0		
Principal of this Issue	4,900,000		
Total Inclusions		$	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 7,295,000	
Total Net Indebtedness			$ 7,295,000
Net Debt-Contracting Margin			$ 13,509,465
The percent of debt contracting power exhausted is			35.06%

(1) Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 94.5% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

On December 8, 2020, District voters approved a $6.4 million capital improvement project. The project will be funded with the use of $1.5 million of capital reserve funds and the issuance of serial bonds in the aggregate principal amount of $4.9 million.

The proceeds of the Notes will provide new monies in the amount of $4,900,000 for the abovementioned purpose.

The District has no authorized and unissued indebtedness for capital or other purposes.

Cash Flow Borrowings

The School District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past and has no future plans to do so.

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 close of the 2022 fiscal year of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Onondaga	12/31/2020	$ 679,436,304	$ 293,976,171	$ 385,460,133	0.68%	$ 2,621,129
Town of:						
Salina	12/31/2020	23,398,376	-	23,398,376	11.09%	2,594,880
					Total:	$ 5,216,009

(1) Bonds and bond anticipation notes as of close of 2020 fiscal year. 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 2021 Comptroller's Special Report is currently unavailable as of the date of this Official Statement.

Source: Most recent available official statement of the municipality obtained from EMMA.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of August 4, 2022:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 7,295,000	$ 1,979.11	3.51%
Net Indebtedness Plus Net Overlapping Indebtedness [d]............	12,511,009	3,394.20	6.01

(a) The 2020 estimated population of the District is 3,686. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for 2022 is $208,044,656. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $5,216,009. (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

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State 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 District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District 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 District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (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 District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

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

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

CONTINUING DISCLOSURE COMPLIANCE

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 Notice of Material Events Certificate, the form of which is attached hereto as "APPENDIX C – MATERIAL EVENT NOTICES".

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.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the 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. A copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 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.

LEGAL MATTERS

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

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, 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.

MUNICIPAL ADVISOR

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

RATING

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

The District does not currently have an underlying rating on any of its outstanding general obligation serial bonds, nor an issuer credit rating with S&P Global Ratings or Moody's Investors Service.

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 outstanding bonds.

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District 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", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

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.

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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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. Cathryn Marchese, School Business Administrator, 2709 Court Street, Syracuse, New York 13208 telephone (315) 455-7571 Opt 3, 1, fax (315) 455-7573 email cmarchese@lyncourtschool.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

LYNCOURT UNION FREE SCHOOL DISTRICT

Dated: August 4, 2022

LAWRENCE SALAMINO
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Unrestricted Cash	$ 3,158,890	$ 2,855,761	$ 2,761,424	$ 2,361,931	$ 2,499,777
Restricted Cash	2,164,654	2,419,497	2,371,927	2,311,160	2,068,026
Due from Other Governments	173,301	153,219	182,454	218,048	196,493
Due from Other Funds	319,236	438,067	412,233	533,444	700,290
State and Federal Aid	92,312	117,954	112,412	184,246	126,184
Other Receivables	(3,276)	19,940	-	-	(3,556)
Prepaid Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 5,905,117	$ 6,004,438	$ 5,840,450	$ 5,608,829	$ 5,587,214
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 252,526	$ 245,446	$ 349,032	$ 216,088	$ 228,669
Accrued Liabilities	314,577	326,501	353,375	413,941	437,832
Other Liabilities	-	-	-	-	1,180
Due to Other Funds	-	-	-	-	-
Compensated Absences	771,378	810,231	873,971	844,108	928,535
Due to Retirement System	439,885	367,330	418,245	375,141	426,788
Deferred Revenues	-	-	1,559	3,469	-
TOTAL LIABILITIES	$ 1,778,366	$ 1,749,508	$ 1,996,182	$ 1,852,747	$ 2,023,004
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	2,164,654	2,419,498	2,371,927	2,311,160	2,068,026
Assigned	601,932	546,990	511,525	475,575	100,764
Unassigned	1,360,165	1,288,442	960,816	969,346	1,395,420
TOTAL FUND EQUITY	$ 4,126,751	$ 4,254,930	$ 3,844,268	$ 3,756,081	$ 3,564,210
TOTAL LIABILITIES and FUND EQUITY	$ 5,905,117	$ 6,004,438	$ 5,840,450	$ 5,608,828	$ 5,587,214

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 5,922,744	$ 6,013,577	$ 6,108,057	$ 6,426,445	$ 5,154,280
Other Tax Items	10,536	11,768	13,109	12,934	1,518,323
Charges for Services	179	497	681	2,130	-
Use of Money & Property	22,879	35,437	40,319	14,316	1,726
Sale of Property and Compensation for Loss	-	5,505	560	1,068	-
Miscellaneous	95,915	75,416	86,664	66,181	192,626
Interfund Revenues	15,000	20,000	-	-	40,000
Revenues from State Sources	3,403,520	3,505,755	3,872,475	4,145,203	3,967,888
Revenues from Federal Sources	53,431	68,291	74,965	49,206	214,227
Total Revenues	$ 9,524,204	$ 9,736,246	$ 10,196,830	$ 10,717,483	$ 11,089,070
Other Sources:					
Interfund Transfers	7,036	-	2,000	-	-
Total Revenues and Other Sources	$ 9,531,240	$ 9,736,246	$ 10,198,830	$ 10,717,483	$ 11,089,070
EXPENDITURES					
General Support	$ 1,083,757	$ 1,191,079	$ 1,249,770	$ 1,219,793	$ 1,275,938
Instruction	4,633,319	4,952,691	5,508,025	5,748,741	5,672,358
Pupil Transportation	502,927	512,652	623,222	561,545	606,543
Community Services	25,605	26,373	27,164	27,978	12,992
Employee Benefits	2,160,567	2,063,942	2,339,726	2,350,598	2,478,509
Debt Service	764,775	703,883	748,594	741,587	733,581
Total Expenditures	$ 9,170,950	$ 9,450,620	$ 10,496,501	$ 10,650,242	$ 10,779,921
Other Uses:					
Interfund Transfers	22,730	157,447	112,988	180,429	501,020
Total Expenditures and Other Uses	$ 9,193,680	$ 9,608,067	$ 10,609,489	$ 10,830,671	$ 11,280,941
Excess (Deficit) Revenues Over Expenditures	337,560	128,179	(410,659)	(113,188)	(191,871)
FUND BALANCE					
Fund Balance - Beginning of Year	3,789,191	4,126,751	4,254,930	3,844,268	3,756,081
Prior Period Adjustments (net)	-	-	(3)	25,001	-
Fund Balance - End of Year	$ 4,126,751	$ 4,254,930	$ 3,844,268	$ 3,756,081	$ 3,564,210

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2021			2022	2023
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 6,670,173	$ 5,165,419	$ 5,154,280	$ 6,323,138	$ 6,524,345
Other Tax Items	20,000	1,524,751	1,518,323	523,865	562,551
Charges for Services	-	-	-	-	-
Use of Money & Property	-	26,100	1,726	-	-
Sale of Property and		-	-		
Compensation for Loss		-	-		
Miscellaneous	102,931	50,834	192,626	93,292	66,804
Interfund Revenues		-	40,000		
Revenues from State Sources	4,246,896	4,081,653	3,967,888	4,954,705	6,196,300
Revenues from Federal Sources	-	191,243	214,227	-	-
Total Revenues	$ 11,040,000	$ 11,040,000	$ 11,089,070	$ 11,895,000	$ 13,350,000
Other Sources:					
Appropriated Reserves	$ 55,000	$ 55,000	$ -	$ 65,000	$ -
Appropriated Fund Balance	475,000	475,000	-	100,000	-
Prior Year Encumbrances	-	575	-	-	-
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	$ 11,570,000	$ 11,570,575	$ 11,089,070	$ 12,060,000	$ 13,350,000
EXPENDITURES					
General Support	$ 1,373,050	$ 1,392,125	$ 1,275,938	$ 1,459,700	$ 1,823,896
Instruction	5,996,906	5,990,406	5,672,358	6,279,406	6,951,674
Pupil Transportation	660,475	663,475	606,543	704,275	818,075
Community Services	28,817	28,817	12,992	28,817	30,571
Employee Benefits	2,647,171	2,632,171	2,478,509	2,721,339	2,943,909
Debt Service	733,581	733,581	733,581	736,463	651,875
Total Expenditures	$ 11,440,000	$ 11,440,575	$ 10,779,921	$ 11,930,000	$ 13,220,000
Other Uses:					
Interfund Transfers	130,000	130,000	501,020	130,000	130,000
Total Expenditures and Other Uses	$ 11,570,000	$ 11,570,575	$ 11,280,941	$ 12,060,000	$ 13,350,000
Excess (Deficit) Revenues Over Expenditures	-	-	(191,871)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	3,756,081	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 3,564,210	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	$ 535,000	$ 116,875	$ 651,875
2024	460,000	93,000	553,000
2025	485,000	70,000	555,000
2026	285,000	45,750	330,750
2027	80,000	31,500	111,500
2028	80,000	27,500	107,500
2029	85,000	23,500	108,500
2030	90,000	19,250	109,250
2031	90,000	14,750	104,750
2032	100,000	10,250	110,250
2033	105,000	5,250	110,250
TOTALS	$ 2,395,000	$ 457,625	$ 2,852,625

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2007 School District Improvements			2017F Refunding of 2011B Series Bonds (DASNY)		
	Principal	Interest	Total	Principal	Interest	Total
2023	$ 100,000	$ 2,125	$ 102,125	$ 370,000	$ 69,250	$ 439,250
2024	-	-	-	390,000	50,750	440,750
2025	-	-	-	415,000	31,250	446,250
2026	-	-	-	210,000	10,500	220,500
TOTALS	$ 100,000	$ 2,125	$ 102,125	$ 1,385,000	$ 161,750	$ 1,546,750

Fiscal Year Ending June 30th	2018A School District Improvements (DASNY)		
	Principal	Interest	Total
2023	$ 65,000	$ 45,500	$ 110,500
2024	70,000	42,250	112,250
2025	70,000	38,750	108,750
2026	75,000	35,250	110,250
2027	80,000	31,500	111,500
2028	80,000	27,500	107,500
2029	85,000	23,500	108,500
2030	90,000	19,250	109,250
2031	90,000	14,750	104,750
2032	100,000	10,250	110,250
2033	105,000	5,250	110,250
TOTALS	$ 910,000	$ 293,750	$ 1,203,750

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 by 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 noteholders, if material; and

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

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

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

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 School 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 School 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 School 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 School 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 School District determines that any such other event is material with respect to the Note; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The School District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

The School District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Note within the meaning of the Rule. The School 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 School District’s obligations under its material event notices undertaking and any failure by the School 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 School 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 School District; provided that the School 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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LYNCOURT UNION FREE SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2021

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

LYNCOURT UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2021

LYNCOURT UNION FREE SCHOOL DISTRICT

JUNE 30, 2021

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LYNCOURT UNION FREE SCHOOL DISTRICT

JUNE 30, 2021

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Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Lyncourt Union Free School District

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 Lyncourt Union Free School District, as of and for the year ended June 30, 2021, 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 Lyncourt Union Free School District, as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

3535 WEST ROAD · CORTLAND, NEW YORK 13045
Phone: 607-756-5681 · Fax: 607-756-8320 · Email: info@pkmcpa.com · Website: www.pkmcpa.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-11, and budgetary comparison information, Schedule of Funding Progress Other Post-Employment Benefits Plan, Schedules of Local Government Proportionate Share of Net Pension Asset/Liability and Schedules of Local Government Contributions on pages 44-47 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 Lyncourt Union Free School District's basic financial statements The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The Schedules of Change from Adopted Budget to Final Budget, Use of Unreserved Fund Balance – General Fund, Schedule of Project Expenditures – Capital Projects Fund and Net Investment in Capital Assets, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, on our consideration of Lyncourt Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lyncourt Union Free School District's internal control over financial reporting and compliance.

Fazi, Kashdin + McShea

Certified Public Accountants

Cortland, NY
October 12, 2021

LYNCOURT UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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

FINANCIAL HIGHLIGHTS

- During 2021, General Fund expenditures exceeded revenues by $191,871. During 2020, General Fund expenditures exceeded revenues by $88,187.
- Capital asset additions during 2021 amounted to $411,354.
- The overall indebtedness of the District in terms of Bonds and Notes Payable decreased to $2,990,000 at year-end, as a result of principal payments.
- Total Fund balance, including reserves, in the General Fund was $3,564,210 at June 30, 2021, which decreased by $191,871 due to a combination of factors.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

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

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

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

District-wide Statements

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

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows 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.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF
LYNCOURT UNION FREE SCHOOL DISTRICT AS A WHOLE

The District's total assets and deferred outflows of resources increased 24.0% from the prior year to $23.8 million. (See Table I). Current and other assets decreased by 5.7%, while capital assets increased as a result of capital expenditures exceeding depreciation expense. Cash balances of the District increased 0.4% from $4.67 million to $4.69 million in the current year. The District's long-term liabilities increased 19.1% primarily due to the post-employment benefits liability. Current liabilities, which include amounts due to other governments, as well as amounts due to both Teacher and Employee Retirement Systems increased 7.4% from the prior year to $1.7 million. Net position for the year increased to a deficit of approximately $12.2 million.

Table I

Condensed Statement of Net Position	*Governmental Activities and Total School District* 2020	2021	*Percentage Change* 2020-2021
Current and Other Assets	$ 6,172,370	$ 5,818,298	-5.7%
Capital Assets, Net	10,404,328	10,552,746	1.4%
Total Assets	16,576,698	16,371,044	-1.2%
Deferred Outflows of Resources	2,596,529	7,394,565	184.8%
Total Assets and Deferred Outflows of Resources	***19,173,227***	***23,765,609***	***24.0%***
Current Liabilities	1,582,554	1,699,275	7.4%
Noncurrent Liabilities	24,795,596	29,539,869	19.1%
Total Liabilities	26,378,150	31,239,144	18.4%
Deferred Inflows of Resources	4,559,232	4,749,141	4.2%
Total Liabilities and Deferred Inflows of Resources	***30,937,382***	***35,988,285***	***16.3%***
Net Position			
Net Investment in Capital Assets	6,849,328	7,562,746	10.4%
Restricted	2,795,905	2,390,068	-14.5%
Unrestricted	(21,409,388)	(22,175,490)	-3.6%
Total Net Position	***$ (11,764,155)***	***$ (12,222,676)***	***-3.9%***

Table II

Changes in Net Position From Operating Results	Governmental and Total School District 2020	2021	Percentage Change 2020-2021
Revenues			
Program Revenues:			
Charges for Services	$ 26,390	$ 706	-97.3%
Operating Grants and Contributions	748,102	997,413	33.3%
General Revenues:			
Property Taxes	6,439,379	6,672,603	3.6%
State Formula Aid	4,145,203	4,066,794	-1.9%
Use of Money and Property	14,318	1,726	-87.9%
Miscellaneous	172,564	446,884	159.0%
Total Revenues	*11,545,956*	*12,186,126*	5.5%
Program Expenses			
General Support	1,311,087	1,349,817	3.0%
Instruction	6,417,443	6,343,500	-1.2%
Transportation	571,822	606,543	6.1%
Community Service	27,978	12,992	-53.6%
Employee Benefits	2,823,653	2,989,630	5.9%
Debt Service - Interest	191,587	168,581	-12.0%
School Lunch Program	61,758	100,172	62.2%
Capital Outlay	-	1,020	100.0%
Other Post-employment Benefits	(452,972)	809,455	278.7%
Depreciation - Unallocated	262,515	262,936	0.2%
Total Expenses	*11,214,871*	*12,644,646*	12.7%
Increase (Decrease) in Net Position	*$ 331,085*	*$ (458,520)*	-238.5%

The District's total revenues increased 5.5% compared to the prior fiscal year. (See Table II and Figure 1). Property tax revenues increased 3.6% to $6.7 million and accounted for 55% of total revenues. State Aid decreased 1.9% to $4.1 million and accounted for 33% of total revenues.

The District's total expenses for the fiscal year were approximately $12.6 million, or a 12.7% increase from the prior year. Of the District's total expenses, Instruction costs are 50% of the total, while General Support costs (which include Central Services) accounted for 11% of total expenses. (See Figure 2). Employee benefit costs increased 5.9% to approximately $3.0 million or 24% of the District's total expenses.

For the current year, the overall decrease in net position was approximately $500,000 compared with the prior year increase of approximately $300,000.

Figure 1 – Revenues

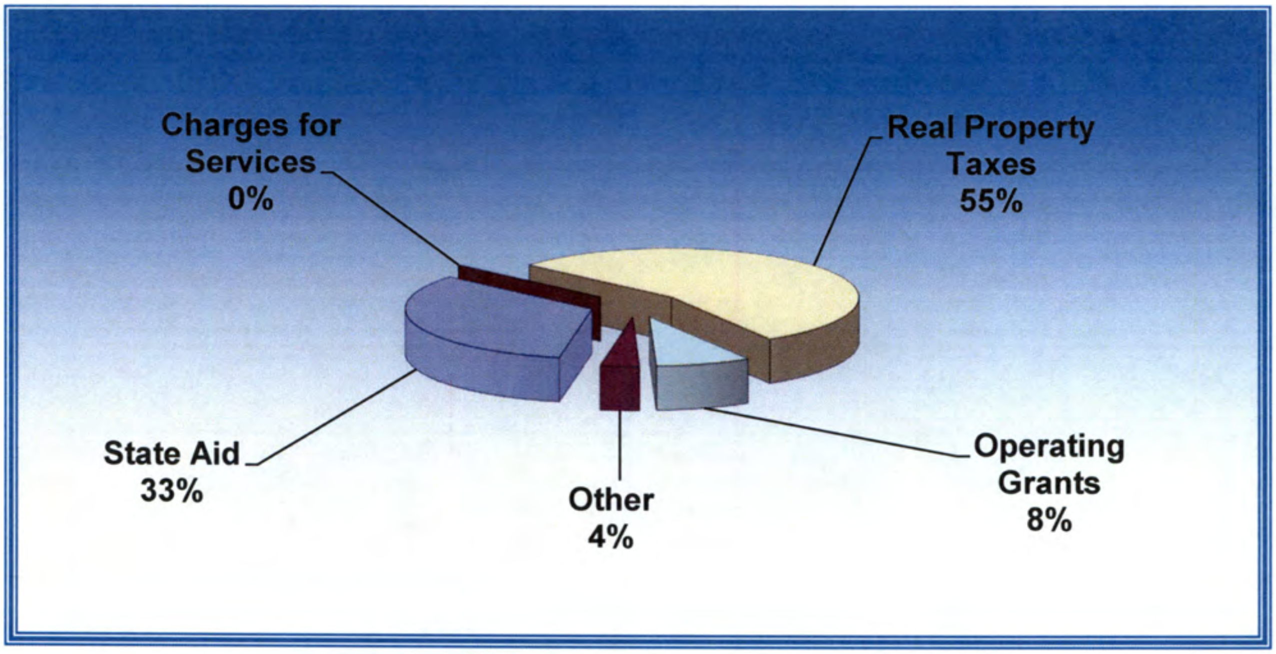
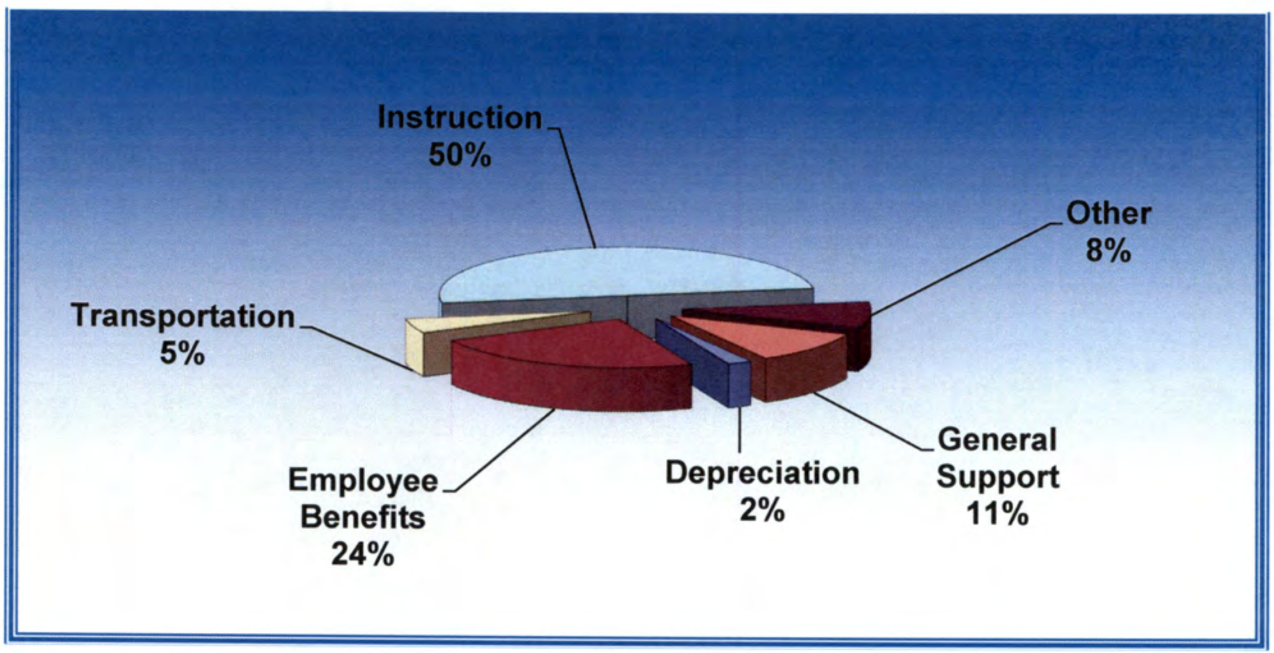


Figure 2 – Expenses



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds ended the fiscal year with a combined surplus of $28,662 (see Table III). The Capital Project and School Food Service funds had revenue exceeding expenditures, while the General Fund had expenditures exceeding revenues.

Table III

Governmental Fund Balances	2020	2021	Total Dollar Change 2020-2021	Total Percentage Change 2020-2021
General Fund	$ 3,756,081	$ 3,564,210	$ (191,871)	-5.11%
Special Aid	-	-	-	0.00%
School Food Service	9,170	28,544	19,374	211.28%
Capital Project	(8,425)	192,734	201,159	2387.64%
	$ 3,756,826	$ 3,785,488	$ 28,662	0.76%

GENERAL FUND BUDGETARY HIGHLIGHTS

Although the General Fund final budget anticipated that expenditures would exceed revenues by $530,575 (the appropriated balance), the actual results for the year report a deficit of $192,635. Actual revenues were over budget by $49,070, and actual expenditures (including encumbrances) were below budget by $288,870.

Table IV

Condensed Budgetary Comparison General Fund	*Original Budget*	*Revised Budget*	*Actual With Encumbrances*	*Total Dollar Variance*
REVENUES				
Real Property Taxes	$ 6,208,518	$ 5,165,419	$ 5,154,280	$ (11,139)
Other Tax Items	481,652	1,524,751	1,518,323	(6,428)
State and Federal Sources	4,246,896	4,246,896	4,133,141	(113,755)
Other Financing Sources	102,934	102,934	283,326	180,392
Total Revenues and Other Financing Sources	*$ 11,040,000*	*$ 11,040,000*	*$ 11,089,070*	*$ 49,070*
Appropriated Fund Balances	*$ 530,000*	*$ 530,575*	*$ -*	
EXPENDITURES				
General Support	$ 1,373,050	$ 1,392,125	$ 1,276,702	$ 115,423
Instruction	5,996,906	5,990,406	5,672,358	318,048
Pupil Transportation	660,475	663,475	606,543	56,932
Community Service	28,817	28,817	12,992	15,825
Employee Benefits	2,647,171	2,632,171	2,478,509	153,662
Debt Service	733,581	733,581	733,581	-
Operating Transfers Out	130,000	130,000	501,020	(371,020)
Total Expenditures and Other Financing Uses	*$ 11,570,000*	*$ 11,570,575*	*$ 11,281,705*	*$ 288,870*

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

During the fiscal year, the District invested $411,354 in additional capital assets. Current capital assets before accumulated depreciation approximates $15.1 million. Depreciation expense for the fiscal year was $262,936.

Long-term Debt

At year-end, the District's long-term debt consisted of $2,990,000 of serial bonds. The serial bonds have variable interest rates and have a final maturity date of 2033.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Since the closure of Syracuse China, a large manufacturing company located in the District, the assessment on this tax parcel was greatly reduced. The effect of this spreads the total tax burden to the resident property owners, resulting in a high tax rate per thousand in our area as compared to other districts in Syracuse.

The assessed value of property in the District dropped from $177,240,667 to $171,875,796 in the years from 2010-2011 to 2011-2012. The assessed value continued to decrease for two more subsequent years before it began to increase. Slowly over the past few years, the total assessed value has started to rise. Significant increases to the Town of Salina assessed value of commercial properties have caused an increase in the total assessed value in the past two years. The result of which is seen in a total 2020-2021 assessed valuation of $192,396,411. Even with maximizing the District's tax levy limit, tax rates per thousand have been decreasing from a high of $33.542 to $30.381 in 2021-2022. This continues to be good news for the residents of Lyncourt.

The new Southern Wine and Spirits is currently under a second PILOT program that began with the tax year 2015. Due to an error in the 2018-19 assessment roll, the PILOT will remain in effect until 2027. When the PILOT ends and rolls into the total tax assessment, residents will see a further reduction in the rate per thousand they pay in school taxes.

The State's 2% tax cap restricts the District's ability to increase revenues through local taxes. The District's financial needs in the area of contractual increases, charter school obligations, special education, and health insurance costs are greater each year than the tax increase permitted by the tax levy limit. The Board of Education is dedicated to maintaining and enhancing programs and student offerings despite financial restrictions. This is a challenge. Over the years, it squeezes our budget tighter and tighter.

State Aid finally began to increase after many years of freezing and withholding aid and just as it did, COVID-19 hit. After a year of anticipated 20% cuts or more in aid, State Aid is now being restored to Districts. This foundation aid restoration will be spread over the next three years and is long overdue. This provides revenue that more realistically matches the District's expense needs. This also means the District's budget to revenue gap is reduced, reducing the amount of fund balance that has been historically appropriated toward meeting the budget needs each year. The District is hopeful this will continue.

The District will continue to maintain a responsible fund balance, being cautious not to reduce it below a level that would ultimately be costly to the District. Maintaining a reasonable fund balance is imperative to thwart insolvency. The District is fortunate that they are fiscally sound and have been responsible in having fund balance available to rely on during financially turbulent times. A healthy fund balance protects the District from having to secure costly short-term borrowing, reduces capital project debt borrowing rates, and provides cash flow that makes new program fundings, such as Pre-K, an option for the District and community.

Demographically, the District has shown a steady increase in enrollment of students from 481 in 2012-2013, to 517 in 2020-2021. This trend puts Lyncourt Union Free School District as one of very few districts in New York State that are seeing increased enrollment. Although there is a steady increase in property values, the District does not expect any new residential building. There are industrial property areas within the District that are currently vacant, giving possibility of future commercial development.

In spite of the financial challenges the District faces, it is strong with a very supportive community that indicates a desire to maintain the Lyncourt Union Free School as an independent Pre-K through 8th grade public school system.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's board, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Lyncourt Union Free School District, Syracuse, New York.

Statement of Net Position
For the Year Ended June 30, 2021

ASSETS		
Cash		
Unrestricted	$	2,624,458
Restricted		2,068,026
Receivables		(3,556)
State and Federal Aid		913,142
Due From Other Governments		208,731
Inventories		7,497
Capital Assets		
Not Being Depreciated		2,636,403
Being Depreciated, Net of Accumulated Depreciation		7,916,343
Net Pension Asset - Proportionate Share		-
Total Assets		16,371,044
DEFERRED OUTFLOW OF RESOURCES		
OPEB (GASB 75)		4,882,648
Pensions		2,511,917
Total Deferred Outflows of Resources		7,394,565
Total Assets and Deferred Outflows of Resources	$	23,765,609
LIABILITIES		
Payables		
Accounts Payable	$	236,020
Accrued Liabilities		440,284
Due to Other Governments		3
Other Liabilities		1,180
Long-term Liabilities		
Due and Payable Within One Year		
Bonds Payable		595,000
Due to Teachers' Retirement System		402,965
Due to Employees' Retirement System		23,823
Due and Payable After One Year		
Bonds Payable		2,395,000
Post-employment Benefits		25,607,208
Compensated Absences Payable		928,535
Net Pension Liability - Proportionate Share		609,126
Total Liabilities		31,239,144
DEFERRED INFLOWS OF RESOURCES		
OPEB (GASB 75)		3,806,274
Pensions		942,867
Total Deferred Inflows of Resources		4,749,141
NET POSITION		
Net Investment in Capital Assets		7,562,746
Restricted		2,068,026
Non-spendable		7,497
Assigned		314,545
Unrestricted (Deficit)		(22,175,490)
Total Net Position		(12,222,676)
Total Liabilities Deferred Inflows of Resources and Net Position	$	23,765,609

See independent auditor's report and notes to basic financial statements.

Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 1,349,817	$ -	$ -	$ (1,349,817)
Instruction	6,343,500	-	760,618	(5,582,882)
Pupil Transportation	606,543	-	-	(606,543)
Community Service	12,992	-	-	(12,992)
Employee Benefits	2,989,630	-	-	(2,989,630)
Debt Service - Interest	168,581	-	-	(168,581)
School Food Service	100,172	706	236,795	137,329
Capital Outlay	1,020	-	-	(1,020)
Post-employment Benefits	809,455	-	-	(809,455)
Depreciation - Unallocated	262,936	-	-	(262,936)
Total Functions and Programs	$ 12,644,646	$ 706	$ 997,413	(11,646,527)
GENERAL REVENUES				
Real Property Taxes				6,659,031
Other Tax Items				13,572
Nonproperty Taxes				-
Use of Money and Property				1,726
Sale of Property and Compensation for Loss				-
Miscellaneous				192,657
Interfund Revenue				40,000
Medicaid Reimbursement				48,974
State Sources				4,066,794
Federal Sources				165,253
Total General Revenues				11,188,007
Change in Net Position				(458,520)
Total Net Position - Beginning of Year				(11,764,155)
Other Adjustments to Net Position				(1)
Total Net Position - End of Year				$ (12,222,676)

See independent auditor's report and notes to basic financial statements.

Balance Sheet – Governmental Funds
June 30, 2021

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash					
Unrestricted	$ 2,499,777	$ 4,925	$ 21,773	$ 97,983	$ 2,624,458
Restricted	2,068,026	-	-	-	2,068,026
Receivables					
Due From Other Funds	700,290	-	-	-	700,290
State and Federal Aid	126,184	630,051	58,001	98,906	913,142
Due From Other Governments	196,493	12,238	-	-	208,731
Other Receivables	(3,556)	-	-	-	(3,556)
Inventories	-	-	7,497	-	7,497
Total Assets	$ 5,587,214	$ 647,214	$ 87,271	$ 196,889	$ 6,518,588
LIABILITIES					
Payables					
Accounts Payable	$ 228,669	$ 3,196	$ -	$ 4,155	$ 236,020
Accrued Liabilities	437,832	1,729	723	-	440,284
Due to Other Funds	-	642,289	58,001	-	700,290
Due to Other Governments	-	-	3	-	3
Due to Teachers' Retirement System	402,965	-	-	-	402,965
Due to Employees' Retirement System	23,823	-	-	-	23,823
Compensated Absences Liability	928,535	-	-	-	928,535
Revenue Anticipation Notes	-	-	-	-	-
Bond Anticipation Notes	-	-	-	-	-
Other Liabilities	1,180	-	-	-	1,180
Total Liabilities	2,023,004	647,214	58,727	4,155	2,733,100

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
FUND BALANCES					
Non-spendable					
Reserve for Inventory	$ -	$ -	$ 7,497	$ -	$ 7,497
Restricted					
Reserve for Encumbrances	-	-	-	-	-
Reserve for Teachers' Retirement System	60,003	-	-	-	60,003
Reserve for Employees' Retirement System	25,001	-	-	-	25,001
Reserve for Employee Benefit Accrued Liability	175,158	-	-	-	175,158
Reserve for Repairs	-	-	-	-	-
Reserve for Unemployment Insurance	25,265	-	-	-	25,265
Reserve for Workers' Compensation	155,021	-	-	-	155,021
Capital Reserve	1,627,578	-	-	-	1,627,578
Committed	-	-	-	-	-
Assigned					
Reserve for Encumbrances	764	-	-	-	764
Unreserved - Designated for Subsequent Year's Expenditures	100,000	-	21,047	192,734	313,781
Unassigned	1,395,420	-	-	-	1,395,420
Total Fund Balances	3,564,210	-	28,544	192,734	3,785,488
Total Liabilities and Fund Balances	$ 5,587,214	$ 647,214	$ 87,271	$ 196,889	$ 6,518,588

See independent auditor's report and notes to basic financial statements.

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash - Unrestricted	$ 2,624,458	$ -	$ -	$ 2,624,458
Cash - Restricted	2,068,026	-	-	2,068,026
Accounts Receivable	-	-	-	-
Due From Other Funds	700,290	-	(700,290)	-
Due From Fiduciary Funds	-	-	-	-
Due From Other Governments	208,731	-	-	208,731
State and Federal Aid Receivable	913,142	-	-	913,142
Other Receivable	(3,556)	-	-	(3,556)
Inventories	7,497	-	-	7,497
Capital Assets, Net	-	10,552,746	-	10,552,746
Net Pension Asset - Proportionate Share	-	-	-	-
Total Assets	6,518,588	10,552,746	(700,290)	16,371,044
DEFERRED OUTFLOWS OF RESOURCES				
OPEB (GASB 75)	-	4,882,648	-	4,882,648
Pensions	-	2,511,917	-	2,511,917
Total Deferred Outflows of Resources	-	7,394,565	-	7,394,565
Total Assets and Deferred Outflows of Resources	$ 6,518,588	$ 17,947,311	$ (700,290)	$ 23,765,609
LIABILITIES				
Accounts Payable	$ 236,020	$ -	$ -	$ 236,020
Accrued Liabilities	440,284	-	-	440,284
Bonds Payable	-	2,990,000	-	2,990,000
Bond Anticipation Notes Payable	-	-	-	-
Due to Other Funds	700,290	-	(700,290)	-
Due to Fiduciary Funds	-	-	-	-
Due to Other Governments	3	-	-	3
Due to Teachers' Retirement System	402,965	-	-	402,965
Due to Employees' Retirement System	23,823	-	-	23,823
Compensated Absences	928,535	-	-	928,535
Other Post-employment Benefits	-	25,607,208	-	25,607,208
Other Liabilities	1,180	-	-	1,180
Net Pension Liability - Proportionate Share	-	609,126	-	609,126
Total Liabilities	2,733,100	29,206,334	(700,290)	31,239,144
DEFERRED INFLOWS OF RESOURCES				
OPEB (GASB 75)	-	3,806,274	-	3,806,274
Pensions	-	942,867	-	942,867
Total Deferred Inflows of Resources	-	4,749,141	-	4,749,141
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	3,785,488	(16,008,164)	-	(12,222,676)
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	$ 6,518,588	$ 17,947,311	$ (700,290)	$ 23,765,609

See independent auditor's report and notes to basic financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2021

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
REVENUES					
Real Property Taxes	$ 5,154,280	$ -	$ -	$ -	$ 5,154,280
Other Tax Items	1,518,323	-	-	-	1,518,323
Charges for Services	-	-	-	-	-
Use of Money and Property	1,726	-		-	1,726
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	192,626	-	31	-	192,657
Interfund Revenue	40,000	-	-	-	40,000
Medicaid Reimbursement	48,974	-	-	-	48,974
State Sources	3,967,888	269,084	7,979	98,906	4,343,857
Federal Sources	165,253	491,534	228,816	-	885,603
Surplus Food	-	-	-	-	-
Sales - School Lunch	-	-	706	-	706
Total Revenues	$ 11,089,070	$ 760,618	$ 237,532	$ 98,906	$ 12,186,126

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
EXPENDITURES					
General Support	$ 1,275,938	$ -	$ 83,210	$ -	$ 1,359,148
Instruction	5,672,358	675,418	-	-	6,347,776
Pupil Transportation	606,543	-	-	-	606,543
Community Service	12,992	-	-	-	12,992
Employee Benefits	2,478,509	85,200	34,776	-	2,598,485
Debt Service					
Principal	565,000	-	-	-	565,000
Interest	168,581	-	-	-	168,581
Other Expenditures	-	-	-	-	-
Cost of Sales	-	-	100,172	-	100,172
Capital Outlay	-	-	-	398,767	398,767
Total Expenditures	10,779,921	760,618	218,158	398,767	12,157,464
OTHER SOURCES (USES)					
Proceeds From Debt	-	-	-	-	-
BAN Redeemed From Appropriations	-	-	-	-	-
Operating Transfers In	-	-	-	501,020	501,020
Operating Transfers (Out)	(501,020)	-	-	-	(501,020)
Total Other Sources (Uses)	(501,020)	-	-	501,020	-
Excess (Deficiency) Revenues Over Expenditures and Other Sources (Uses)	(191,871)	-	19,374	201,159	28,662
Other Adjustments to Fund Balances	-	-	-	-	-
Fund Balances - Beginning of Year	3,756,081	-	9,170	(8,425)	3,756,826
Fund Balances - End of Year	$ 3,564,210	$ -	$ 28,544	$ 192,734	$ 3,785,488

See independent auditor's report and notes to basic financial statements.

Reconciliation of Governmental Funds Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2021

	Total Governmental Funds	Long-term Revenue, Expenditures	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real Property Taxes	$ 6,659,031	$ -	$ -	$ -	$ 6,659,031
Other Tax Items	13,572	-	-	-	13,572
Charges for Services	-	-	-	-	-
Use of Money and Property	1,726	-	-	-	1,726
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	192,657	-	-	-	192,657
Interfund Revenue	40,000	-	-	-	40,000
Medicaid Reimbursement	48,974	-	-	-	48,974
State Sources	4,343,857	-	-	-	4,343,857
Federal Sources	885,603	-	-	-	885,603
Surplus Food	-	-	-	-	-
Sales - School Food Service	706	-	-	-	706
Total Revenues	12,186,126	-	-	-	12,186,126
EXPENDITURES					
General Support	1,359,148	-	(9,331)	-	1,349,817
Instruction	6,347,776	-	(4,276)	-	6,343,500
Pupil Transportation	606,543	-	-	-	606,543
Community Service	12,992	-	-	-	12,992
Employee Benefits	2,598,485	391,145	-	-	2,989,630
Debt Service					
Principal	565,000	-	-	(565,000)	-
Interest	168,581	-	-	-	168,581
Cost of Sales	100,172	-	-	-	100,172
Depreciation - Unallocated	-	-	262,936	-	262,936
Capital Outlay	398,767	-	(397,747)	-	1,020
Other Post-employment Benefits	-	809,455	-	-	809,455
Total Expenditures	12,157,464	1,200,600	(148,418)	(565,000)	12,644,646
Excess (Deficiency) of Revenues Over Expenditures	28,662	(1,200,600)	148,418	565,000	(458,520)
OTHER SOURCES (USES)					
Proceeds From Debt	-	-	-	-	-
BAN Redeemed from Appropriation	-	-	-	-	-
Operating Transfers In	501,020	-	-	-	501,020
Operating Transfers (Out)	(501,020)	-	-	-	(501,020)
Total Other Sources (Uses)	-	-	-	-	-
Net Change for the Year	$ 28,662	$ (1,200,600)	$ 148,418	$ 565,000	$ (458,520)

See independent auditor's report and notes to basic financial statements.

Statement of Fiduciary Net Position
June 30, 2021

	Custodial		Private Purpose Trust	
ASSETS				
Cash	$	23,675	$	-
Investments		-		-
Due from Other Funds		-		-
Accounts Receivable		-		-
Total Assets	$	23,675	$	-
LIABILITIES				
Due to Governmental Funds	$	-	$	-
Extraclassroom Activity Balances		8,272		-
Other Liabilities		13,264		-
Total Liabilities		21,536		-
NET POSITION				
Reserved for Scholarships		2,139		-
Total Net Position		2,139		-
Total Liabilities and Net Position	$	23,675	$	-

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Private Purpose Trusts	
ADDITIONS		
Gifts and Contributions	$	-
Investment Earnings		-
Other		-
Total Additions		-
DEDUCTIONS		
Scholarships and Awards		-
Contractual and Other		-
Total Deductions		-
Change in Net Position		-
Net Position - Beginning of Year		-
Net Position - End of Year	$	-

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lyncourt Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below.

REPORTING ENTITY

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

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

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

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, located at Court Street, Syracuse, NY. The District accounts for assets held as an agent for various student organizations in a custodial fund.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, 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.

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JOINT VENTURE

The Lyncourt Union Free School District is a component school district in the Onondaga-Cortland-Madison Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year ended June 30, 2021, the Lyncourt Union Free School District was billed $971,804 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $436,652. At June 30, 2021, the District owed BOCES $2,490 and had a receivable from BOCES totaling $196,493.

Participating school districts issue debt on behalf of BOCES. This debt is reported in the District-wide financial statements when applicable.

Financial statements for Onondaga-Cortland-Madison BOCES are available from the BOCES administrative office at 110 Elwood Davis Road, Liverpool, NY 13088.

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.

BASIS OF PRESENTATION

a. **District-wide Statements**:

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

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

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (Continued)

The Statement of Net Position presents the financial position of the District at fiscal year end. The Statement of Activities presents a comparison between direct 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.

b. **Funds Statements**:

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

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

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

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. Details for each project are reported in the supplemental schedules.

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

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

Private Purpose Trust Funds**:** These funds are used to account for trust arrangements in which principal and income 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.

Custodial 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Investments are stated at fair value.

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on the effective date of the tax warrant. Taxes are collected during the months of September and October.

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

VESTED EMPLOYEE BENEFITS

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.

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

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

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

Other Benefits

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

CAPITAL ASSETS

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market values at the time received. The District maintains a capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) of five hundred dollars.

All reported capital assets except for land, land improvements and construction in progress are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	20-40 years
Furniture and Equipment	5-20 years
Vehicles	3-5 years

INVENTORIES AND PREPAID ITEMS

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

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

A reserve for these 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.

ACCOUNTS RECEIVABLE

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

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER ASSETS/RESTRICTED ASSETS

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

In the District-wide financial statements, bond discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

UNEARNED REVENUES

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 the resources, the liability for unearned revenue is removed and revenue is recognized.

SHORT-TERM DEBT

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

EQUITY CLASSIFICATIONS

District-wide Statements

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

- *Net Investment in Capital Assets*: Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.
- *Restricted Net Position*: Reports net position when constraints placed on 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 legislations.
- *Unrestricted Net Position*: Reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Funds Statements

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

- *Non-spendable*: Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of $7,497.
- *Restricted*: Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

Retirement Contributions

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

Capital

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

Unemployment Insurance

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

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. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

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

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUITY CLASSIFICATIONS (Continued)

- *Committed*: Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2021.
- *Assigned*: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.
- *Unassigned*: Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the General Fund, the unassigned portion 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 district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance

The District's policy is to apply expenditures against non-spendable 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, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

NEW ACCOUNTING STANDARDS

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2021: These had no significant impact on the District.

- GASB Statement 84, *Fiduciary Activities*
- GASB Statement 90, *Accounting and Financial Reporting for Majority Equity Interest*

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The 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. The second item is the District contribution to the pension systems (TRS & ERS systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

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

INTERFUND TRANSACTIONS

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenue activity.

NOTE 2 – DONOR-RESTRICTED ENDOWMENTS

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

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

NOTE 3 – COMMITMENTS AND CONTINGENCIES

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

The District accrues a liability for compensated absences, including sick leave, vacation, and personal time. In accordance with the provisions of GASB 16, the value for compensated absences is considered a contingent liability. The District reports $928,535 for compensated absences.

NOTE 4 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

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

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

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

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

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

Notes to Financial Statements
June 30, 2021

NOTE 5 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 for the General Fund.

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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 restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

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

Encumbrances

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

Fund Balances

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. At June 30, 2021, the District's unreserved undesignated fund balance was $1,395,420, which is 11.57% of the adopted budget for the 2021-22 fiscal year.

NOTE 6 – INVESTMENTS

The District's investment policy for investments are governed by New York statutes. As of June 30, 2021, there were no investments. The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District does not typically purchase investments denominated in foreign currency and is not exposed to foreign currency risk.

Notes to Financial Statements
June 30, 2021

NOTE 7 – CAPITAL ASSETS

Capital asset balances and activities were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Land	$ -	$ -	$ -	$ -
Construction in Progress	2,258,062	378,341	-	2,636,403
Total Nondepreciable Cost	2,258,062	378,341	-	2,636,403
Land Improvements	769,495	-	-	769,495
Buildings	10,902,751	-	-	10,902,751
Furniture, Vehicles and Equipment	725,901	33,013	504	758,410
Total Depreciable Cost	12,398,147	33,013	504	12,430,656
Total Capital Asset Cost	14,656,209	411,354	504	15,067,059
Less Accumulated Depreciation:				
Land Improvements	(695,258)	37,844	-	(733,102)
Buildings	(3,097,855)	204,003	-	(3,301,858)
Furniture, Vehicles and Equipment	(458,768)	21,089	504	(479,353)
Total Accumulated Depreciation	(4,251,881)	262,936	504	(4,514,313)
Net Capital Asset Cost	$ 10,404,328	$ 148,418	$ -	$ 10,552,746

Depreciation expense has not been allocated to individual governmental functions.

NOTE 8 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT AND CONCENTRATION OF CREDIT RISK

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

Uncollateralized	$ -
Insured by the Federal Deposit Insurance Corporation	250,000
Collateralized with securities held by the pledging financial institution in the District's name.	250,000
Collateralized with securities held by the pledging financial institution's trust department or agency in the District's name.	5,658,449

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,068,026 within the governmental funds and $23,675 in the fiduciary funds.

Notes to Financial Statements
June 30, 2021

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

	Receivable	Payable	Revenues	Expenditures
General Fund	$ 700,290	$ -	$ -	$ 501,020
Special Aid Fund	-	642,289	-	-
School Lunch Fund	-	58,001	-	-
Capital Projects	-	-	501,020	-
Debt Service	-	-	-	-
Total Government Activities	700,290	700,290	501,020	501,020
Fiduciary Agency Fund	-	-	-	-
Totals	$ 700,290	$ 700,290	$ 501,020	$ 501,020

NOTE 10 – LONG-TERM DEBT

At June 30, 2021, the total outstanding indebtedness of the District represented 11% of its statutory debt limit, exclusive of building aid.

- Serial Bonds: The District borrows money in order to acquire land and equipment or to construct building and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.
- Due to Retirement Systems: Represents funds accrued to pay for the District's contribution to the New York State Employee and Teachers' Retirement Systems. This liability is liquidated from the General and School Lunch Funds.
- Compensated Absences: Represents the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General and School Lunch Funds.
- Other Post-employment Benefits: Represents the net obligation of the District for other post-employment benefits, including medical and prescription drug insurances.

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

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2021
Serial Bonds	11/15/2007	11/15/2023	4.25%	$ 270,000
Serial Bonds	6/8/2011	6/15/2021	5.00%	-
Refunding Bonds	11/9/2017	6/15/2026	5.00%	1,745,000
Serial Bonds	6/7/2018	6/15/2033	5.00%	975,000
Total Bonds				$ 2,990,000
Interest Paid on Long-term Debt During the Year Was:				
Interest Paid				$ 168,581
Plus Amortized Deferred Amounts				-
Total Expense				$ 168,581

Interest paid on the Serial Bond varies from year to year, in accordance with the interest rates specified in the bond agreement.

Notes to Financial Statements
June 30, 2021

NOTE 10 – LONG-TERM DEBT (CONTINUED)

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Serial Bonds	$ 3,555,000	$ -	$ 565,000	$ 2,990,000	$ 595,000
Less: Deferred Charges on Defeased Debt	-	-	-	-	-
Total Serial Bonds	3,555,000	-	565,000	2,990,000	595,000
Capital Notes	-	-	-	-	-
Total Bonds and Notes Payable	3,555,000	-	565,000	2,990,000	595,000
Other Long-term Liabilities:					
Compensated Absences	844,108	84,427	-	928,535	-
Other Postemployment Benefits	20,463,308	5,143,900	-	25,607,208	-
Net Pension Liability-Proportionate Share	498,180	110,946	-	609,126	-
Total Other Long-term Liabilities	21,805,596	5,339,273	-	27,144,869	-
Total Long-term Liabilities	$ 25,360,596	$ 5,339,273	$ 565,000	$ 30,134,869	$ 595,000

The following is a summary of the maturity of long-term indebtedness. Payment of self-insurance claims, judgments, and compensated absences are dependent upon future factors and therefore the timing of such payments cannot be determined.

Year	Principal	Interest	Total
2022	$ 595,000	$ 141,463	$ 736,463
2023	535,000	116,875	651,875
2024	460,000	93,000	553,000
2025	485,000	70,000	555,000
2026	285,000	45,750	330,750
2027-2031	425,000	116,500	541,500
2032-2036	205,000	15,500	220,500
Total	$ 2,990,000	$ 599,088	$ 3,589,088

NOTE 11 – OPERATING LEASES

The District leases copiers and multi-function printers under operating leases. Total rental expenses on such leases for the fiscal year ended June 30, 2021, were approximately $27,901. The minimum future operating lease payments are as follows:

Year	Payment
2022	$ 23,928
2023	23,928
2024	23,928
2025	-
2026	-

Notes to Financial Statements
June 30, 2021

NOTE 12 – PENSION PLANS

General Information

The District participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). 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.

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 Retirement and Social Security Law of the State of New York (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 includes financial statements and required supplementary information. The report may be obtained by writing to TRS, 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.

Provisions and Administration (continued)

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. 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 ERS, 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.

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% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For 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 actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31.

Notes to Financial Statements
June 30, 2021

NOTE 12 – PENSION PLANS (CONTINUED)

Funding Policies (Continued)

The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions based on covered payroll paid for the current and two preceding years were:

	NYSTRS	NYSERS
2018-2019	$ 330,708	$ 66,412
2019-2020	377,919	65,183
2020-2021	330,544	69,459

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

At June 30, 2021, 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, 2021 for ERS and June 30, 2020 for TRS. The total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The District's proportion of the net pension (asset)/liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	3/31/2021	6/30/2020
District's Proportionate Share of the Net Pension (Asset)/Liability	$ 1,752	$ 607,374
District's Portion of the Plan's total Net Pension (Asset)/Liability	0.0017596%	0.021980%
Change in Proportion Since the Prior Measurement Date	$ (496,428)	$ 1,161,255

For the year ended June 30, 2021, the District's recognized pension expense of $44,277 for ERS and $798,709 for TRS. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	$ 21,398	$ 532,181	$ -	$ 31,127
Changes of Assumptions	322,155	768,187	6,076	273,819
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	396,669	503,307	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	15,715	28,824	18,736	109,802
District's Contributions Subsequent to the Measurement Date	23,823	402,965	-	-
Total	$ 383,091	$ 2,128,826	$ 528,119	$ 414,748

Notes to Financial Statements
June 30, 2021

NOTE 12 – PENSION PLANS (CONTINUED)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension (asset)/liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year Ended:	March 31	June 30
2021	$ -	$ 217,575
2022	(28,587)	458,597
2023	(10,701)	376,881
2024	(29,280)	236,707
2025	(100,238)	(242)
Thereafter	-	21,595

Actuarial Assumptions

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

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Interest Rate	5.9%	7.1%
Salary Scale	4.40%	1.90%-4.72%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation Rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2019.

For ERS, the actuarial assumptions used in the March 31, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

NOTE 12 – PENSION PLANS (CONTINUED)

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

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Asset Type:		
Domestic Equity	4.05%	7.10%
Private Equity	6.75%	10.40%
International Equity	6.30%	7.70%
Real Estate	4.95%	6.80%
Global Equities	N/A	7.40%
Private Debt	N/A	5.20%
Real Estate Debt	N/A	3.60%
Opportunistic Portfolio	4.50%	N/A
Real Assets	5.95%	N/A
Domestic Fixed Income Securities	N/A	1.80%
Global Fixed Income Securities	N/A	1.00%
Bonds and Mortgages	3.63%	N/A
Short-term	0.50%	0.70%
High-Yield Fixed Income Securities	N/A	3.90%

Discount Rate

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

NOTE 12 – PENSION PLANS (CONTINUED)

Sensitivity of the Proportionate Share to the Net Pension (Asset)/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 5.9% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's Proportionate Share of the Net Pension (Asset)/Liability	$ 486,316	$ 1,752	$ (445,129)

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
District's Proportionate Share of the Net Pension (Asset)/Liability	$ 3,836,573	$ 607,374	$ (2,102,742)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Employers' Total Pension (Asset)/Liability	$ 220,680,157	$ 123,242,776
Plan Net Position	220,580,583	120,479,505
Employers' Total Pension (Asset)/Liability	$ 99,574	$ 2,763,271
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	99.95%	97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $23,823. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a State aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $402,965.

Notes to Financial Statements
June 30, 2021

NOTE 13 – RISK MANAGEMENT

General

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

The United States is still in the midst of a national health emergency due to the Novel Coronavirus (COVID-19). There is continued uncertainty regarding the magnitude and duration of the economic impacts on the District and local tax base of the District at this time.

Consortiums

Health Insurance

The District participates in the BOCES sponsored Cooperative Health Insurance Fund of Central New York, a non-risk-retained public entity risk pool for its employees' health insurance coverage. The pool is operated for the benefit of 29 Districts and 1 BOCES and is sponsored by Onondaga-Cortland-Madison BOCES. The District pays an annual premium to the plan for this health insurance coverage. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities.

During the year-ended June 30, 2021, the District incurred premium or contribution expenditures of $1,766,993.

Workers' Compensation

The Lyncourt Union Free School District incurs costs related to a workers' compensation plan (Plan) sponsored by OCM BOCES. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law. The Plan's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. District's joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan after that time by forwarding a resolution passed by the District's Board of Education prior to May 1, to withdraw by the end of the fiscal year. Plan members include twenty-nine districts and two BOCES. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

During the year-ended June 30, 2021, the District incurred premium or contribution expenditures of $105,419.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate costs of claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Notes to Financial Statements
June 30, 2021

NOTE 14 – POST-EMPLOYMENT BENEFITS

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 contact each employee falls under. The specifics of each contact are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiares Currently Receiving Benefit Payments	31
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	79
	110

Total OPEB Liability

The District's total OPEB liability of $25,607,208 was measured as of July 1, 2020 and was determined by an actuarial valuation as July 1, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 Percent
Discount Rate	2.21 Percent
Healthcare Cost Trend Rates	7.0 Percent for 2022, decreasing to an ultimate rate of 3.94% for year ended 2091
Retirees' Share of Benefit-Related Costs	Varies based upon contribution rates at date of retirement

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with adjustments to 2006 using scale MP-2014, and projected forward with scale MP-2020.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study as of July 1, 2019 and financial data and actuarial roll forward techniques to calculate the results as of July 1, 2020 (the Measurement Date).

NOTE 14 – POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at June 30, 2020	$	20,463,308
Changes for the Year -		
Service Cost		697,468
Interest		732,869
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience		(898,517)
Changes in Assumptions or Other Inputs		5,055,420
Benefit Payments		(443,340)
Net Changes		5,143,900
Balance at June 30, 2021	$	25,607,208

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate:

		1% Decrease (1.21%)		Discount Rate (2.21%)		1% Increase (3.21%)
Total OPEB Liability	$	30,899,289	$	25,607,208	$	21,431,905

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

		1% Decrease		Healthcare Cost Trend Rates		1% Increase
Total OPEB Liability	$	20,690,517	$	25,607,208	$	32,221,672

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

For the year ended June 30, 2021, the District recognized OPEB expense of $1,256,980. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$	-		1,832,100
Changes of Assumptions or Other Inputs		4,435,123		1,974,174
Contributions Subsequent to the Measurement Date		447,525		-
	$	4,882,648	$	3,806,274

Notes to Financial Statements
June 30, 2021

NOTE 14 – POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Year Ended	Amount
2022	(173,357)
2023	(173,357)
2024	(173,357)
2025	(136,209)
2026	239,379
2027 and Thereafter	1,045,750

NOTE 15 – SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 12, 2021, the date the financials were available to be issued.

REQUIRED AND OTHER SUPPLEMENTAL SCHEDULES

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real Property Taxes	$ 6,208,518	$ 5,165,419	$ 5,154,280	$ (11,139)
Other Tax Items	481,652	1,524,751	1,518,323	(6,428)
Charges for Services	-	-	-	-
Use of Money and Property	26,100	26,100	1,726	(24,374)
Sale of Property and Compensation for Loss	-	-	-	-
Miscellaneous	50,834	50,834	192,626	141,792
Interfund Revenues	-	-	40,000	40,000
Total Local Sources	6,767,104	6,767,104	6,906,955	139,851
State Sources	4,246,896	4,081,653	3,967,888	(113,765)
Federal Sources	-	165,243	165,253	10
Medicaid Reimbursement	26,000	26,000	48,974	22,974
Total Revenues	11,040,000	11,040,000	11,089,070	49,070
OTHER FINANCING SOURCES				
Transfers From Other Funds	-	-	-	-
Premium on Obligations	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	11,040,000	11,040,000	$ 11,089,070	$ 49,070
APPROPRIATED FUND BALANCE				
Prior Year Surplus	475,000	475,000		
Prior Year Encumbrances	-	575		
Appropriated Reserves	55,000	55,000		
Total Appropriated Fund Balance	530,000	530,575		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 11,570,000	$ 11,570,575		

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual
EXPENDITURES					
General Support					
Board of Education	$ 20,600	$ 15,500	$ 12,160	$ -	$ 3,340
Central Administration	210,500	213,980	212,875	-	1,105
Finance	171,700	167,550	164,441	-	3,109
Staff	107,200	123,050	115,815	-	7,235
Central Services	772,900	770,145	681,491	764	87,890
Special Items	90,150	101,900	89,156	-	12,744
Total General Support	1,373,050	1,392,125	1,275,938	764	115,423
Instruction					
Instruction, Administration and Improvements	293,800	301,800	273,811	-	27,989
Teaching - Regular School	3,220,754	3,258,655	3,141,625	-	117,030
Programs for Children With Handicapping Conditions	1,876,050	1,837,249	1,722,645	-	114,604
Occupational Education	25,500	10,500	8,872	-	1,628
Teaching - Special School	-	-	-	-	-
Instructional Media	332,452	330,252	293,770	-	36,482
Pupil Services	248,350	251,950	231,635	-	20,315
Total Instruction	5,996,906	5,990,406	5,672,358	-	318,048
Pupil Transportation	660,475	663,475	606,543	-	56,932
Community Services	28,817	28,817	12,992	-	15,825
Employee Benefits	2,647,171	2,632,171	2,478,509	-	153,662
Debt Service	733,581	733,581	733,581	-	-
Total Expenditures	11,440,000	11,440,575	10,779,921	764	659,890
OTHER USES					
Interfund Transfer	130,000	130,000	501,020	-	(371,020)
Total Expenditures and Other Uses	$ 11,570,000	$ 11,570,575	11,280,941	$ 764	$ 288,870
Net Change in Fund Balance			(191,871)		
Fund Balance - Beginning			3,756,081		
Other Adjustments to Fund Balance			-		
Fund Balance - Ending			$ 3,564,210		

Note to Required Supplementary Information:
Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America.

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

Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

Measurement Date	**June 30, 2018**	**June 30, 2019**	**June 30, 2020**	**June 30, 2021**
Total OPEB Liability				
Service cost	$ 1,068,742	$ 823,306	$ 768,243	$ 697,468
Interest	679,040	779,304	814,495	732,869
Changes in benefit terms	-	177,682	(908,963)	-
Differences between expected and actual experience	-	(1,662,700)	-	(898,517)
Changes in assumptions and other inputs	(3,264,740)	(239,904)	(279,001)	5,055,420
Expected Benefit payments	(404,603)	(427,916)	(419,221)	(443,340)
Net change in total OPEB liability	(1,921,561)	(550,228)	(24,447)	5,143,900
Total OPEB liability - beginning	22,959,544	21,037,983	20,487,755	20,463,308
Total OPEB liability - ending	$ 21,037,983	$ 20,487,755	$ 20,463,308	$ 25,607,208
Covered payroll	$ 3,945,873	$ 4,022,718	$ 4,242,418	$ 4,378,726
Total OPEB liability as a percentage of covered payroll	533.16%	509.30%	482.35%	584.81%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available

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

Required Supplementary Information
Schedule of District Contributions

NYSLRS Pension Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 78,850	$ 88,227	$ 76,701	$ 70,863	$ 66,412	$ 65,183	$ 69,459			
Contributions in relation to the contractually required contribution	78,850	88,227	76,701	70,863	66,412	65,183	69,459			
Contribution deficiency (excess)	-	-	-	-	-	-	-			
District's covered-employee payroll	472,016	535,930	555,281	539,722	525,231	553,440	645,049			
Contributions as a percentage of covered-employee payroll	16.70%	16.46%	13.81%	13.13%	12.64%	11.78%	10.77%			

NYSTRS Pension Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 469,320	$ 526,766	$ 420,700	$ 397,944	$ 330,708	$ 377,919	$ 330,554			
Contributions in relation to the contractually required contribution	469,320	526,766	420,700	397,944	330,708	377,919	330,554			
Contribution deficiency (excess)	-	-	-	-	-	-	-			
District's covered-employee payroll	3,059,107	3,209,098	3,436,784	3,482,996	3,558,561	3,751,769	3,903,514			
Contributions as a percentage of covered-employee payroll	15.34%	16.41%	12.24%	11.43%	9.29%	10.07%	8.47%			

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

Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension (Asset)/Liability

NYSLRSPension Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/liability	$ 51,633	$ 268,458	$ 150,622	$ 48,754	$ 114,763	$ 498,180	$ 1,752			
District's proportionate share of the net pension (asset)/liability	0.0015284%	0.0016726%	0.0016030%	0.0015106%	0.0016197%	0.0018813%	0.0017596%			
District's covered-employee payroll	472,016	535,930	555,281	539,722	525,231	553,440	645,049			
District's proportionate share of the net pension (asset)/liability as a percentage of its covered-employee payroll	10.94%	50.09%	27.13%	9.03%	21.85%	90.02%	0.27%			
Plan fiduciary net position as a percentage of the total pension (asset)/ liability	97.95%	90.68%	94.70%	98.24%	96.27%	86.39%	99.95%			

NYSTRS Pension Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/liability	$ (2,177,959)	$ (2,077,824)	$ 220,212	$ (162,864)	$ (374,618)	$ (553,881)	$ 607,374			
District's proportionate share of the net pension (asset)/liability	0.19552%	0.02000%	0.02056%	0.02143%	0.020717%	0.021319%	0.021980%			
District's covered-employee payroll	3,059,107	3,209,098	3,436,784	3,482,996	3,558,561	3,751,769	3,903,514			
District's proportionate share of the net pension (asset)/liability as a percentage of its covered-employee payroll	-71.20%	-64.75%	6.41%	-4.68%	-10.53%	-14.76%	15.56%			
Plan fiduciary net position as a percentage of the total pension (asset)/ liability	-111.48%	-110.46%	99.01%	-100.66%	-101.53%	-102.17%	97.76%			

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

Supplementary Information
Schedules of Change from Adopted Budget to Final Budget and Use of Unreserved Fund Balance – General Fund
For the Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	11,570,000
Add: Prior Year's Encumbrances		575
Original Budget		11,570,575
Budget Revision:		-
Final Budget	$	11,570,575

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 Voter-Approved Expenditure Budget			$	12,060,000
Maximum Allowed (4% of 2021-2022 Budget)				482,400
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:				
Unrestricted Fund Balance				
Committed Fund Balance	$	-		
Assigned Fund Balance		100,764		
Unassigned Fund Balance		1,395,420		
Total Unrestricted Fund Balance		1,496,184		
Less:				
Appropriated Fund Balance		100,000		
Insurance Recovery Reserve		-		
Tax Reduction Reserve		-		
Encumbrances Included in Committed and Assigned Fund Balance		764		
Total Adjustments		100,764		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law			$	1,395,420
Actual Percentage				11.57%

Supplementary Information
Net Investment in Capital Assets
For the Year Ended June 30, 2021

Capital Assets, Net			$	10,552,746
Deduct:				
Short-term Portion of Bonds Payable	$	595,000		
Long-term Portion of Bonds Payable		2,395,000		
Total Bonds Payable				2,990,000
Bond Anticipation Note				
Total Bond Anticipation Notes				-
Net Investment in Capital Assets			$	7,562,746

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

Supplementary Information
Schedule of Project Expenditures – Capital Project Fund
For the Year Ended June 30, 2021

			Expenditures			
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance
Capital Project	$ 2,000,000	$ 1,998,000	$ 1,998,000	$ -	$ 1,998,000	$ -
Smart Schools Bond Act	277,464	277,464	100,796	19,406	120,202	157,262
Conference Room	100,000	100,000	100,000	-	100,000	-
Emergency Kitchen	55,000	36,320	36,320	-	36,320	-
Sensory Room I	100,000	100,000	100,000	-	100,000	-
Sensory Room II	100,000	100,000	100,000	-	100,000	-
Bathroom Tile	-	129,500	58,425	71,075	129,500	-
Capital Project	6,400,000	6,400,000	-	207,266	207,266	6,192,734
Sensory Room III	100,000	100,000	-	100,000	100,000	-
Totals	$ 9,132,464	$ 9,241,284	$ 2,493,541	$ 397,747	$ 2,891,288	$ 6,349,996

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

Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of
Lyncourt Union Free School District

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 Lyncourt Union Free School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Lyncourt Union Free School District's basic financial statements, and have issued our report thereon dated October 12, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants

Cortland, New York
October 12, 2021

Port, Kashdin & McSherry
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education of
Lyncourt Union Free School District

Report on Compliance for Each Major Federal Program

We have audited Lyncourt Union Free School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lyncourt Union Free School District's major federal programs for the year ended June 30, 2021. Lyncourt Union Free School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lyncourt Union Free School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control Over Compliance

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

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

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

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

Port Kashdin & McSherry

Certified Public Accountants

Cortland, New York
October 12, 2021

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Pass-through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Pass-thru New York State Department of Education:				
Special Education Cluster:				
IDEA, Part B PL-142	84.027	0032-21-0654	$ -	$ 99,433
Special Education Preschool Grants PL99-457	84.173	0033-21-0654	-	3,664
Total Special Education Cluster			$ -	$ 103,097
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act Cluster:				
* Governor's Emergency Education Relief Fund	84.425C	5895-21-2155	$ -	$ 23,947
* Elementary & Secondary School Emergency Relief Fund	84.425D	5890-21-2155	-	141,296
* Elementary & Secondary School Emergency Relief Fund	84.425D	5891-21-2155	-	187,760
Total Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act Cluster			$ -	$ 211,707
Title I Grants to Local Education Agencies	84.010	0021-21-2155	-	150,520
Supporting Effective Instruction State Grants	84.367	0147-21-2155	-	25,626
Student Support and Academic Enrichment Progran	84.424	0204-21-2155	-	11,713
TOTAL DEPARTMENT OF EDUCATION			$ -	$ 502,663
DEPARTMENT OF AGRICULTURE				
* Summer Food Service Program for Children	10.559		-	228,816
TOTAL DEPARTMENT OF AGRICULTURE			$ -	$ 228,816
TOTAL FEDERAL EXPENDITURES			$ -	$ 731,479

* Denotes major program.

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as Federal expenditures were obtained from the Federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The Federal expenditures are recognized under Uniform Guidance.

NOTE 3 – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs, or to charge indirect costs to certain federal award programs, based upon a rate established by New York State, and the District has elected not to use the 10% de minimis indirect rate allowed under the Uniform Guidance applied to overall expenditures.

NOTE 4 – NON-CASH ASSISTANCE

The Lyncourt Union Free School District is the recipient of a federal financial assistance program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2021, the Lyncourt Union Free School District received \$-0- worth of surplus food.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

1. The Auditor's report expresses an unmodified opinion on the general-purpose financial statements of the Lyncourt Union Free School District.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Lyncourt Union Free School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of internal control over major federal award programs.
5. The Auditor's report on compliance for the major federal award programs for the Lyncourt Union Free School District expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Lyncourt Union Free School District.
7. The programs tested as major programs included:

CFDA #	Project Title
10.559	Summer Food Service Program for Children
84.425C	Governor's Emergency Education Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund II

8. The threshold for distinguishing between Type A and Type B programs was $750,000.
9. The Lyncourt Union Free School District qualified as a high risk auditee.

SECTION 2 – FINANCIAL STATEMENT FINDINGS

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FORM OF OPINION OF BOND COUNSEL

August 18, 2022

Lyncourt Union Free School District
2709 Court Street
Syracuse, New York 13208

Re: Lyncourt Union Free School District, Onondaga County, New York
$4,900,000 Bond Anticipation Notes, 2022 CUSIP No.: 551264

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $4,900,000 Bond Anticipation Notes, 2022 (the “Notes”) of Lyncourt Union Free School District, County of Onondaga, State of New York (the "District"). The Notes are dated August 18, 2022 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before August 22, 2022 of the President of the Board of Education relative to the form and terms of the Notes.

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; however, it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

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

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

Very truly yours,

Trespasz & Marquardt, LLP