PRELIMINARY OFFICIAL STATEMENT

RENEWAL 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 School 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 NOT be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$32,215,000

PHOENIX CENTRAL SCHOOL DISTRICT

ONONDAGA AND OSWEGO COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$32,215,000 Bond Anticipation Notes, 2021 (Renewals)

(the "Notes")

Dated: July 7, 2021 | **Due: June 30, 2022**

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

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

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

The 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 on with the purchaser(s), or about July 7, 2021.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 22, 2021 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 10, 2021

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

PHOENIX CENTRAL SCHOOL DISTRICT
ONONDAGA AND OSWEGO COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2020-2021 BOARD OF EDUCATION

EARL RUDY
President

DIANA COOK
Vice President

KEVIN W. DIX
JAMES GRAHAM
WAYNE HALSTEAD
JUDITH BELFIELD
JAMES BROOKER
ROBERT SOUTHWORTH
KATE KEHN

*   *   *   *   *

ADMINISTRATION

CHRISTOPHER BYRNE
Superintendent of Schools

KARL SECKNER
Business Administrator

MICHELE REALE
District Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

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

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

PHOENIX CENTRAL SCHOOL DISTRICT
ONONDAGA AND OSWEGO COUNTIES, NEW YORK

Relating To

$32,215,000 Bond Anticipation Notes, 2021 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Phoenix Central School District, Onondaga and Oswego Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $32,215,000 principal amount of Bond Anticipation Notes, 2021 (Renewals) (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.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes are to be dated July 7, 2021 and will mature, without option of prior redemption, on June 30, 2022. 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) the name of the purchaser(s), in denominations of $5,000 or integral multiples thereof, as may be determined by the successful bidder(s) with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

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 of the District dated February 5, 2018 authorizing the issuance of bond anticipation notes and serial bonds for a capital improvement project consisting of construction, renovations, additions and energy efficiency improvements to various District buildings and facilities at a maximum cost of $38,231,853.

The proceeds of the Notes, along with $451,850 will partially redeem and renew the $32,666,850 bond anticipation notes maturing July 8, 2021 for the above-mentioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District has a land area of approximately 72 square miles and centers around the incorporated Village of Phoenix. The District is located in upstate New York approximately 10 miles southeast of the City of Fulton and 15 miles northwest of the City of Syracuse. The District includes nearly all of the Town of Schroeppel, and smaller portions of the Towns of Palermo, Granby, Volney and Hastings in Oswego County and the Towns of Clay and Lysander in Onondaga County.

The District is primarily an agricultural and residential community in character with dairy and poultry farming predominate. Employment, commercial and retail services can be found in the Village of Phoenix as well as in the Syracuse and Fulton metropolitan areas.

Transportation is provided by State and County highway routes 481 and 57 as well as CENTRO bus lines. The Syracuse interchanges of the New York State Thruway are located about 5 miles south of the District.

The District is served by volunteer fire departments and receives police protection from local and state agencies. Gas and electricity are provided by National Grid (formerly Niagara Mohawk Power Corporation). Sewer services are provided by various municipalities with water service provided by the Village of Phoenix. Banking services are provided by JPMorgan Chase Bank, N.A. and M & T Bank.

The District began in 1895 as a union free school district, and consolidated to form the District in 1939.

Source: District officials.

Population

The current estimated population of the District is 12,083. (Source: 2019 U.S. Census Bureau estimate)

Larger Employers

The following are the five larger employers located within or in close proximity to the District.

Name	Type	Number of Employees
ORC Plastics	Plastic Manufacturer	50
B-Q Distributors Service Inc.	Commercial	39
Sharon Fox Chevrolet	Commercial	32
Town of Schroeppel	Government Services	30
Nice & Easy Shop	Commercial	23

Source: District officials.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
Counties of:						
Onondaga	$ 14,703	$ 21,336	$ 34,002	$ 38,816	$ 51,876	$ 81,171
Oswego	11,792	16,853	28,587	33,888	43,821	67,269
Towns of:						
Granby	12,953	16,826	29,037	31,502	41,127	56,306
Hastings	12,383	17,931	31,332	35,500	46,722	71,008
Palermo	11,783	17,229	26,598	35,343	46,190	57,455
Schroeppel	11,763	17,581	29,351	32,784	45,766	75,606
Volney	12,030	19,029	28,402	35,687	46,408	70,338
Clay	15,375	22,011	35,980	44,751	57,493	90,902
Lysander	16,783	26,187	42,984	45,954	67,539	108,578
Village of:						
Phoenix	11,151	16,434	27,082	30,000	36,442	49,543
State of:						
New York	16,501	23,389	39,326	39,741	51,691	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2000 U.S. Census Report, and 2006-2010 and 2015-2019 American Community Survey data.

Unemployment Rate Statistics

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

Annual Averages

	2014	2015	2016	2017	2018	2019	2020
Oswego County	8.1%	7.2%	6.5%	6.5%	5.5%	5.2%	8.9%
Onondaga County	5.6	4.9	4.5	4.7	4.0	3.8	8.4
New York State	6.3	5.3	4.9	4.7	4.1	3.8	10.0

2021 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Oswego County	8.0%	8.2%	7.4%	6.2%	N/A	N/A
Onondaga County	7.1	7.2	6.4	5.7	N/A	N/A
New York State	9.4	9.7	8.4	7.8	N/A	N/A

Note: Unemployment rates for May and June 2021 are unavailable as of the date of this Official Statement. Due to the COVID-19 pandemic, unemployment rates are expected to remain at the increased level for the foreseeable future.

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

Form of School Government

The Board of Education is the policy-making body of the District and consists of nine 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 District. The President and the Vice President are selected by the Board members.

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

Budgetary Procedures

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

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

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The adopted budget for the 2019-20 fiscal year was approved by qualified voters on May 21, 2019 by a vote of 307 to 79. The District's budget for the 2019-20 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 1.22%, which was below the District tax levy limit of 1.47%.

The budget for the 2020-21 fiscal year was approved by qualified voters on June 16, 2020 by a vote of 1,192 to 508. The District's adopted budget for the 2020-21 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 0.00%, which was below the District's tax levy limit of 2.17%.

The budget for the 2021-22 fiscal year was approved by the qualified voters on May 18, 2021 by a vote of 285 to 52. The District's adopted budget for the 2021-22 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for no tax levy increase, which is below the District tax levy limit of 3.21%.

Investment Policy

Pursuant to the statutes of the State, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (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 District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) 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 2021-2022 fiscal year, approximately 63.22% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal aid received by the State.

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

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. The District has received a commitment of $6.1 million in federal funds from the American Rescue Plan and CARES Act.

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 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 89.4% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

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

School district fiscal year (2016-2017): The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consists of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also includes 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. The District is not a part of the Community Schools Grant Initiative (CSGI).

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level was divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA was a negative number, money that was deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $13,460,401. The District will not lose any additional State aid as a result of the GEA as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

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

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

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

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. 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. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. 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. 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 and the State is expected to release all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget includes $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.

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

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2015-2016	$ 43,311,102	$ 25,727,743	59.40%
2016-2017	44,641,752	26,991,661	60.46
2017-2018	45,678,664	27,824,367	60.91
2018-2019	46,101,010	28,125,717	61.01
2019-2020	46,891,345	28,293,023	60.34
2020-2021 (Budgeted)	46,363,191	28,503,098	61.48
2021-2022 (Budgeted)	49,468,145	31,271,464	63.22

Source: Audited financial statements for the 2015-2016 fiscal year through and including the 2019-2020 fiscal year and budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Elm Street Elementary School	K-4	1,300	1958, '85, '94
E. J. Dillon Middle School	5-8	938	1964, '87, '09
J. C. Birdlebough High School	9-12	1,022	1954, '76, '99

Source: District officials.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-17	1,852	2021-22	1,750
2017-18	1,830	2022-23	1,750
2018-19	1,820	2023-24	1,750
2019-20	1,750	2024-25	1,750
2020-21	1,750	2025-26	1,750

Source: District officials.

Employees

The District has employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
221	NYSUT Teachers' Association	June 30, 2023
99	Phoenix Central CSEA	June 30, 2024
16	NYSUT Clerical Association	June 30, 2023
13	Phoenix Central School Administrators	June 30, 2023

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2020-2021 and 2021-2022 fiscal years are as follows:

Fiscal Year	ERS	TRS
2015-2016	$ 658,395	$ 1,948,641
2016-2017	567,016	1,767,195
2017-2018	605,944	1,449,625
2018-2019	675,563	1,725,000
2019-2020	612,767	1,449,405
2020-2021 (Budgeted)	680,000	1,600,000
2021-2022 (Budgeted)	750,000	1,675,000

Source: District records.

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 does not currently offer any early retirement incentive programs.

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

A chart of average ERS and TRS rates as a percent of payroll (2016-17 to 2020-21) is shown below:

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

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

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

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

The District did participate in the Stable Rate Pension Contribution Option.

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

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

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. The District implemented GASB 75 for the fiscal year ended June 30, 2018. The implementation of this statement requires school districts 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, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2019 and 2020. The table on the following page outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Balance beginning at June 30:	2018	2019
Changes for the year:	$ 17,660,749	$ 14,175,351
Service cost	585,723	469,407
Interest	645,580	556,075
Differences between expected and actual experience	(2,531,862)	-
Changes of benefit terms	(491,242)	-
Changes in assumptions or other inputs	(1,066,235)	(401,570)
Benefit payments	(627,362)	(551,799)
Net Changes	$ (3,485,398)	$ 72,113
Balance ending at June 30:	2019	2020
	$ 14,175,351	$ 14,247,464

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

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

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

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

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 have allowed 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 the Notes are to be issued is the Education Law and the Local Finance Law.

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2020 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as appendices to the Official Statement.

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

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

Grossman St. Amour CPAs, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Grossman St. Amour CPAs also has not performed any procedures relating to this Official Statement.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on August 4, 2017. The purpose of the audit was to determine whether the Board of Education (the "Board") and District officials effectively managed the District's financial condition for the period July 1, 2015 through February 28, 2017.

Key Findings:

- Unrestricted fund balance as a percentage of the next year's appropriations exceeded the statutory limit by 4.2 to 8.1 percentage points for fiscal years 2013-14 through 2015-16.
- Adopted budgets from July 1, 2011 through June 30, 2016 overestimated appropriations by nearly $6 million, and reserves were not funded in a transparent manner because the Board funded them at year-end with surplus funds.

Key Recommendations:

- Develop a plan to reduce the amount of unrestricted fund balance to the legal limit.
- Adopt realistic budget estimates and inform residents of District officials' intent to fund reserves.

The District provided a complete response to the State Comptroller's office on July 31, 2017. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller's audits of the District that are currently in progress or pending release.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	0.0%
2019	No Designation	10.0%
2018	No Designation	20.0%

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Towns of:					
Granby	$ 47,688,049	$ 47,920,904	$ 52,610,815	$ 53,867,254	$ 54,104,580
Hastings	162,187	162,598	181,463	181,704	180,902
Palermo	32,496,052	32,714,144	32,941,658	33,179,224	33,213,529
Schroeppel	315,337,687	315,994,308	316,644,449	317,729,548	320,000,988
Volney	16,025,319	13,599,093	13,318,650	13,282,085	13,389,162
Clay	1,956,927	1,997,188	2,012,975	2,038,535	2,056,399
Lysander	84,163,661	84,879,286	86,254,089	89,250,108	89,957,675
Total Assessed Values	$ 497,829,882	$ 497,267,521	$ 503,964,099	$ 509,528,458	$ 512,903,235
State Equalization Rates					
Towns of:					
Granby	95.00%	95.00%	100.00%	100.00%	94.00%
Hastings	93.00%	93.00%	91.00%	91.00%	84.00%
Palermo	100.00%	100.00%	100.00%	97.00%	92.00%
Schroeppel	84.50%	82.00%	80.00%	75.00%	75.00%
Volney	100.00%	100.00%	100.00%	97.00%	94.00%
Clay	4.27%	4.29%	4.21%	4.00%	3.95%
Lysander	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 602,067,740	$ 613,723,827	$ 628,944,316	$ 665,818,066	$ 676,805,268

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Towns of:					
Granby	$ 29.43	$ 29.09	$ 27.37	$ 26.17	$ 27.39
Hastings	30.06	29.72	30.08	28.76	30.65
Palermo	27.96	27.63	27.37	26.98	27.98
Schroeppel	33.09	33.70	34.22	34.90	34.33
Volney	27.96	27.63	27.37	26.98	27.39
Clay	655.31	644.38	650.67	654.78	652.34
Lysander	27.96	27.63	27.37	26.17	25.75

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 45 days. On November 15th, uncollected taxes are returnable to the respective Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Total Tax Levy	$ 16,833,964	$ 16,961,451	$ 17,215,873	$ 17,426,873	$ 17,426,873
Amount Uncollected (1)	1,094,269	1,057,032	1,013,897	1,047,836	1,050,836
% Uncollected	6.50%	6.23%	5.89%	6.01%	6.03%

(1) See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2015-2016	$ 43,311,102	$ 16,862,260	38.93%
2016-2017	44,641,752	16,868,896	37.79
2017-2018	45,678,664	17,050,060	37.33
2018-2019	46,101,010	17,305,227	37.54
2019-2020	46,891,345	17,574,832	37.48
2020-2021 (Budgeted)	46,363,191	17,468,592	37.68
2021-2022 (Budgeted)	49,468,145	17,523,873	35.42

Source: Audited financial statements for the 2015-2016 fiscal year through and including the 2019-2020 fiscal year and budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

Larger Taxpayers 2020 for 2020-21 Tax Roll

Name	Type	Full Valuation
National Grid	Utility	$ 39,271,133
Empire State Pipeline	Transmission Line	8,440,189
Dominion Transmission	Gas Transmission Line	8,020,600
Windstream New York Inc	Utility	3,193,724
Fietta Corp	Mfg. Housing	2,449,512
Taylor, Dean	Trailer Park	2,144,878
Lehigh Gas Wholesale Service	Gas Retail	2,073,171
Verizon	Utility	1,776,820
Louis Bruno	Retail	1,539,025
Oswego Hydropartners LP	Utility	1,443,400

The ten larger taxpayers listed above have a total full valuation of $70,352,452, which represents 10.39% of the tax base of the District for the 2020-21 fiscal year.

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

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $90,550 or less for 2021, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a "basic" exemption on their primary residence.

The 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
Granby	$ 66,460	$ 28,200	4/9/2021
Hastings	70,700	30,000	4/9/2021
Palermo	65,040	27,600	4/9/2021
Schroeppel	53,030	22,500	4/9/2021
Volney	66,460	28,200	4/9/2021
Clay	2,790	1,190	4/9/2021
Lysander	70,700	30,000	4/9/2021

$2,820,590 of the District's $17,426,873 school tax levy for the 2020-21 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2021.

Approximately $2,680,500 of the District's $17,426,873 school tax levy for 2021-2022 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January, 2022.

Additional Tax Information

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

Senior citizens' and Veterans' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-60%, Agricultural-25%, Commercial-10% and Industrial-5%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $3,900 including County, Town, School District and Fire District Taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

The Board of Education, as the finance board of the 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.

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.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2016	2017	2018	2019	2020
Bonds	$42,335,845 (1)	$58,377,735 (1)	$ 64,851,855 (1)	$ 42,885,855 (1)	$ 39,870,908 (1)
Bond Anticipation Notes	0	0	0	0	19,000,000
Energy Performance Contract	485,760	276,505	56,689	0	0
Total Debt Outstanding	$ 42,821,605	$ 58,654,240	$ 64,908,544	$ 42,885,855	$ 58,870,908

(1) On April 29, 2015, the District issued $19,630,000 refunding serial bonds through the Dormitory Authority of the State of New York ("DASNY") to realize net present value and budgetary savings. The bonds advance refunded $18,570,000 outstanding principal of the District's 2008 DASNY bonds dated December 12, 2008. These refunded bonds were fully redeemed as of their first call date of October 1, 2018. As of November 9, 2017, the District's 2010C Dormitory Authority of the State of New York ("DASNY") bonds in the years 2021-2028 were advance refunded with $8,730,000 bonds issued through DASNY. Where noted, the refunded and refunding bonds are included in the total above. The bonds were redeemed in full as of their first call date, October 1, 2020.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 10, 2021.

Type of Indebtedness	Maturity		Amount
Bonds	2021-2039		$ 29,689,188
Bond Anticipation Notes			
Capital Improvements Project	July 8, 2021		32,666,850 [1]
		Total Indebtedness	$ 62,356,038

[1] To be partially redeemed and renewed with the proceeds of the Notes and $451,850 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 10, 2021:

Full Valuation of Taxable Real Property			$ 676,805,268
Debt Limit 10% thereof			67,680,527
Inclusions:			
Bonds	$ 29,689,188		
Bond Anticipation Notes	451,850		
Principal of this Issue	32,215,000		
Total Inclusions		$ 62,356,038	
Exclusions:			
State Building Aid [1] [2]	$ 41,441,895		
Total Exclusions		$ 41,441,895	
Total Net Indebtedness			$ 20,914,143
Net Debt-Contracting Margin			$ 46,766,384
The percent of debt contracting power exhausted is			30.90%

[1] Based on preliminary 2021-2022 building aid estimates, the District anticipates State Building aid of 89.4% 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.

[2] The District currently has a building aid exclusion in place dated July 29, 2020.

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 February 28, 2017, District voters approved a capital improvement project in the amount of $38,231,853. The project will use $5,200,000 from the District’s reserve fund, with the remaining funds to be provided through the issuance of bond anticipation notes and serial bonds. The issuance of $19,000,000 bond anticipation notes on July 12, 2019 represented the first borrowing against this authorization. Said bond anticipation notes were partially redeemed and renewed through the issuance of $32,666,850 bond anticipation notes on July 9, 2020, which also provided $14,031,853 new money for the aforementioned purpose. The Notes are being issued, along with $481,850 available funds of the District to partially redeem and renew the $32,666,850 bond anticipation notes maturing July 9, 2021 for the aforementioned purpose.

On December 10, 2019 the District voters approved a capital project in the amount of $2,600,000 for the renovation, reconstruction and improvements to District buildings and facilities. The project is being funded by using the Capital Reserve Fund and State building aid.

The District annually issues serial bonds for the purchase of school buses, and issued $419,188 serial bonds for this purpose on August 26, 2020. On May 18, 2021 the District voters approved $495,929 for the purchase of school buses. The District expects to issue serial bonds in summer or fall 2021 for the purchase of school buses.

The District also completes $100,000 capital improvement projects on an annual basis.

There are no obligations authorized and unissued, nor are any obligations contemplated, at the present time.

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes or revenue anticipation notes, and does not reasonably expect to issue such notes in the current fiscal year.

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 respective fiscal year of the below municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Oswego	12/31/2019	$ 5,002,581	$ 667,581	$ 4,335,000	8.70%	$ 377,145
Onondaga	12/31/2019	668,490,376	308,510,689	359,979,687	0.49%	1,763,900
Town of:						
Granby	12/31/2019	11,393,312	11,333,312	60,000	19.07%	11,442
Hastings	12/31/2019	17,780,331	8,053,333	9,726,998	0.04%	3,891
Palermo	12/31/2019	64,433	-	64,433	21.99%	14,169
Schroeppel	12/31/2019	-	-	-	98.71%	-
Volney	12/31/2019	12,592,849	11,407,849	1,185,000	4.78%	56,643
Clay	12/31/2019	4,436,000	634,900	3,801,100	1.31%	49,794
Lysander	12/31/2019	2,515,770	-	2,515,770	5.18%	130,317
Village of:						
Phoenix	5/31/2020	5,152,477	4,989,477	163,000	100.00%	163,000
					Total:	$ 2,570,301

(1) Bonds and bond anticipation notes are as of close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2019 and 2020.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 10, 2021:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 20,914,143	$ 1,730.87	3.09%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	23,484,444	1,943.59	3.47

(a) The current estimated population of the District is 12,083. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2020-2021 fiscal year is $676,805,268. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is $2,570,301. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

No Past Due Debt. No principal of or interest on School District indebtedness is past due.

MARKET AND RISK FACTORS

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

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. See also "THE SCHOOL DISTRICT – State Aid" herein.

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

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

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

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. 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" and "State Aid History" herein).

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 complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

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 School 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 the 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.

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. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other 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 opinions will be in substantially the forms attached hereto as "APPENDIX – E".

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School 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.

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, the form of which is attached hereto as "APPENDIX – C".

Historical Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

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

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

MISCELLANEOUS

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

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

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

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 or statistical information in this Official Statement.

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

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

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

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

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

The District contact information is as follows: Karl Seckner, Assistant Superintendent of Finance & Educational Services, 116 Volney Street, Phoenix, New York 13135, Phone: (315) 695-1512, Fax: (315) 695-1629, Email: kseckner@phoenixcsd.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

PHOENIX CENTRAL SCHOOL DISTRICT

Dated: June 10, 2021

EARL RUDY
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
ASSETS					
Unrestricted Cash	$ 4,570,295	$ 2,124,830	$ 818,623	$ 1,834,143	$ 6,815,746
Restricted Cash	9,170,623	8,798,915	12,049,361	14,842,339	12,242,340
Receivables	14,773	6,969	5,856	6,362	1,457
Due from Other Funds	743,438	338,762	1,339,413	295,242	715,219
State and Federal Aid Receivable	621,064	547,484	683,522	554,943	1,513,143
Due from Other Government	890,417	1,038,174	1,447,134	1,343,966	11,283
TOTAL ASSETS	$ 16,010,610	$ 12,855,134	$ 16,343,909	$ 18,876,995	$ 21,299,188
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 304,924	$ 44,179	$ 63,527	$ 185,733	$ 655,615
Accrued Liabilities	307,263	65,758	139,542	141,688	133,327
Revenue Anticipaion Notes Payable	-	-	-	-	-
Due to Other Funds	84,998	-	151,390	2,248	2
Due to Retirement Systems	2,007,189	1,824,058	1,506,628	1,619,183	1,401,346
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	$ 2,704,374	$ 1,933,995	$ 1,861,087	$ 1,948,852	$ 2,190,290
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	9,170,623	8,798,915	12,049,361	14,842,339	12,242,340
Assigned	176,794	355,518	617,952	290,391	328,777
Unassigned	3,958,819	1,766,706	1,815,509	1,795,413	6,537,781
TOTAL FUND EQUITY	13,306,236	10,921,139	14,482,822	16,928,143	19,108,898
TOTAL LIABILITIES and FUND EQUITY	$ 16,010,610	$ 12,855,134	$ 16,343,909	$ 18,876,995	$ 21,299,188

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2015	2016	2017	2018	2019
REVENUES					
Real Property Taxes	$ 16,778,397	$ 16,862,260	$ 16,868,896	$ 17,050,060	$ 17,305,227
Non-Property Taxes	11,138	10,641	6,136	6,236	6,305
Charges for Services	47,388	41,422	18,176	7,629	6,984
Use of Money & Property	71,097	66,687	88,376	93,014	177,909
Sale of Property and Compensation for Loss	26,805	19,720	34,553	23,795	30,978
Miscellaneous	548,188	435,597	585,734	589,985	355,942
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	24,913,286	25,727,743	26,991,661	27,824,367	28,125,717
Revenues from Federal Sources	56,814	78,924	47,838	83,578	91,948
Total Revenues	$ 42,453,113	$ 43,242,994	$ 44,641,370	$ 45,678,664	$ 46,101,010
Other Sources:					
Interfund Transfers	131,130	68,108	382	-	-
Total Revenues and Other Sources	$ 42,584,243	$ 43,311,102	$ 44,641,752	$ 45,678,664	$ 46,101,010
EXPENDITURES					
General Support	$ 4,668,824	$ 4,910,027	$ 4,997,266	$ 5,242,739	$ 5,098,403
Instruction	18,941,362	19,691,548	20,535,675	20,652,057	21,387,254
Pupil Transportation	1,892,385	1,880,069	1,862,143	1,920,588	1,737,733
Community Services	-	-	-	-	-
Employee Benefits	9,736,998	9,288,275	9,218,351	9,091,240	9,699,591
Debt Service	4,688,391	5,092,552	5,062,862	5,033,625	5,012,471
Capital Outlay	-	177,316	-	-	230,211
Total Expenditures	$ 39,927,960	$ 41,039,787	$ 41,676,297	$ 41,940,249	$ 43,165,663
Other Uses:					
Interfund Transfers	117,738	202,550	5,350,552	176,732	490,026
Total Expenditures and Other Uses	$ 40,045,698	$ 41,242,337	$ 47,026,849	$ 42,116,981	$ 43,655,689
Excess (Deficit) Revenues Over Expenditures	2,538,545	2,068,765	(2,385,097)	3,561,683	2,445,321
FUND BALANCE					
Fund Balance - Beginning of Year	8,698,926	11,237,471	13,306,236	10,921,139	14,482,822
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 11,237,471	$ 13,306,236	$ 10,921,139	$ 14,482,822	$ 16,928,143

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2020 Adopted Budget	2020 Modified Budget	2020 Actual	2021 Adopted Budget	2022 Adopted Budget
REVENUES					
Real Property Taxes and Tax Items	$ 17,468,591	$ 17,468,591	$ 17,574,832	$ 17,468,592	$ 17,523,873
Non-Property Taxes	7,500	7,500	5,770	2,500	2,500
Charges for Services	3,500	3,500	9,534	8,500	8,500
Use of Money & Property	92,700	92,700	149,130	10,000	10,000
Sale of Property and Compensation for Loss	5,500	5,500	26,918	15,500	15,500
Miscellaneous	313,500	313,500	677,452	310,000	310,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	28,328,209	28,328,209	28,293,023	28,503,098	31,271,464
Revenues from Federal Sources	50,000	50,000	154,686	45,000	326,308
Total Revenues	$ 46,269,500	$ 46,269,500	$ 46,891,345	$ 46,363,191	$ 49,468,145
Other Sources:					
Interfund Transfers	50,000	50,000	-	587,000	50,000
Total Revenues and Other Sources	$ 46,319,500	$ 46,319,500	$ 46,891,345	$ 46,950,191	$ 49,518,145
EXPENDITURES					
General Support	$ 5,681,670	$ 5,764,419	$ 5,048,558	$ 5,721,718	$ 4,940,276
Instruction	23,212,609	23,400,515	21,070,620	23,237,744	23,710,122
Pupil Transportation	2,175,897	2,190,732	1,630,970	2,176,451	2,184,240
Community Services	-	-	-	-	-
Employee Benefits	10,136,463	10,141,364	9,081,184	10,231,082	10,691,806
Debt Service	4,925,361	4,925,361	4,923,277	5,781,007	7,804,202
Capital Outlay	-	-	188,231	-	-
Total Expenditures	$ 46,132,000	$ 46,422,391	$ 41,942,840	$ 47,148,001	$ 49,330,645
Other Uses:					
Interfund Transfers	187,500	187,500	2,767,750	187,500	187,500
Total Expenditures and Other Uses	$ 46,319,500	$ 46,609,891	$ 44,710,590	$ 47,335,501	$ 49,518,145
Excess (Deficit) Revenues Over Expenditures	-	(290,391)	2,180,755	(385,310)	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	290,391	16,928,143	385,310	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 19,108,898	$ -	$ -

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

APPENDIX - B
Phoenix CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2021	$ 3,675,908	$ 1,314,972.60	$ 6,666,479.10
2022	3,814,188	1,187,875.73	6,488,326.98
2023	3,890,000	1,032,851.25	4,922,851.25
2024	3,450,000	873,028.75	4,323,028.75
2025	3,035,000	727,971.88	3,762,971.88
2026	2,275,000	587,112.50	2,862,112.50
2027	2,300,000	482,231.25	2,782,231.25
2028	2,410,000	370,731.25	2,780,731.25
2029	1,455,000	271,081.25	1,726,081.25
2030	610,000	220,125.00	830,125.00
2031	445,000	196,818.75	641,818.75
2032	455,000	181,937.50	636,937.50
2033	470,000	162,875.00	632,875.00
2034	500,000	138,750.00	638,750.00
2035	525,000	113,125.00	638,125.00
2036	550,000	86,250.00	636,250.00
2037	585,000	58,000.00	643,000.00
2038	610,000	28,125.00	638,125.00
2039	230,000	5,750.00	235,750.00
TOTALS	$ 31,285,096	$ 8,039,612.71	$ 42,486,570.46

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Buses			2016 Buses			2017 Buses			2018 Buses		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	$ 70,000	$ 717.50	$ 70,717.50	$ 100,000	$ 2,712.50	$ 102,712.50	$ 95,000	$ 4,656.00	$ 99,656.00	$ 90,000	$ 8,243.75	$ 98,243.75
2022	-	-	-	105,000	918.75	105,918.75	95,000	2,832.00	97,832.00	90,000	5,993.75	95,993.75
2023	-	-	-	-	-	-	100,000	960.00	100,960.00	95,000	3,681.25	98,681.25
2024	-	-	-	-	-	-	-	-	-	95,000	1,246.88	96,246.88
TOTALS	$ 70,000	$ 717.50	$ 70,717.50	$ 205,000	$ 3,631.25	$ 208,631.25	$ 290,000	$ 8,448.00	$ 298,448.00	$ 370,000	$ 19,165.63	$ 389,165.63

Fiscal Year Ending June 30th	2019 Buses			2020 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 85,908	$ 11,799.10	$ 97,707.10	$ -	$ -	$ -
2022	90,000	6,197.50	96,197.50	79,188	6,589.98	85,777.98
2023	95,000	4,486.25	99,486.25	85,000	3,442.50	88,442.50
2024	95,000	2,728.75	97,728.75	85,000	2,496.88	87,496.88
2025	100,000	925.00	100,925.00	85,000	1,540.63	86,540.63
2026	-	-	-	85,000	531.25	85,531.25
TOTALS	$ 465,908	$ 26,136.60	$ 492,044.60	$ 419,188	$ 14,601.23	$ 433,789.23

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014 BOCES Capital Project Principal	2014 BOCES Capital Project Interest	2014 BOCES Capital Project Total	2015 DASNY - Refunding of 2008 DASNY Bonds Principal	2015 DASNY - Refunding of 2008 DASNY Bonds Interest	2015 DASNY - Refunding of 2008 DASNY Bonds Total	2016 DASNY Principal	2016 DASNY Interest	2016 DASNY Total	2017 DASNY Principal	2017 DASNY Interest	2017 DASNY Total
2021	$ 230,000	$ 65,837.50	$ 295,837.50	$ 1,155,000	$ 797,756.25	$ 1,952,756.25	$ 120,000	$ 73,650.00	$ 193,650.00	$ 1,730,000	$ 349,600.00	$ 2,079,600.00
2022	235,000	61,237.50	296,238	1,210,000	738,756.25	1,948,756.25	125,000	67,650.00	192,650.00	1,785,000	297,700.00	2,082,700.00
2023	245,000	55,950.00	300,950	1,285,000	676,631.25	1,961,631.25	135,000	61,400.00	196,400.00	1,850,000	226,300.00	2,076,300.00
2024	250,000	48,600.00	298,600	1,340,000	611,006.25	1,951,006.25	140,000	54,650.00	194,650.00	1,445,000	152,300.00	1,597,300
2025	260,000	41,100.00	301,100	1,425,000	542,256.25	1,967,256.25	145,000	47,650.00	192,650.00	1,020,000	94,500.00	1,114,500
2026	265,000	33,300.00	298,300	1,495,000	469,381.25	1,964,381.25	155,000	40,400.00	195,400.00	275,000	43,500.00	318,500
2027	275,000	25,350.00	300,350	1,575,000	392,881.25	1,967,881.25	160,000	34,250.00	194,250.00	290,000	29,750.00	319,750
2028	280,000	17,100.00	297,100	1,660,000	312,131.25	1,972,131.25	165,000	26,250.00	191,250.00	305,000	15,250.00	320,250
2029	290,000	8,700.00	298,700	990,000	244,381.25	1,234,381.25	175,000	18,000.00	193,000.00	-	-	-
2030	-	-	-	425,000	210,875	635,875	185,000	9,250.00	194,250.00	-	-	-
2031	-	-	-	445,000	196,819	641,819	-	-	-	-	-	-
2032	-	-	-	455,000	181,938	636,938	-	-	-	-	-	-
2033	-	-	-	470,000	162,875	632,875	-	-	-	-	-	-
2034	-	-	-	500,000	138,750	638,750	-	-	-	-	-	-
2035	-	-	-	525,000	113,125	638,125	-	-	-	-	-	-
2036	-	-	-	550,000	86,250	636,250	-	-	-	-	-	-
2037	-	-	-	585,000	58,000	643,000	-	-	-	-	-	-
2038	-	-	-	610,000	28,125	638,125	-	-	-	-	-	-
2039	-	-	-	230,000	5,750	235,750	-	-	-	-	-	-
TOTALS	$ 2,330,000	$ 357,175.00	$ 2,687,175.00	$ 16,930,000	$ 5,967,687.50	$ 22,897,687.50	$ 1,505,000	$ 433,150.00	$ 1,938,150.00	$ 8,700,000	$ 1,208,900.00	$ 9,908,900.00

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 securities, 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 securities, or other material events affecting the tax status of the Notes

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

PHOENIX CENTRAL SCHOOL DISTRICT
ONONDAGA AND OSWEGO COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2020

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

PHOENIX CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

June 30, 2020

PHOENIX CENTRAL SCHOOL DISTRICT

Table of Contents

grossman st. amour
CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Education
Phoenix Central School District
Phoenix, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Phoenix Central School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited each fiduciary fund type of Phoenix Central School District, as of and for the year ended June 30, 2020, as displayed in the District's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis* (pages 4-13), *schedule of changes in the district's total OPEB liability and related ratios (page 54)*, *schedule of revenues, expenditures and changes in fund balance-budget (Non-GAAP Basis) and actual- general fund (page 55)*, *schedule of district contributions (page 56)* and *schedule of district's proportionate share of the net pension asset (liability) (page 57)* 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 Phoenix Central School District's basic financial statements. The *schedule of change from adopted to final budget and the real property tax limit (page 58)*, the *schedule of project expenditures – capital projects (page 59)* and *net investment in capital assets (page 60)* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *schedule of change from adopted budget to final budget and the real property tax limit*, *schedule of project expenditures – capital projects fund* and *net investment in capital assets* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of change from adopted budget to final budget and the real property tax limit*, *schedule of project expenditures – capital projects fund* and *net investment in capital assets* are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020 on our consideration of Phoenix Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

Grossman St. Amour CPAs

Syracuse, New York
October 19, 2020

Our discussion and analysis of Phoenix Central School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the opinion on page 1 and the District's financial statements, which begin on page 14.

Financial Highlights

- During the year, the District had total expenses for functions and programs of $44,639,282, and total revenues of $49,387,616; these expenditures were funded in part by $28,447,709 received from state and federal sources. Remaining funds were available through property taxes and other miscellaneous revenues.

- The total cost of all District programs increased by 1,620,819, or 3.77%. This increase is primarily attributable to standard fluctuation of costs as well as changes in assumptions related to the ERS and TRS net pension liability and assets and other postemployment benefit liability. Efforts are made to ensure that program costs are held at a minimum.

- The District's general fund reported an excess of revenues over expenditures in 2019-2020 of $2,180,755.

- Changes in enrollment:

  As the attached schedule indicates, there was slight change in enrollment over the past few years. Our projections indicate that enrollment should remain stable at the current level for the next 5 years.

School Year	Enrollment
2005-2006	2,293
2006-2007	2,239
2007-2008	2,250
2008-2009	2,241
2009-2010	2,168
2010-2011	2,090
2011-2012	2,044
2012-2013	1,890
2013-2014	1,840
2014-2015	1,850
2015-2016	1,830
2016-2017	1,810
2017-2018	1,772
2018-2019	1,772
2019-2020	1,762
2020-2021 (projection)	1,750

- State Aid and Tax Levy

  As noted in the chart below, state aid has increased at a rate greater than the Consumer Price Index (CPI) in years prior to the 2010-2011 school year. Fiscal challenges in the United States caused a change in this pattern. With the exception of building aid, the district's 2009-2010 and 2010-2011 state aid was frozen at 2008-2009 levels, and was partially funded by federal stimulus funds. 2011-2012 aid was reduced by $1.5 million. This reduction was partially offset by $800,000 in Federal Education Jobs Fund money. Between the 2018-19 and 2019-20 budget years, New York State was able to provide an increase in general operating aid of approximately $545,000 and $657,458 respectively, which has enabled the district to maintain educational programs. With the imposed tax cap legislation and slight increase in total state aid, the expense-side budget increase was limited to approximately $953,640 for 2019-2020, primarily due to increases in BOCES Special education expenditures costs. The 2020-21 budget was challenging, in that foundation aid was frozen by the State and Federal funds from the CARES act resulted in a deduction from State Aid.

  As noted in the chart below, local taxpayers have supported slight levy increases. The District strives to balance the educational needs of our students with the limited resources of our taxpayers. Even with an unstable employment base in the area, district residents have continued to be supportive of the District.

  Below is a detail of the District's budget, state aid and required levy to meet the budget:

Year	Budget	State Aid	% Change	Levy	% Change	Budgeted Use of Reserves	% Change
2006-2007	$34,430,000	$20,008,233	6.70%	$12,961,515	5.60%	$0	0.00%
2007-2008	$35,406,302	$20,993,955	4.90%	$13,591,647	4.80%	$0	0.00%
2008-2009	$37,352,477	$22,187,816	5.68%	$14,538,961	6.97%	$0	0.00%
2009-2010	$41,015,495	$25,474,133	15.08%	$15,031,662	3.39%	$0	0.00%
2010-2011	$42,008,341	$25,193,723	(1.10%)	$15,373,638	2.28%	$1,031,280	100.00%
2011-2012	$41,103,453	$23,676,173	(6.02%)	$15,827,160	2.95%	$1,025,920	(0.05%)
2012-2013	$41,261,399	$23,326,699	(1.48%)	$16,131,860	1.92%	$1,228,640	19.76%
2013-2014	$42,008,927	$23,943,365	2.64%	$16,425,022	1.79%	$1,228,640	0.00%
2014-2015	$42,559,049	$24,446,555	2.10%	$16,751,880	1.99%	$905,000	(26.34%)
2015-2016	$43,747,467	$25,734,639	5.27%	$16,833,964	0.49%	$700,000	(22.65%)
2016-2017	$44,787,050	$26,665,722	3.62%	$16,833,964	0.00%	$800,000	14.29%
2017-2018	$45,118,781	$27,125,711	1.73%	$16,961,451	0.08%	$550,000	(31.25%)
2018-2019	$45,389,543	$27,670,751	2.00%	$17,215,873	1.5%	$50,000	(90.90%)
2019-2020	$46,319,500	$28,328,209	2.37%	$17,426,873	1.23%	$50,000	0.00%
2020-2021	$47,335,501	$28,503,098	0.62%	$17,426,873	0.00%	$587,000	1074%

In an effort to help mitigate the loss of Education Jobs Fund monies, the district has been diligent in their efforts to control the cost of employee benefits:

Year	All Employee Benefits: Budget	Employee Benefit Actual	NYS TRS: Budget	NYS TRS: Actual
2006-2007	$7,800,559	$7,551,242	$850,000	$1,373,886
2007-2008	8,662,407	7,563,002	1,246,939	1,469,921
2008-2009	8,082,197	8,024,035	1,238,306	1,208,644
2009-2010	8,425,582	7,477,187	1,414,930	1,369,951
2010-2011	8,902,189	7,538,580	1,890,314	1,191,862
2011-2012	8,721,680	8,959,760	1,637,684	1,766,834
2012-2013	8,742,270	8,875,121	1,847,159	1,814,991
2013-2014	9,768,228	9,515,978	2,486,750	2,745,215
2014-2015	10,358,042	10,091,606	2,710,475	2,601,429
2015-2016	9,896,982	9,288,275	2,672,413	1,950,874
2016-2017	10,192,566	9,218,350	1,955,000	1,767,195
2017-2018	10,103,320	9,058,706	1,600,000	1,449,625
2018-2019	10,202,220	9,669,591	1,725,000	1,579,627
2019-2020	10,136,463	9,081,186	1,500,000	1,335,207
2020-2021	10,231,081		1,600,000	

The method of state funding for textbooks, computer hardware, and computer software and library materials remains unchanged. Expenditures in these areas remain consistent, as they are budgeted based on the amount of aid the district anticipates it will receive.

Using This Annual Report

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The 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 the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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 School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net position • Statement of activities • Reconciliation of governmental funds and changes in fund balance to the Statement of activities • Reconciliation of governmental funds balance sheet to the Statement of net position	• 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, and 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 outflow of resources (if any), and 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

The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

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 statements of net position include 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 they have changed. Net position – the difference between the District's assets and liabilities – 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 non-financial 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. Generally, the District is required by New York State General Municipal law (para. 36) to follow the system of accounts formulated and prescribed by the New York State Comptroller.

- 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 financial statements, additional information in the notes to the financial statements explains the relationship (or differences) between them.

Fund Financial Statements (continued)

- 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.

The School District as a Whole

Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental activities.

TABLE 1
Statement of Net Position

	Governmental Activities and Total School District		Percentage Change
	2020	2019	2019-2020
Current and Other Assets	$ 24,562,630	$ 21,033,838	16.78%
Capital Assets	78,138,885	58,675,012	33.17%
Net Pension Asset	2,417,480	1,727,179	39.97%
Total Assets	105,118,995	81,436,029	29.08%
Deferred Outflows of Resources	12,765,914	11,947,154	6.85%
Total Assets and Deferred Outflows of Resources	$ 117,884,909	$ 93,383,183	26.24%
Long-Term Debt-Due in One Year	$ 24,926,600	$ 7,523,318	231.32%
Long-Term Debt-Due in More than One Year	43,808,507	46,775,714	-6.34%
Net Pension Liability	4,073,955	1,082,458	276.36%
Other Liabilities	4,135,796	2,332,562	77.31%
Total Liabilities	76,944,858	57,714,052	33.32%
Deferred Inflows of Resources	7,262,953	6,740,367	7.75%
Total Liabilities and Deferred Inflows of Resources	$ 84,207,811	$ 64,454,419	30.65%
Net Position:			
Investment in Capital Assets	78,138,885	58,675,012	33.17%
Related Debt	(52,361,712)	(36,616,152)	43.00%
Restricted	15,085,034	16,576,847	-9.00%
Unrestricted Net Deficit	(7,185,109)	(9,706,943)	-25.98%
Total Net Position	$ 33,677,098	$ 28,928,764	16.41%

The School District as a Whole (continued)

TABLE 2
Statement of Activities

	Governmental Activities and Total School District		Percentage Change
	2020	2019	2019-2020
REVENUES			
Program Revenues:			
Charges for Services	$ 159,447	$ 220,467	-27.68%
Operating Grants and Contributions	2,161,029	2,067,233	4.54%
General Revenue:			
Property Taxes and Other Tax Items	17,574,832	17,305,227	1.56%
State Sources	28,293,023	28,125,717	0.59%
Federal Sources	154,686	91,948	68.23%
Other General Revenues	1,044,599	652,745	60.03%
Total Revenues	49,387,616	48,463,337	1.91%
PROGRAM EXPENSES			
General Support	7,124,253	6,471,326	10.09%
Instruction	33,460,963	32,305,164	3.58%
Transportation	2,293,685	2,372,497	-3.32%
Debt Service	1,397,704	1,549,778	-9.81%
School Lunch Program	362,677	319,699	13.44%
Total Program Expenses	44,639,282	43,018,464	3.77%
Increase in Net Position	$ 4,748,334	$ 5,444,873	-12.79%

In Table 2, the District's total revenues increased by $924,279, most funding sources held constant year over year with the exception of State aid that was increase slightly through the restoration of the Gap Elimination Adjustment.

District expenses increased $1,620,819 overall due to general program cost increases and costs associated with the net pension asset and liability and other post-employment benefits.

The School District as a Whole (continued)

The District participates in a cooperative health insurance program with 27 other school districts. This cooperative has been in existence since 1983 and has proven to be a successful model for funding of health insurance for school districts. Excellus Blue Cross/Blue Shield acts as the third party administrator; the cooperative is managed by a private consulting firm that has been with the program since its inception. The District continues to realize the benefits of this program through 2019-2020, and continues to see a significantly lower rate of increase than its previous fully insured program. Additionally, 100% of district employees have agreed to participate in a 3-tier drug plan for health insurance, further reducing insurance premiums by more than 8% annually.

Finally, the District continues to maintain a five-year financial plan to ensure long-term financial stability. This plan provides the District with information that shows district leaders how decisions we make today will impact the financial operations of the district in the future.

General Fund Budgetary Highlights

Budget transfers made at the end of each year were to cover unanticipated program and pupil expenses. The District monitors expenditures on a routine basis and implements annual adjustments to compensate for shortfalls in line item budgets occurring throughout the year.

In 2019-2020, the District controlled costs well, the final budget exceeded appropriations in the amount of $1,570,524 including current year encumbrances.

Capital Asset and Debt Administration

Capital Assets

At the end of 2019-2020 the District had approximately $78.1 million invested in a broad range of capital assets, including equipment and buildings (see Table 3). This amount represents a net increase of approximately $19,464,000, primarily related to ongoing projects less annual depreciation.

TABLE 3
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities and Total School District		Percentage Change
	2020	2019	2019-2020
Land	$ 186,900	$ 186,900	0.00%
Construction in progress	27,182,619	6,653,354	308.56%
Buildings and Improvements	47,897,728	49,063,789	-2.38%
Machinery and Equipment	2,871,638	2,770,969	3.63%
Total	$ 78,138,885	$ 58,675,012	33.17%

Capital Asset and Debt Administration (continued)

Long-Term Obligations

At year-end, the District had $49,735,107 in long-term obligations outstanding versus $52,557,076 last year, resulting in a decrease of 5.37%.

TABLE 4
Outstanding Long-Term Obligations, at Year End

	Total School District		Percentage Change
	2020	2019	2019-2020
General Obligation Bonds (Financed with Property Taxes)	$ 31,970,242	$ 35,116,162	-8.96%
Other Postemployment Benefits	14,247,464	14,175,351	0.51%
Workers compensation payable	286,516	162,454	76.37%
Compensated absences	3,230,885	3,103,109	4.12%
Total Long-term Liabilities	$ 49,735,107	$ 52,557,076	-5.37%

Standard & Poor's Credit Market Services ("S & P") has assigned a bond rating of A+ with respect to the District's outstanding bonds. The state limits the amount of general obligation debt that school districts can issue to 10% of the assessed value of all taxable property within the District's geographic limits. The District's outstanding general obligation debt is below this $61.16 million state-imposed limit. More detailed information about the District's long-term liabilities in presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- Legislative mandates and state education department initiatives, which are not accompanied by financial support, continue to be of concern to the District.
- The District has made every effort to prepare for anticipated shortfalls in funding from the State of New York and is concerned over the uncertainty in which is now a nonexistent predictable aid formula. We are hopeful that education funding will become more predictable in future years.
- Due to the State economic fallout from a loss of revenue from the COVID-19 pandemic shutdown, the District anxiously awaits federal assistance. Without temporary federal aid assistance, the District anticipates drastic personnel and program reductions in the 2021-22 school budget.

Economic Factors and Next Year's Budgets and Rates (continued)

- The community is a small rural area with a population under 15,000. The area is also a bedroom community for the cities of Fulton, Syracuse and Oswego.

- The voters of the District approved a budget of $47,335,501 for the 2020-2021 school year. We anticipate continued support from our community.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District Business Office at the Phoenix Central School District, 116 Volney Street, Phoenix, New York, 315-695-1574.

PHOENIX CENTRAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

ASSETS	
Cash	
Unrestricted	$ 7,108,864
Restricted	15,085,034
Receivables	
Accounts receivable	3,002
State and Federal aid	2,210,033
Due from fiduciary funds	84,494
Due from other governments	11,283
Inventories	59,920
Capital assets, net	78,138,885
Net pension asset - proportionate share	2,417,480
Total assets	105,118,995
DEFERRED OUTFLOWS OF RESOURCES	
Defeasance on bond refunding	1,391,470
Pensions	10,856,043
Other post employment benefits	518,401
Total deferred outflows of resources	12,765,914
Total assets and deferred outflows of resources	$ 117,884,909
LIABILITIES	
Current liabilities	
Accounts payable	$ 2,387,507
Accrued liabilities	150,933
Interest payable	91,929
Due to teachers' retirement system	1,336,019
Due to employees' retirement system	169,408
Long-term liabilities	
Due and payable within one year	
Bonds payable	3,806,881
Bond anticipation note payable	19,000,000
Compensated absences payable	807,721
Other postemployment benefits payable	1,025,482
Workers compensation payable	286,516
Due and payable after one year	
Bonds payable	28,163,361
Compensated absences payable	2,423,164
Other postemployment benefits payable	13,221,982
Net pension liability- proportionate share	4,073,955
Total liabilities	76,944,858
DEFERRED INFLOWS OF RESOURCES	
Pensions	3,306,997
Other post employment benefits	3,955,956
Total deferred inflows of resources	7,262,953
NET POSITION	
Net investment in capital assets	25,777,173
Restricted	15,085,034
Unrestricted deficit	(7,185,109)
Total net position	33,677,098
Total liabilities, deferred inflows of resources and net position	$ 117,884,909

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2020

	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS					
General support	$ (6,384,005)	$ (740,248)	$ -	$ -	$ (7,124,253)
Instruction	(25,410,766)	(8,050,197)	9,534	1,488,734	(31,962,695)
Pupil transportation	(1,831,030)	(462,655)	-	-	(2,293,685)
Employee benefits	(9,253,100)	9,253,100	-	-	-
Debt service	(1,397,704)	-	-	-	(1,397,704)
School lunch program	(362,677)	-	149,913	672,295	459,531
Total functions and programs	$ (44,639,282)	$ -	$ 159,447	$ 2,161,029	(42,318,806)
GENERAL REVENUES					
Real property taxes					17,574,832
Nonproperty taxes					5,770
Use of money and property					316,855
Sale of property and compensation for loss					26,918
State sources					28,293,023
Federal sources					154,686
Miscellaneous					695,056
Total general revenues					47,067,140
Change in net position					4,748,334
Total net position - beginning of year					28,928,764
Total net position - end of year					$ 33,677,098

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2020

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	6,815,746	$ 102,188	$ 190,930	$ -	$ -	$ 7,108,864
Restricted	12,242,340	-	-	1,494,616	1,348,078	15,085,034
Receivables						
Due from other funds	715,219	2	-	49	-	715,270
Accounts receivable	1,457	-	1,545	-	-	3,002
State and Federal aid	1,513,143	531,362	165,528	-	-	2,210,033
Due from other governments	11,283	-	-	-	-	11,283
Inventories	-	-	59,920	-	-	59,920
Total assets	$ 21,299,188	$ 633,552	$ 417,923	$ 1,494,665	$ 1,348,078	$ 25,193,406
LIABILITIES						
Accounts payable	$ 655,615	$ 2,020	$ 26	$ -	$ 1,729,846	$ 2,387,507
Accrued liabilities	133,327	8,480	9,126	-	-	150,933
Due to other funds	2	530,725	100,000	-	49	630,776
Due to teachers' retirement system	1,246,025	89,994	-	-	-	1,336,019
Due to employees' retirement system	155,321	2,333	11,754	-	-	169,408
Bond anticipation note payable	-	-	-	-	19,000,000	19,000,000
Total liabilities	2,190,290	633,552	120,906	-	20,729,895	23,674,643
FUND BALANCES						
Nonspendable	-	-	59,920	-	-	59,920
Restricted	12,242,340	-	-	1,494,665	-	13,737,005
Assigned	328,777	-	237,097	-	-	565,874
Unassigned	6,537,781	-	-	-	(19,381,817)	(12,844,036)
Total fund balances	19,108,898	-	297,017	1,494,665	(19,381,817)	1,518,763
Total liabilities and fund balances	$ 21,299,188	$ 633,552	$ 417,923	$ 1,494,665	$ 1,348,078	$ 25,193,406

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash				
Unrestricted	$ 7,108,864	$ -	$ -	$ 7,108,864
Restricted	15,085,034	-	-	15,085,034
Receivables				
Accounts receivable	3,002	-	-	3,002
Due from other funds	715,270	-	(630,776)	84,494
Due from state and federal	2,210,033	-	-	2,210,033
Due from other governments	11,283	-	-	11,283
Inventories	59,920	-	-	59,920
Land, buildings and equipment (net)	-	78,138,885	-	78,138,885
Net pension asset- proportionate share	-	2,417,480	-	2,417,480
Total assets	$ 25,193,406	$ 80,556,365	$ (630,776)	$ 105,118,995
DEFERRED OUTFLOWS OF RESOURCES				
Defeasance on bond refunding	-	1,391,470	-	1,391,470
Pensions	-	10,856,043	-	10,856,043
Other postemployment benefits	-	518,401	-	518,401
Total deferred outflows of resources	-	12,765,914	-	12,765,914
Total assets and deferred outflows of resources	$ 25,193,406	$ 93,322,279	$ (630,776)	$ 117,884,909
LIABILITIES				
Payables				
Accounts payable	$ 2,387,507	$ -	$ -	$ 2,387,507
Accrued liabilities	150,933	-	-	150,933
Due to teachers' retirement system	1,336,019	-	-	1,336,019
Due to employees' retirement system	169,408	-	-	169,408
Bond anticipation note payable	19,000,000	-	-	19,000,000
Bonds payable	-	31,970,242	-	31,970,242
Other postemployment benefits payable	-	14,247,464	-	14,247,464
Interest payable	-	91,929	-	91,929
Due to other funds	630,776	-	(630,776)	-
Workers compensation	-	286,516	-	286,516
Compensated absences	-	3,230,885	-	3,230,885
Net pension liability- proportionate share	-	4,073,955	-	4,073,955
Total liabilities	23,674,643	53,900,991	(630,776)	76,944,858
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	3,306,997	-	3,306,997
Other postemployment benefits	-	3,955,956	-	3,955,956
Total deferred inflows of resources	-	7,262,953	-	7,262,953
FUND BALANCE/NET POSITION				
Total fund balance/net position	1,518,763	32,158,335	-	33,677,098
Total liabilities, deferred inflows of resources and fund balance/net position	$ 25,193,406	$ 93,322,279	$ (630,776)	$ 117,884,909

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2020

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	$ 17,574,832	$ -	$ -	$ -	$ -	$ 17,574,832
Nonproperty taxes	5,770	-	-	-	-	5,770
Charges for services	9,534	-	-	-	-	9,534
Use of money and property	149,130	-	358	167,367	-	316,855
Sale of property and compensation for loss	26,918	-	-	-	-	26,918
Miscellaneous	677,452	-	17,604	-	-	695,056
State sources	28,293,023	345,852	21,850	-	-	28,660,725
Federal sources	154,686	1,142,882	650,445	-	-	1,948,013
Sales - School Lunch	-	-	149,913	-	-	149,913
Total revenues	46,891,345	1,488,734	840,170	167,367	-	49,387,616
EXPENDITURES						
General support	5,048,558	-	359,951	-	-	5,408,509
Instruction	21,070,620	1,556,484	-	-	-	22,627,104
Pupil transportation	1,630,970	-	-	-	-	1,630,970
Employee benefits	9,081,184	-	91,952	-	-	9,173,136
Debt service						
Principal	3,611,828	-	-	-	-	3,611,828
Interest	1,311,449	-	-	-	-	1,311,449
Cost of sales	-	-	362,677	-	-	362,677
Capital outlay	188,231	-	-	-	21,094,371	21,282,602
Total expenditures	41,942,840	1,556,484	814,580	-	21,094,371	65,408,275
Excess (deficiency) of revenues over expenditures	4,948,505	(67,750)	25,590	167,367	(21,094,371)	(16,020,659)
OTHER FINANCING SOURCES AND USES						
Proceeds from serial bonds	-	-	-	-	465,908	465,908
Operating transfers in	-	67,750	-	-	2,700,000	2,767,750
Operating transfers (out)	(2,767,750)	-	-	-	-	(2,767,750)
Total other sources (uses)	(2,767,750)	67,750	-	-	3,165,908	465,908
Excess (deficiency) of revenues and other sources over Expenditures and other (uses)	2,180,755	-	25,590	167,367	(17,928,463)	(15,554,751)
Fund balance - beginning of year	16,928,143	-	271,427	1,327,298	(1,453,354)	17,073,514
Fund balance - end of year	$ 19,108,898	$ -	$ 297,017	$ 1,494,665	$ (19,381,817)	$ 1,518,763

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2020

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	$ 17,574,832	$ -	$ -	$ -	$ 17,574,832
Nonproperty taxes	5,770	-	-	-	5,770
Charges for services	9,534	-	-	-	9,534
Use of money and property	316,855	-	-	-	316,855
Sale of property and compensation for loss	26,918	-	-	-	26,918
Miscellaneous	695,056	-	-	-	695,056
State sources	28,660,725	-	-	-	28,660,725
Federal sources	1,948,013	-	-	-	1,948,013
Sales - school lunch	149,913	-	-	-	149,913
Total revenues	49,387,616	-	-	-	49,387,616
EXPENDITURES/EXPENSES					
General support	5,408,509	793,623	181,873	-	6,384,005
Instruction	22,627,104	1,346,866	1,436,796	-	25,410,766
Pupil transportation	1,630,970	-	200,060	-	1,831,030
Employee benefits	9,173,136	(171,874)	-	251,838	9,253,100
Debt service - principal	3,611,828	-	-	(3,611,828)	-
Debt service - interest	1,311,449	-	-	86,255	1,397,704
Cost of sales	362,677	-	-	-	362,677
Capital outlay	21,282,602	-	(21,282,602)	-	-
Total expenditures/expenses	65,408,275	1,968,615	(19,463,873)	(3,273,735)	44,639,282
Excess (deficiency) of revenues over expenditures/expenses	(16,020,659)	(1,968,615)	19,463,873	3,273,735	4,748,334
OTHER SOURCES AND USES					
Proceeds from serial bonds	465,908	-	-	(465,908)	-
Operating transfers in	2,767,750	(2,767,750)	-	-	-
Operating transfers out	(2,767,750)	2,767,750	-	-	-
Total other sources (uses)	465,908	-	-	(465,908)	-
Net change for the year	$ (15,554,751)	$ (1,968,615)	$ 19,463,873	$ 2,807,827	$ 4,748,334

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position -
Fiduciary Funds
June 30, 2020

	Private Purpose Trusts	Agency
ASSETS		
Restricted cash	$ 46,498	$ 202,600
Accounts receivable	-	7,789
Total assets	$ 46,498	$ 210,389
LIABILITIES		
Extraclassroom activity balances	$ -	$ 81,570
Due to governmental funds	-	84,494
Other liabilities	-	44,325
Total liabilities	-	$ 210,389
NET POSITION		
Reserved for scholarships	46,498	
	$ 46,498	

See notes to basic financial statements

PHOENIX CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position -
Fiduciary Funds
For the Year Ended June 30, 2020

	Private Purpose Trusts
ADDITIONS	
Donations	$ 152
Interest	311
Total additions	463
DEDUCTIONS	
Scholarships and awards	1,150
Change in net position	(687)
Net position - beginning of year	47,185
Net position - end of year	$ 46,498

See notes to basic financial statements

Note 1 – Summary of certain significant accounting policies

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine (9) 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 and other organizational entities determined to be includable in the District's financial reporting entity. 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.

i) Extraclassroom Activity Funds

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

Note 1 – Summary of certain significant accounting policies (continued)

B) Joint venture:

The District is a component district in Oswego County Board of Cooperative Educational Services (BOCES). A Board of Cooperative Educational Services (BOCES) is a voluntary, cooperative association of school districts in a geographic area that shares 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. There are 9 participating school districts, including Phoenix in BOCES. The participation in BOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to BOCES. The District has an ongoing financial interest since BOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in BOCES. The District does not control the financial or operating policies of BOCES, however, it has an ongoing financial responsibility since the continued existence of BOCES depends on continued funding from the participating school districts.

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

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

During the year, the District was billed approximately $5,486,000 for BOCES administrative and program costs. The District's share of BOCES aid amounted to approximately $2,685,000.

Financial statements for the BOCES are available from the BOCES administrative office at 179 County Route 64, Mexico, New York 13114. As of June 30, 2019 (the most recent available audited financial statements), BOCES has a total net position (deficit) of ($91,775,168).

C) Basis of presentation:

i) 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.

Note 1 – Summary of certain significant accounting policies (continued)

C) Basis of presentation (continued):

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. 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.

ii) Funds statements:

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

The District reports the following major governmental funds:

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

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

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or State or Local grants.

School Lunch Fund: Used to account for transactions of the lunch and breakfast programs.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

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 the related bonds outstanding.

Note 1 – Summary of certain significant accounting policies (continued)

C) Basis of presentation (continued):

The District reports the following fiduciary funds:

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

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

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

D) Measurement focus and basis of accounting:

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

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

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

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

Note 1 – Summary of certain significant accounting policies (continued)

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1st and become a lien on August 31st. Taxes were collected during the period September 1st to October 31st.

Uncollected real property taxes are subsequently enforced by the Counties of Oswego and Onondaga (the counties), in which the District is located. The counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1st.

F) Restricted resources:

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

G) Interfund transactions:

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

H) Estimates:

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

Note 1 – Summary of certain significant accounting policies (continued)

I) Cash and investments:

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

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.

J) Accounts receivable:

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and prepaid items:

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

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

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

Note 1 – Summary of certain significant accounting policies (continued)

L) Capital assets:

Capital assets acquisitions are reported at historical costs. Donated assets are reported at estimated fair market value at time received. Land and construction in process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and Improvements	$ 50,000	Straight Line	15-50 years
Machinery and Equipment	5,000	Straight Line	5-25 years

M) Deferred revenue:

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

N) Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth 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.

Note 1 – Summary of certain significant accounting policies (continued)

N) 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 or fund balance 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 four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth 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.

O) Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

Plan Description and Benefits Provided:

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to

Note 1 – Summary of certain significant accounting policies (continued)

O) Pension Obligations (continued)

participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

	NYSTRS	NYSERS
2020	$ 1,720,288	$ 612,767
2019	1,649,475	603,939
2018	1,449,625	608,944

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

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

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/ (liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	4/1/2019	6/30/2018
Net pension asset/ (liability)	$ (4,073,955)	$ 2,417,480
District's portion of the Plan's total net pension asset/ (liability)	0.0153847%	0.093051%

Note 1 – Summary of certain significant accounting policies (continued)

O) Pension Obligations (continued)

For the year ended June 30, 2020, the District recognized is proportionate share of pension expense of $1,449,312 for ERS and the actuarial value $3,069,011 for TRS. At June 30, 2020, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 239,769	$ 1,638,264	$ -	$ 179,769
Changes of assumption	82,030	4,566,943	70,832	1,113,550
Net difference between projected and actual earnings on pension plan investments	2,088,507	-	-	1,938,694
Changes in proportion and differences between the District's contributions and proportionate share of contributions	117,704	402,538	4,152	-
District's contribution subsequent to the measurement date	-	1,720,288	-	-
Total	$ 2,528,010	$ 8,328,033	$ 74,984	$ 3,232,013

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2021 for ERS and June 30, 2020 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	ERS	TRS
2020	$ -	$1,173,083
2021	439,254	148,779
2022	618,886	1,169,119
2023	775,639	793,150
2024	619,247	140,939
Thereafter	-	(49,338)
	$ 2,453,026	$3,375,732

Note 1 – Summary of certain significant accounting policies (continued)

O) Pension Obligations (continued)

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 valuation used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.80%	7.10%
Salary scale	4.20%	1.90%-4.72%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.20%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale AA. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2015. For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. The long term expected 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 the target asset allocation percentage and by adding expected inflation.

Note 1 – Summary of certain significant accounting policies (continued)

O) Pension Obligations (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS		TRS	
	Target Allocation	Long-term expected Real rate of return	Target Allocation	Long-term expected Real rate of return
	2020	2020	2019	2019
Domestic equity	36%	4.05%	33%	6.30%
International equty	14%	6.15%	16%	7.80%
Real estate	10%	4.95%	11%	4.60%
Private equities	10%	6.75%	8%	9.90%
Domestic fixed income securities	0%	0.00%	16%	1.30%
Global fixed income securities	0%	0.00%	2%	0.90%
Mortgages	17%	0.75%	0%	0.00%
Short-term	0%	0.00%	0%	0.00%
High-yield fixed income securities	0%	0.00%	1%	3.60%
Private debt	0%	0.00%	1%	6.50%
Real estate debt	0%	0.00%	7%	2.90%
Opportunistic portfolio	3%	4.65%	0%	0.00%
Cash	1%	0.00%	1%	0.30%
Inflation-indexed bonds	4%	0.50%	0%	0.00%
Absolute return strategies *	2%	3.25%	0%	0.00%
Global equities	0%	0.00%	4%	7.20%
Real assets	3%	5.95%	0%	0.00%
	100%	6.80%	100%	7.10%

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

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

The discount rate used to calculate the total pension asset/(liability) was 6.80% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes the 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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/ (liability).

Note 1 – Summary of certain significant accounting policies (continued)

O) Pension Obligations (continued)

The following represents the District's proportionate share of the net pension asset/(liability) as of June 30, 2020 calculated using the discount rate of 6.80% of ERS and 7.10% 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 (5.80% for ERS and 6.10% for TRS) or 1-percentage point higher (7.80% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.8%)
Employer's proportionate share of the net pension asset (liability)	$ (7,476,858)	$ (4,073,955)	$ (939,867)

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	$(10,912,251)	$ 2,417,480	$ 13,599,620

Change of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflow of resources and deferred inflow of resources for the current period. The collective pension expense for the year ended June 30, 2020 is $8,989,670 for ERS and $3,209,970,774 for TRS.

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS covered wages multiplied by the employer’s contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to $1,246,025.

For ERS, employer contributions are paid annually based on the System’s fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS covered wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $155,321 of employer contributions. Employee contributions are remitted monthly.

Note 1 – Summary of certain significant accounting policies (continued)

P) Vested employee benefits:

Compensated absences consist of unpaid accumulated annual sick leave and vacation. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, 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.

Q) Other benefits:

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. In addition to providing pension benefits, the District provides post-employment health 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 expenditure. District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

R) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

Note 1 – Summary of certain significant accounting policies (continued)

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

T) 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, constructions or improvements of those assets.

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

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

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

Non-spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of $59,920.

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.

Note 1 – Summary of certain significant accounting policies (continued)

T) Equity Classifications (continued)

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. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund 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.

Liability Claims and Property Loss

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

Retirement Contributions

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that 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 subfund 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.

Note 1 – Summary of certain significant accounting policies (continued)

T) Equity Classifications (continued)

Tax Certiorari Reserve

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

Unemployment Insurance Reserve

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

Restricted fund balance includes the following:

General Fund:	
Capital	$ 4,344,807
Employee Benefit Accrued Liability	1,440,779
Liability Claims and Property Loss	250,732
Retirement Contributions	5,661,339
Tax Certiorari	50,000
TRS Retirement	266,000
Reserve for Buses	92,814
Unemployment Insurance	135,869
	$ 12,242,340
Debt Service fund	1,494,665
Total restricted funds	$ 13,737,005

Committed – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2020.

Note 1 – Summary of certain significant accounting policies (continued)

T) Equity Classifications (continued)

Assigned – includes amounts that are constrained by the school 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. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Appropriated fund balance and encumbrances in the General Fund amounted to $328,777. The School Lunch Fund also reports assigned fund balance of $237,097. As of June 30, 2020, the District's General Fund encumbrances were classified as follows:

General Support	$ 122,537
Instruction	201,357
Pupil Transportation	4,883
	$ 328,777

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. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which had been restricted or assigned.

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

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Note 1 – Summary of certain significant accounting policies (continued)

T) Equity Classifications (continued)

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific use purposes are determined. Any remaining fund balance amounts for funds other than 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.

U) New Accounting Standards

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

GASB Statement No. 83- Certain Asset Retirement Obligations
GASB Statement No. 88- Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements.

V) Future Changes in Accounting Standards

GASB Statement No. 84- Fiduciary Activities Effective for the year ending June 30, 2021
GASB Statement No. 87- Leases Effective for the year ending June 30, 2022
GASB Statement No. 89- Accounting for Interest Cost Incurred before the End of a Construction Period Effective for the year ending June 30, 2022.
GASB Statement No. 90- Accounting and Financial Reporting for Majority Equity Interest, effective for the year ending June 30, 2022.
GASB Statement No. 91- Conduit Debt Obligations Effective for the year ending June 30, 2023.

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

Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements

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

Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements (continued)

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

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, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits. This reconciliation is performed on page 17.

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

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. This reconciliation is performed on page 19.

i) Long-term revenue differences:

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

ii) Capital related differences:

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

Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements (continued)

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.

Note 3 – Stewardship, compliance and accountability

Budgets:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted: The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in 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. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

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

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

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year.

The Capital Projects Fund has a deficit fund balance of ($19,381,817). This will be funded when the District obtains permanent financing for its current construction project. The District made interfund transfers during the year, which exceeded amounts provided in the District's budget.

Note 4 – Cash (and cash equivalents)

The District's aggregate bank balances of approximately $23,138,000 are insured and/or collateralized. 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 $15,085,034 within the governmental funds and $249,098 in the fiduciary funds.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2020, all deposits were fully insured and collateralized by the District's agent in the District's name.

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Note 5 – Capital assets

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

	Balance at June 30, 2019	Additions	Retirements/ Reclassifications	Balance at June 30, 2020
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 186,900	$ -	$ -	$ 186,900
Construction in progress	6,653,354	20,529,265	-	27,182,619
Total nondepreciable historical cost	6,840,254	20,529,265	-	27,369,519
Capital assets that are depreciated:				
Building and improvements	81,551,472	99,199	-	81,650,671
Machinery and equipment	6,330,267	654,138	(368,755)	6,615,650
Total depreciable historical cost	87,881,739	753,337	(368,755)	88,266,321
Less accumulated depreciation:				
Building and improvements	(32,487,683)	(1,265,260)	-	(33,752,943)
Machinery and equipment	(3,559,298)	(553,469)	368,755	(3,744,012)
Total accumulated depreciation	(36,046,981)	(1,818,729)	368,755	(37,496,955)
Total historical cost, net	$ 58,675,012	$ 19,463,873	$ -	$ 78,138,885

Depreciation expense was charged to governmental functions as follows:

General support	$ 181,873
Instruction	1,436,796
Pupil transportation	200,060
	$ 1,818,729

Note 6 – Short-Term Debt

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	7/10/2020	2.25%	$ -	19,000,000	-	$ 19,000,000

No interest was paid on the bond anticipation note this year. The BAN is a general obligation of the District. The purpose of the BAN is to provide financing for capital projects in anticipation of permanent bond financing for the project.

Note 7 – Long-term debt obligations

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation or expenditure of governmental fund financial resources.

Note 7 – Long-term debt obligations (continued)

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital asset. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.
Long-term liability balances and activity for the year are summarized below:

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Amounts Due Within One Year
Bonds payable:					
Serial bonds	$35,116,162	$ 465,908	$ (3,611,828)	$ 31,970,242	$ 3,806,881
Other postemployment benefits payable	$14,175,351	$ 1,025,482	$ (953,369)	$ 14,247,464	$ 1,025,482
Workers compensation	162,454	124,062	-	286,516	286,516
Compensated absences	3,103,109	127,776	-	3,230,885	807,721
Net pension liability	1,082,458	2,991,497	-	4,073,955	-
Total	$53,639,534	$ 4,734,725	$ (4,565,197)	$ 53,809,062	$ 9,733,481

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.
Existing serial and statutory bond obligations:

	Year of Issue	Maturity Date	Interest Rate	Balance June 30, 2020
Serial bonds:				
BOCES Bond	2014	2029	2.0%-3.0%	$ 2,330,000
Construction	2015	2038	3.0%-5.0%	1,610,000
Construction	2015	2038	3.0%-5.0%	15,320,000
Bus Purchase	2016	2020	Various	70,000
DASNY Bond	2016	2030	Various	1,505,000
Bond Premium	2016	2030	Various	282,722
Bus Purchase	2016	2022	1.6%-1.75%	205,000
Bus Purchase	2017	2023	1.92%	290,000
2010 Refunding	2017	2028	2.0%-5.0%	8,700,000
2010 Refunding Premium	2017	2028	Various	821,612
Bus Bond	2018	2023	2.5% - 2.625%	370,000
Bus Bond	2019	2024	1.85%	465,908
				$ 31,970,242

Note 7 – Long-term debt obligations (continued)

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

	Serial Bonds	
	Principal	Interest
Year ended June 30,		
2021	$ 3,806,881	$ 1,314,973
2022	3,865,973	1,181,286
2023	3,935,973	1,029,409
2024	3,495,973	870,532
2025	3,389,080	726,431
2026-2030	9,106,362	1,930,750
2031-2035	2,395,000	793,506
2036-2040	1,975,000	178,125
Totals	$ 31,970,242	$ 8,025,012

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

Interest paid	$ 1,333,714
Less interest accrued in the prior year	(114,194)
Plus interest accrued in the current year	91,929
	$ 1,311,449

In prior years, the District refunded approximately $18,880,000 of 2008 serial bonds for approximately $19,630,000 of 2015 serial bonds for a defeasance of refunded debt of $1,060,000. This defeasance of debt has been recorded as a deferred outflow of resources and will be amortized over a period of 24 years, the life of the bond. This amortization results in annual reduction of interest expense of $46,087.

In prior years, $8,730,000 in general obligation bonds were issued to advance refund $9,005,000 of 2010 outstanding bonds. The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on those bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding created a defeasance of refunded debt of $686,772. This defeasance of has been recorded as a deferred outflow of resources and will be amortized over a period of 11 years, the life of the bond. This amortization results in annual reduction of interest expense of $62,434.

The total defeasance on bond refunding is recorded as a deferred outflow of resources on the government wide statement of net position and approximated $1,391,000 at June 30, 2020.

Note 8 – Pension plans

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). 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. See Note 1 for further plan details.

Note 9 – Interfund balances and activity

	Interfund			
	Receivable	Payable	Revenue	Expenditure
General Fund	$ 715,219	$ 2	$ -	$ 2,767,750
Special Aid Fund	2	530,725	67,750	-
School Lunch Fund	-	100,000	-	-
Capital Fund	-	49	2,700,000	-
Debt Service Fund	49	-	-	-
Total government activities	715,270	630,776	2,767,750	2,767,750
Fiduciary Fund	-	84,494	-	-
	$ 715,270	$ 715,270	$ 2,767,750	$ 2,767,750

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

Note 10 – Post-employment benefits obligations payable

Plan Description- The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy- The obligation of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2020, approximately $585,700 was paid on behalf of 69 retirees.

Benefits Provided- The District provides for continuation of medical and benefits for certain retirees and their spouses until Medicare eligibility. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

Note 10 – Post-employment benefits obligations payable

Employees Covered by Benefit Terms – At June 30, 2020 the following employees were covered by the benefit terms:

Retirees and survivors	69
Actives	309
	378

The District's total OPEB liability of $14,247,464 was measured as of July 1, 2019, and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs- The total OPEB liability in the June 30, 2020 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% (Based on CPI)
Salary increases	Varied by years of service and retirement system
Discount rate	3.50% (Bond Buyer GO 20-Bond Municipal Bond Inex)
Healthcare cost trend rates	
Medical	8.00 % for 2020 decrease to an ultimate rate of 3.94% by 2089

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

Mortality rates were based on RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale AA.

Retirement participation rate assumed that 85% of eligible Teachers and Instructional Administrators and 75% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 48% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

Note 10 – Post-employment benefits obligations payable (continued)

Changes in the District's net OPEB liability were as follows:

Balance at June 30, 2019	$ 14,175,351
Changes for the year	
Service cost	469,407
Interest	556,075
Changes in assumptions or other inputs	(401,570)
Benefit payments	(551,799)
Net changes	72,113
Balance at June 30, 2020	$ 14,247,464

Changes in assumptions and other inputs reflect a change in the discount rate from 3.87% in 2019 to 3.50% in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate- The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51%) or 1 percentage point higher (4.51%) than the current discount rate.

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$ 15,545,875	$ 14,247,464	$ 13,055,674

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$ 12,567,260	$ 14,247,464	$ 16,227,900

Note 10 – Post-employment benefits obligations payable (continued)

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

For the year ended June 30, 2020, the District recognized OPEB expense of $346,617. At June 30, 2020, 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	$ -	$ 1,917,332
Changes of assumptions or other inputs	-	2,038,624
Contributions subsequent to the measurement period	518,401	-
	$ 518,401	$ 3,955,956

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 June 30,	Amount
2021	$ (678,865)
2022	(678,865)
2023	(678,865)
2024	(678,865)
2025	(589,867)
2026 and Thereafter	(650,629)
	$ (3,955,956)

Note 11 – 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 four years.

Workers' Compensation: The District incurs costs related to the Onondaga-Cortland-Madison BOCES Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the BOCES with the approval of the Board of Directors. Voluntary withdrawal

Note 11 – Risk management (continued)

from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdrawal must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of thirty-one districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment.

However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2020, the Phoenix Central School District incurred premiums or contribution expenditures totaling $294,947.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available is for the year ended June 30, 2020. The District's outstanding case reserves at June 30, 2020 approximated $287,000.

Unemployment:

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2019-20 fiscal year totaled $1,597. The balance of the fund at June 30, 2020 was $135,869 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2020, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

Note 11 – Risk management (continued)

Health Insurance: The District incurs costs related to an employee health insurance plan (plan). The plan 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. Districts joining the plan must remain a member for a minimum of five years; a member may withdraw from the plan after that time by providing written intent to withdraw on or before January 1st of the commencement of the school year for which the withdrawal is intended to be effective. In the event of a withdrawal, the consortium may determine any sums which are due and owed to the plan or participant. The Cooperative Health Insurance Fund of Central New York consortium has twenty-eight (28) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a pro-rata supplemental assessment in the event of deficiencies.

If the plan's assets were· to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. All plan cash accounts are collateralized by securities held by the financial institution where deposits are made. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount.

Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately $4,700,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

Note 12 – 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 audits, the District's administration believes disallowances, if any, will be immaterial.

New York State Education Law requires that most capital projects require approval by the New York Office of Facilities Planning. New York State provides building aid for certain type of capital projects undertaken by school districts. Building aid is subject to numerous reporting requirements. The failure to adhere to these reporting requirements could lead to the refund of building aid already received and the loss of future aid on these particular capital projects. Building aid represents a significant source of financing for the Districts' financing of such projects and any loss or refund of building aid could have a significant impact on these financial statements.

Note 14 – Donor-restricted endowments

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments are reported at fair value. 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 15 – Unrestricted Net Position

Unrestricted net position in the general fund consist of the following at June 30, 2020:

Reserve for encumbrances	$ 328,777
Unreserved	6,537,781
Total unrestricted net position general fund	$ 6,866,558

Note 16 – Subsequent Events

On July 9, 2020, the District issued a Bond Anticipation Note (BAN) for $32,666,850 at an interest rate of 1.25% to be repaid July 8, 2021. On August 26, 2020, the District issued serial bonds for approximately $419,000 at a variable interest rate of 1.1%-1.25% to be repaid annually through August 15, 2025. In March 2020, the World Health Organization categorized Coronavirus Disease 2019 ("COVID-19") as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The spread of this virus globally during 2020 has caused business disruption domestically in the United States, the area in which the District primarily operates. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of this pandemic. The extent of the financial impact and duration of this matter, including the results of operations or cash flows, cannot be reasonably estimated at this time. Due to COVID 19 implications, in August 2020, the New York State Division of Budget (DOB) began withholding 20% of most local aid payments and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. This reduction in aid may significantly impact the District's 2020-2021 budget. There were no other material subsequent events through October 19, 2020, which is the date the financial statements were available to be issued.

PHOENIX CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedules of Changes in the District's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

	2020	2019	2018
Measurement date	July 1, 2019	July 1, 2018	July 1, 2018
Total OPEB Liability	$ 14,247,464	$ 14,175,351	$ 17,660,749
Service cost	469,407	585,723	704,570
Interest	556,075	645,580	539,242
Changes in benefit terms	-	(491,242)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(2,531,862)	-
Changes in assumptions or other inputs	(401,570)	(1,066,235)	(1,458,754)
Benefit payments	(551,799)	(627,362)	(681,098)
Net change in total OPEB liability	72,113	(3,485,398)	(896,040)
Total OPEB liability- beginning	$ 14,175,351	17,660,749	18,556,789
Total OPEB liability- ending	$ 14,247,464	$ 14,175,351	$ 17,660,749
Covered payroll	$ 20,972,636	$ 20,828,871	$ 19,678,000
Total OPEB liability as a percentage of covered payroll	68%	68%	90%

Note:
The District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

PHOENIX CENTRAL SCHOOL DISTRICT
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, 2020

	Unaudited Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual
REVENUES					
Local sources					
Real property taxes	$ 17,426,872	$ 17,426,872	$ 17,476,028		$ 49,156
Other tax items	41,719	41,719	98,804		57,085
Nonproperty taxes	7,500	7,500	5,770		(1,730)
Charges for services	3,500	3,500	9,534		6,034
Use of money and property	92,700	92,700	149,130		56,430
Sale of property and compensation for loss	5,500	5,500	26,918		21,418
Miscellaneous	313,500	313,500	677,452		363,952
Total local sources	17,891,291	17,891,291	18,443,636		552,345
State sources	28,328,209	28,328,209	28,293,023		(35,186)
Medicaid	50,000	50,000	154,686		104,686
Total revenues	46,269,500	46,269,500	46,891,345		621,845
OTHER FINANCING SOURCES					
Transfer from other funds	50,000	50,000	-		(50,000)
Total revenues and other sources	46,319,500	46,319,500	46,891,345		571,845
EXPENDITURES					
General support					
Board of education	17,400	18,312	17,850	-	462
Central administration	257,010	264,879	261,304	-	3,575
Finance	527,262	528,644	446,975	1,731	79,938
Staff	173,872	174,015	155,821	-	18,194
Central services	3,780,189	3,852,632	3,250,869	120,806	480,957
Special items	925,937	925,937	915,739	-	10,198
Total general support	5,681,670	5,764,419	5,048,558	122,537	593,324
Instruction					
Administration and improvement	1,582,235	1,642,153	1,596,350	7,182	38,621
Teaching - regular school	11,911,809	11,892,494	10,836,732	12,432	1,043,330
Programs for students with disabilities	5,146,010	5,098,999	4,245,459	120,034	733,506
Occupational education	700,000	700,000	693,000	-	7,000
Teaching - special schools	535,472	535,472	379,945	-	155,527
Instructional media	1,734,003	1,901,493	1,877,960	27,898	(4,365)
Pupil services	1,603,080	1,629,904	1,441,174	33,811	154,919
Total instruction	23,212,609	23,400,515	21,070,620	201,357	2,128,538
Pupil transportation	2,175,897	2,190,732	1,819,201	4,883	366,648
Employee benefits	10,136,463	10,141,364	9,081,184	-	1,060,180
Debt service	4,925,361	4,925,361	4,923,277	-	2,084
Total expenditures	46,132,000	46,422,391	41,942,840	328,777	4,150,774
OTHER FINANCING USES					
Transfer to other funds	187,500	187,500	2,767,750	-	(2,580,250)
	187,500	187,500	2,767,750	-	(2,580,250)
Total expenditures and other uses	$ 46,319,500	$ 46,609,891	44,710,590	$ 328,777	$ 1,570,524
Net change in fund balance			2,180,755		
Fund balance - beginning			16,928,143		
Fund balance - ending			$ 19,108,898		

Notes 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 the auditor's report.

PHOENIX CENTRAL SCHOOL DISTRICT
Schedule of District Contributions
For the Year Ended June 30, 2020

Teachers' Retirement System

	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,720,288	$ 1,649,475	$ 1,449,625	$ 1,832,971	$ 1,994,304	$ 2,672,413
Contributions in relation to the contractually required contribution	1,720,288	1,649,475	1,449,625	1,832,971	1,994,304	2,672,413
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 19,416,343	$ 15,531,780	$ 14,792,092	$ 15,639,684	$ 15,040,000	$ 15,244,797
Contributions as a percentage of covered payroll	9%	11%	10%	12%	13%	18%

Employees' Retirement System

	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 612,767	$ 603,939	$ 608,944	$ 608,465	$ 728,746	$ 684,888
Contributions in relation to the contractually required contribution	612,767	603,939	608,944	608,465	728,746	684,888
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,556,293	$ 5,297,091	$ 4,885,908	$ 5,485,600	$ 4,997,120	$ 5,232,375
Contributions as a percentage of covered payroll	39%	11%	12%	11%	15%	13%

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

PHOENIX CENTRAL SCHOOL DISTRICT
Schedule of District's Proportionate Share of the Net Pension Asset (Liability)
For the Year Ended June 30, 2020

Teachers' Retirement System

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.093051%	0.095516%	0.098099%	0.098798%	0.100201%	0.102798%
District's proportionate share of the net pension asset (liability)	$ 2,417,480	$ 1,727,179	$ 745,649	$ (1,058,166)	$ 12,429,229	$ 14,089,631
District's covered payroll	$ 19,416,343	$ 15,531,780	$ 14,792,092	$ 15,639,684	$ 15,040,000	$ 15,244,797
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	12%	11%	5%	-7%	83%	92%
Plan fiduciary net position as a percentage of the total pension asset (liability)	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

Employees' Retirement System

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.0153847%	0.0152775%	0.0154044%	0.0151410%	0.0145348%	0.0141592%
District's proportionate share of the net pension asset (liability)	$ (4,073,955)	$ (1,082,458)	$ (497,169)	$ (1,422,686)	$ (2,332,872)	$ (478,333)
District's covered payroll	$ 1,556,293	$ 5,297,091	$ 4,885,908	$ 5,485,600	$ 4,997,120	$ 5,232,375
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	262%	20%	10%	26%	47%	9%
Plan fiduciary net position as a percentage of the total pension asset (liability)	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

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

PHOENIX CENTRAL SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit
For the Year Ended June 30, 2020

CHANGE FROM ADOPTED TO REVISED BUDGET		
Adopted budget		$ 46,319,500
Add prior year's encumbrances		290,391
Original budget		46,609,891
Budget revision:		-
Revised budget		$ 46,609,891
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
2020-21 voter-approved expenditure budget maximum allowed (4% of 2020-21 budget)		$ 47,335,501
General fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	328,777	
Unassigned fund balance	6,537,781	
Total unrestricted fund balance	6,866,558	
Less:		
Appropriated fund balance	-	
Encumbrances included in committed and assigned fund balance	328,777	
Total adjustments	328,777	
General fund balance subject to Section 1318 of Real Property Tax Law		$ 6,537,781
Actual percentage		13.81%

*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

PHOENIX CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Projects Fund
For the Year Ended June 30, 2020

			Expenditures					Methods of Financing				Fund
	Original Budget	Revised Budget	Prior Years	Current Year	Transfers	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance 06/30/2020
PROJECT TITLE												
Buses 2019-2020	$ 465,908	$ 455,855	$ -	$ 465,907	$ -	$ 465,907	$ (10,052)	$ 465,908	$ -	$ -	$ 465,908	$ 1
Capital Outlay 2019-2020	100,000	100,000	-	99,199	-	99,199	801	-	-	100,000	100,000	801
2020 Project	2,600,000	2,600,000	-	291,462	-	291,462	2,308,538	-	-	2,600,000	2,600,000	2,308,538
JCB Project	38,000,000	38,000,000	6,653,354	20,237,803	-	26,891,157	11,108,843	-	-	5,200,000	5,200,000	(21,691,157)
Total projects	$ 41,165,908	$ 41,155,855	$ 6,653,354	$ 21,094,371	$ -	$ 27,747,725	$ 13,408,130	$ 465,908	$ -	$ 7,900,000	$ 8,365,908	$ (19,381,817)

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

PHOENIX CENTRAL SCHOOL DISTRICT
Net Investment in Capital Assets
For the Year Ended June 30, 2020

Capital assets, net		$ 78,138,885
Deduct:		
Bond anticipation note payable	(19,000,000)	
Loss on bond refunding	(1,391,470)	
Short-term portion of bonds payable	(3,806,881)	
Long-term portion of bonds payable	(28,163,361)	
		(52,361,712)
Net investment in capital assets		$ 25,777,173

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

FORM OF OPINION OF BOND COUNSEL

July 7, 2021

Phoenix Central School District
116 Volney Street
Phoenix, New York 13135

Re: Phoenix Central School District
$32,215,000 Bond Anticipation Notes, 2021 (Renewals), CUSIP No.: ____________

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $32,215,000 Bond Anticipation Notes, 2021 (Renewals) (the “Notes”) of the Phoenix Central School District, Counties of Onondaga and Oswego, State of New York (the "District"). The Notes are dated July 7, 2021 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 July 7, 2021 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 as to 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 alternative minimum tax. 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