

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes, and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

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

\$5,000,000



SENECA FALLS CENTRAL SCHOOL DISTRICT

SENECA COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$5,000,000 Bond Anticipation Notes, 2020

(the "Notes")

Dated: April 30, 2020

Due: August 14, 2020

The Notes are general obligations of the Seneca Falls Central School District, Seneca County, New York (the "District" or "School 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 "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 in (i) registered certificated form, registered in the name of the purchaser(s) or (ii) registered book-entry-only form. If the notes are issued in the name of the purchaser, principal and interest on the Notes will be payable in Federal Funds at the office of the School District Clerk, Seneca Falls, New York, or at such bank or banks located and authorized to do business in New York as may be designated by the purchaser(s). Any applicable bank fees shall be the responsibility of the such purchaser(s). A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to each purchaser.

If the Notes are issued in registered book-entry-only form, 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. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s), and 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 Harris Beach PLLC, Bond Counsel, Pittsford, 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 with the purchaser(s), or about April 30, 2020.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on April 15, 2020 by no later than 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

March 31, 2020

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

SENECA FALLS CENTRAL SCHOOL DISTRICT

SENECA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

CARA LAJEWSKI

President

HEATHER ZELLERS

Vice President

JEFFREY HARTWELL
JOELL MURNEY-KARSTEN
MICHAEL MIRRAS
WILLIAM REIGEL
DEBORAH CORSNER
JOSEPH MCNAMARA
LINDA JONES

* * * * *

JERAMY CLINGERMAN

Superintendent of Schools

JAMES BRUNI

Administrator of Business and Operations

MONICA KUNEY

District Clerk



HARRIS BEACH PLLC

Bond Counsel



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

No person has been authorized by Seneca Falls 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 Seneca Falls Central School District.

TABLE OF CONTENTS

	<u>Page</u>	<u>NATURE OF OBLIGATION</u>	<u>Page</u>
NATURE OF OBLIGATION	1	SPECIAL PROVISIONS AFFECTING	
THE NOTES	2	REMEDIES UPON DEFAULT	23
Description of the Notes	2	MARKET AND RISK FACTORS	25
No Optional Redemption	3	TAX MATTERS	25
Purpose of Issue	3	LEGAL MATTERS	26
BOOK-ENTRY-ONLY SYSTEM	3	LITIGATION	27
Certificated Notes	4	CONTINUING DISCLOSURE	27
THE SCHOOL DISTRICT	5	Historical Compliance	27
General Information	5	MUNICIPAL ADVISOR	27
Population	5	CUSIP IDENTIFICATION NUMBERS	27
Selected Wealth and Income Indicators	5	RATING	27
Larger Employers	6	MISCELLANEOUS	28
Unemployment Rate Statistics	6	APPENDIX – A	
Form of School Government	6	GENERAL FUND - Balance Sheets	
Budgetary Procedures	6	APPENDIX – A1	
Investment Policy	7	GENERAL FUND – Revenues, Expenditures and	
State Aid	7	Changes in Fund Balance	
State Aid Revenues	10	APPENDIX – A2	
District Facilities	11	GENERAL FUND – Revenues, Expenditures and	
Enrollment Trends	11	Changes in Fund Balance - Budget and Actual	
Employees	11	APPENDIX – B	
Status and Financing of Employee Pension Benefits	11	BONDED DEBT SERVICE	
Other Post-Employment Benefits	13	APPENDIX – B1	
Other Information	15	CURRENT BONDS OUTSTANDING	
Financial Statements	15	APPENDIX – C	
New York State Comptroller Report of Examination	15	MATERIAL EVENT NOTICES	
The State Comptroller's Fiscal Stress Monitoring System	15	APPENDIX – D	
TAX INFORMATION	16	AUDITED FINANCIAL STATEMENTS	
Taxable Assessed Valuations	16	For the Fiscal Year Ending June 30, 2019	
Tax Rates Per \$1,000 (Assessed)	16		
Tax Collection Procedure	16		
Tax Levy and Tax Collection Record	16		
Real Property Tax Revenues	17		
Larger Taxpayers 2019 Tax Roll for 2019-2020	17		
STAR – School Tax Exemption	17		
Additional Tax Information	18		
TAX LEVY LIMITATION LAW	18		
STATUS OF INDEBTEDNESS	20		
Constitutional Requirements	20		
Statutory Procedure	20		
Debt Outstanding End of Fiscal Year	21		
Details of Outstanding Indebtedness	21		
Debt Statement Summary	22		
Bonded Debt Service	22		
Capital Project Plans	22		
Cash Flow Borrowings	22		
Estimated Overlapping Indebtedness	23		
Debt Ratios	23		

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
 120 Walton Street, Suite 600
 Syracuse, New York 13202
 (315) 752-0051
<http://www.fiscaladvisors.com>

OFFICIAL STATEMENT
of the
SENECA FALLS CENTRAL SCHOOL DISTRICT
SENECA COUNTY, NEW YORK
Relating To
\$5,000,000 Bond Anticipation Notes, 2020

This Official Statement, which includes the cover page and appendices, has been prepared by the Seneca Falls Central School District, Seneca County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$5,000,000 principal amount of Bond Anticipation Notes, 2020 (the "Notes").

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

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

NATURE OF OBLIGATION

Each 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 "TAX LEVY LIMITATION LAW" herein.

The Notes are dated April 30, 2020 and mature, without option of prior redemption, on August 14, 2020. The Notes will be issued, at the option of the purchaser(s) in either (i) registered certificated form registered in the name of the purchaser, with a single note certificate being issued for those Notes bearing interest at the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate, or (ii) as registered book-entry-only form, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

If the Notes are registered in the name of the purchaser, principal and interest on the Notes shall be payable at the office of the School District Clerk, Seneca Falls, New York, who will act as Paying Agent for the Notes, or at the option of a purchaser at such bank or banks located or authorized to do business in New York, as may be designated by such purchaser(s). Any applicable bank fees shall be the responsibility of such purchaser(s).

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

On December 19, 2017, the qualified voters of the District approved a proposition authorizing the School District to undertake a capital improvement project (the “Capital Project”) consisting of the construction of alterations, renovations and improvements to the District’s instructional complex at a maximum cost of \$13,950,000, with such cost being funded with \$2,329,650 from the District’s existing capital reserve fund and the balance of such cost, not in excess of \$11,620,350, through the issuance of the District’s serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on January 18, 2018 authorizing the issuance of \$11,620,350 serial bonds to finance the Capital Project. On February 25, 2020, the District voters approved an additional \$3,950,000 for the Capital Project with \$3,200,000 coming through the issuance of serial bonds and \$750,000 additional capital reserves.

The proceeds of the Notes will provide new money for the Capital Project and constitute the first issuance of indebtedness for this purpose.

BOOK-ENTRY-ONLY SYSTEM

If the Notes are issued in registered book-entry-only form, 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.

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in the Finger Lakes Region of upstate New York, in the northwest sector of Seneca County. The City of Geneva is approximately 7 miles to the west, the City of Auburn approximately 15 miles to the east and the City of Ithaca is 40 miles to the south. Major highways serving the District include New York State Routes #5, #20, #90 (N.Y.S. Thruway), #96 and #96A. The Thruway provides convenient access to Syracuse, located 40 miles east and Rochester, located 30 miles west.

With a land area of approximately 56 square miles, the territory of the District is residential and agricultural in nature. The Town of Seneca Falls, with a current population of 8,680 (2018 U.S. Census estimate) and a land area of 4 square miles, is the commercial center within the District. The National Women's Hall of Fame is located within the Village.

ITT Corporation completed a 75,000 square-foot manufacturing facility and an expansion to its current Research and Development Laboratory to the Seneca Falls campus. Construction began in the spring 2013 and was completed in 2015. This expansion is expected to add a minimum of 50 jobs to the already 860 employed.

The del Lago Resort and Casino completed its construction on a \$425 million casino/resort and opened in the Spring of 2017. Final approval was received from the New York State Gaming Commission in December 2015. During the build, the del Lago Resort and Casino created 1,800 construction jobs and approximately 1,500 new permanent positions. A second hotel is currently being discussed for development next to the original hotel. The casino has been estimated to generate 3.4 million annual visitors to the Finger Lakes Region and provide more than \$50 million in annual payroll and benefits to upstate New York. Approximately \$80 million annually in gaming taxes for the state and local governments is expected to be generated by del Lago Resort and Casino. Seneca County and the town of Tyre will each receive \$6.5 million annually to help revitalize the county and town.

Electric and gas utilities are provided by New York State Electric & Gas. Telephone service is provided by the New York Telephone Company, Verizon and Time Warner Cable. Police protection is afforded the residents by County, State and Village agencies and fire protection is available through various volunteer units. Sewer facilities and public water is provided by the Village of Seneca Falls. Currently, the District receives reimbursement from Seneca Energy II for up to 125,000 therms of natural gas (product only, not transmission charges) as long as the landfill is operating. Current usage by the District averages around 80,000 therms.

Source: District officials.

Population

The current estimated population of the District is 9,545. (Source: 2018 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>	<u>2000</u>	<u>2006-2010</u>	<u>2014-2018</u>
Towns of:						
Fayette	\$ 19,186	\$ 23,699	\$ 33,822	\$ 52,163	\$ 52,143	\$ 70,455
Seneca Falls	18,462	23,841	30,881	48,565	58,068	75,208
Tyre	17,836	22,139	28,459	51,000	53,000	63,500
County of:						
Seneca	17,630	21,818	27,366	45,445	53,857	67,208
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

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

Source: 2000 U.S. Census Bureau, 2006-2010 and 2014-2018 5-Year American Community Survey estimates.

Larger Employers

The larger employers located within the area in and around the District include:

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
Del Lago Resort & Casino	Casino	1,300
ITT Industries	Manufacturer	851
NY Chiropractic College	Higher Education	260
Seneca Falls Central School District	Education	255
Scepter Industries	Manufacturer	115
Xylem	Manufacturer	85
Generations Bank ⁽¹⁾	Bank	63
Gould Hotel	Hotel	31
Ferrara & Sons Lumber	Retail Store	20

⁽¹⁾ Generations Bank is the expanded Seneca Falls Savings Bank.

Note: The information in the above table remains unchanged from the information contained in the Continuing Disclosure Statement of the District for the fiscal year ended June 30, 2018.

Source: District officials.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Seneca County	6.9%	5.6%	5.1%	4.8%	4.5%	3.9%	3.8%
New York State	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%

	<u>2019-20 Monthly Figures</u>											
	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Seneca County	3.3%	3.2%	3.2%	3.3%	3.4%	3.3%	3.4%	3.4%	4.4%	4.9%	N/A	N/A
New York State	3.6%	3.8%	3.8%	4.1%	4.2%	3.7%	3.9%	3.6%	3.7%	4.1%	3.9%	N/A

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

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of 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 and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2018-19 fiscal year was adopted by qualified voters on May 15, 2018 by a vote of 308 to 86. The District’s adopted budget for the 2018-19 fiscal year remained within the School District Tax Cap. The budget called for a total tax levy increase of 1.9%, which was below the District tax levy limit of 2.56%.

The budget for the 2019-20 fiscal year was approved by qualified voters on May 21, 2019 by a vote of 320 to 72. The District’s adopted budget for the 2019-20 fiscal year remained within the School District Tax Cap imposed. The budget called for a total tax levy increase of 1.90%, which was below the District’s tax levy limit of 3.67%.

Investment Policy

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

Consistent with the above statutory limitations, it is the District’s current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-2020 fiscal year, approximately 52.61% 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”).

Potential Reductions in Federal Aid Received by the State

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

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

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-2020 preliminary building aid ratios, the District expects to receive State building aid of approximately 85.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

State aid to school districts within the State had declined in some prior years before increasing more recently.

School district fiscal year (2015-2016): The 2015-2016 State budget included a partial reduction in the Gap Elimination Adjustment (“GEA”) with \$603 million in GEA cuts being restored, and provided an additional \$428 million in foundation aid and \$268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

School district fiscal year (2016-2017): The 2016-17 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 is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to \$10,418,907. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year, as the GEA was completely eliminated in the 2016-2017 Enacted State Budget.

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

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

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

School district fiscal year (2020-2021): The 2020-21 Executive Budget includes a \$826 million increase in school aid, including a \$504 increase for foundation aid and support for certain initiatives, including a third round of funding for Empire After School awards for high needs school districts and the continued transformation of high-needs schools into community hubs. There is a \$50 million increase in funding for community schools and an increase in the number of school districts eligible for community school funding. Initiatives from prior years also are maintained, included pre-kindergarten funding and the Smart Schools Bond Act. The 2020-21 Executive Budget consolidates ten (10) categories of expense-based aid into foundation aid. The 2020-21 Executive Budget is subject to approval by the New York State Legislature and then signed into law by the Governor. There is no assurance that the 2020-21 Executive Budget will be adopted and no way to predict what changes the Governor and the Legislature may agree to.

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

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

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

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students’ Educational Rights v. State of New York* (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State failed to comply with the original decision in the Court of Appeals in the *Campaign for Fiscal Equity* case, and asked the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* 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 each of the below completed fiscal years and budgeted figures for the 2019-2020 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u>
2014-2015	\$ 25,383,216	\$ 12,629,692	49.76%
2015-2016	26,620,027	13,500,120	51.71
2016-2017	27,870,092	14,630,267	52.49
2017-2018	28,784,274	15,023,569	52.19
2018-2019	29,405,701	15,419,281	52.44
2019-2020 (Budgeted)	29,374,066	15,454,707	52.61

⁽¹⁾ General Fund only.

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

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Frank Knight Elementary School	K-2	432	1957
Elizabeth Cady Stanton School	3-4	393	1935, '57
Seneca Falls Middle School	5-8	667	1952, '69
Mynderse Academy	9-12	667	1952, '69

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2015-2016	1,236	2020-2021	1,235
2016-2017	1,260	2021-2022	1,217
2017-2018	1,250	2022-2023	1,214
2018-2019	1,234	2023-2024	1,210
2019-2020	1,226	2024-2025	1,207

Source: District officials.

Employees

The District employs approximately 261 full and part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

<u>Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
136	NEA Instructional	June 30, 2023
104	NEA Support Staff	June 30, 2023
11	Seneca Falls Administrators' Association	June 30, 2020 ⁽¹⁾
10	Non-Represented	June 30, 2020

⁽¹⁾ Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2014-2015	\$ 414,059	\$ 1,427,113
2015-2016	407,054	1,072,383
2016-2017	398,361	1,029,879
2017-2018	413,909	883,729
2018-2019	339,568	910,881
2019-2020 (Budgeted)	399,171	844,473

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 currently has an early retirement incentive program for members of the NEA Instructional Union.

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

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

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

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District 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 Harbridge Consulting Group, LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2018 and 2019.

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

	Balance beginning at June 30:	2017	2018
<u>Changes for the year:</u>		\$ 26,954,043	\$ 28,115,231
Service cost		1,029,515	1,060,400
Interest		830,089	864,027
Differences between expected and actual experience		(65,971)	-
Changes in assumptions or other inputs		-	(2,197,130)
Changes of benefit terms		-	-
Benefit payments		(632,445)	(755,117)
Net Changes		\$ 1,161,188	\$ (1,027,820)
	Balance ending at June 30:	2018	2019
		\$ 28,115,231	\$ 27,087,411

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 allow the following:

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2019 and is attached hereto as “APPENDIX – 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.

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.

There are no recent State Comptrollers audits of the District nor any 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:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2019	No Designation	6.7%
2018	No Designation	3.3%
2017	No Designation	16.7%

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

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Towns of:					
Fayette	\$ 89,502,229	\$ 89,697,458	\$ 90,269,599	\$ 119,148,064	\$ 119,199,846
Seneca Falls	315,747,097	367,066,871	366,689,299	367,792,724	371,474,120
Tyre	24,311,317	23,997,673	23,724,821	23,875,335	33,009,157 ⁽¹⁾
Total Assessed Values	<u>\$ 429,560,643</u>	<u>\$ 480,762,002</u>	<u>\$ 480,683,719</u>	<u>\$ 510,816,123</u>	<u>\$ 523,683,123</u>

State Equalization Rates

Towns of:					
Fayette	80.00%	76.00%	74.00%	100.00%	100.00%
Seneca Falls	81.00%	100.00%	92.50%	92.50%	90.00%
Tyre	90.00%	79.00%	71.00%	69.00%	100.00% ⁽¹⁾
Total Taxable Full Valuation	<u>\$ 528,701,592</u>	<u>\$ 515,466,643</u>	<u>\$ 551,822,049</u>	<u>\$ 551,363,754</u>	<u>\$ 564,958,025</u>

⁽¹⁾ Significant change from prior year due to revaluation.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Towns of:					
Fayette	\$ 29.09	\$ 32.02	\$ 31.13	\$ 23.50	\$ 23.37
Seneca Falls	28.73	24.33	24.91	25.40	25.96
Tyre	25.85	30.80	32.45	34.05	23.37 ⁽¹⁾

⁽¹⁾ Significant change from prior year due to revaluation.

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 30 days. On the first day of November, there is a 3% penalty charge and uncollected taxes are returnable to Seneca County for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said County.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Tax Levy	\$ 12,304,305	\$ 12,543,536	\$ 12,712,810	\$ 12,954,353	\$ 13,200,486
Amount Uncollected ⁽¹⁾	757,184	821,230	774,232	763,083	N/A
% Uncollected	6.15%	6.55%	6.09%	5.89%	N/A

⁽¹⁾ See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures for the 2019-2020 fiscal year comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2014-2015	\$ 25,383,215	\$ 12,395,740	48.83%
2015-2016	26,532,027	12,595,097	47.47
2016-2017	27,782,092	12,837,604	46.21
2017-2018	28,784,274	13,009,240	45.20
2018-2019	29,405,701	13,230,315	44.99
2019-2020 (Budgeted)	29,374,066	13,459,986	45.82

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

Larger Taxpayers 2019 Tax Roll for 2019-20

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
New York State Electric & Gas Corp.	Utility	\$ 19,675,257
Cayuga Nation	Land/Food/Camping	11,609,400
Town of Seneca Falls	Water Plant	4,216,289
108 Fall Street, LLC	Hotel	3,959,600
Seneca Stone Corp	Quarry	3,068,136
Tennessee Gas Pipeline Co.	Public Utilities	2,582,704
Ovid Street, LLC	Mobile Home Park	2,157,500
EZ Properties	Apartments	2,021,600
Park Place Apartments	Apartments	1,961,000
Rodman Lott & Sons Farm	Farm	1,734,390

The ten larger taxpayers listed above have a total taxable assessed valuation of \$52,985,876, which represents 10.12% of the tax base of the District.

A local hotel not listed above has a pending tax certiorari case. The outcome is currently unknown. As of the date of this Continuing Disclosure Statement, the District does not have any other pending or outstanding tax certioraris that are known or believed to 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 \$88,050 or less, increased annually according to a Cost-of-Living adjustment, are eligible for an “enhanced” exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of \$500,000 are eligible for a “basic” exemption on their primary residence.

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

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Fayette	\$ 68,700	\$ 30,000	4/9/2019
Seneca Falls	63,550	27,750	4/9/2019
Tyre	68,700	30,000	4/9/2019

\$2,118,554 of the District's \$12,954,353 school tax levy for the 2018-2019 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2019.

\$1,992,756 of the District's \$13,200,486 school tax levy for the 2019-2020 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2020.

It should be noted that certain homeowners will receive a STAR credit instead of a STAR exemption in the future due to legislation included in the adopted State budget in 2019.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-40%, Agricultural-40%, Commercial-10% and Industrial-10%.

The estimated total annual property tax bill of a \$50,000 market value residential property located in the District is approximately \$2,092 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.)

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. On April 12, 2019, the enacted State budget legislation made chapter 97 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. The Notes qualify for the exclusion.

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of bonds.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State; provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. 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 Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Each bond resolution usually authorizes the construction, reconstruction, 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 an object or purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law, which should have been complied with in 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 estoppel procedure is recommended by Bond Counsel and has been undertaken by District. The School District has complied with such procedure with respect to the indebtedness to be evidenced by the Notes.

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

Statutory law in the State also permits the District to issue bond anticipation notes to be issued in anticipation of the issuance of serial bonds, which may be renewed each year provided annual principal installments are made in the reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance date of such notes and provided that such renewals do not exceed five years beyond the original date of the issuance of such notes. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with the power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 21,565,000	\$ 20,550,000	\$ 18,385,000	\$ 16,110,000	\$ 13,785,000
Bond Anticipation Notes	0	0	0	0	0
Revenue Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 21,565,000	\$ 20,550,000	\$ 18,385,000	\$ 16,110,000	\$ 13,785,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of March 31, 2020.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2020-2031	\$ 13,785,000
<u>Bond Anticipation Notes</u>	-	<u>0</u>
Total Indebtedness		<u>\$ 13,785,000</u>

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 31, 2020:

Full Valuation of Taxable Real Property	\$ 564,958,025
Debt Limit 10% thereof	56,495,803

Inclusions:

Bonds.....	\$ 13,785,000	
Bond Anticipation Notes	0	
Principal of this Issue	<u>5,000,000</u>	
Total Inclusions.....		<u>\$ 18,785,000</u>

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	
Total Exclusions.....		<u>\$ 0</u>

Total Net Indebtedness	<u>\$ 18,785,000</u>
Net Debt-Contracting Margin.....	<u>\$ 37,710,803</u>
The percent of debt contracting power exhausted is	33.25%

- ⁽¹⁾ Based on preliminary 2019-2020 building aid estimates, the District anticipates State Building aid of 85.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Capital Project Plans

On December 19, 2017, the qualified voters of the District approved a proposition authorizing the Capital Project for various reconstruction, renovations and improvements to the District’s instructional complex at a maximum cost of \$13,950,000, with such cost being funded with \$2,329,650 from the District’s existing capital reserve fund and the balance of such cost, not in excess of \$11,620,350, through the issuance of the District’s serial bonds. On February 25, 2020, the District voters approved an additional \$3,950,000 for the Capital Project with \$3,200,000 coming through the issuance of serial bonds and \$750,000 additional capital reserves. The proceeds of the Notes will provide new money for the above-mentioned purpose and will constitute the first issuance of indebtedness for this Capital Project. Future borrowings will be pursuant to construction cash flow needs.

There are presently no other capital projects authorized and unissued by the District.

Cash Flow Borrowings

The District annually issued revenue anticipation notes in anticipation of State aid. A listing of such borrowings since the 2008-2009 fiscal year is shown below.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2008-2009	\$ 3,900,000	RAN	6/20/08	6/19/09
2009-2010	3,900,000	RAN	6/18/09	6/18/10
2010-2011	3,900,000	RAN	6/17/10	6/17/11
2011-2012	3,900,000	RAN	6/17/11	6/15/12
2012-2013	3,900,000	RAN	6/29/12	6/28/13

The District has not issued a revenue anticipation note or tax anticipation note since the 2012-2013 fiscal year, and does not reasonably expect to issue such notes in the foreseeable future.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Seneca	12/31/2017	\$ 30,751,845	\$ -	\$ 30,751,845	24.96%	\$ 7,675,661
Town of:						
Fayette	12/31/2017	1,287,141	1,287,141	-	0.00%	-
Seneca Falls	12/31/2017	4,883,000	985,000	3,898,000	0.00%	-
Tyre	12/31/2017	192,000	192,000	-	0.00%	-
Total:						<u>\$ 7,675,661</u>

⁽¹⁾ Bonds and bond anticipation notes are as of the 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 2017 and 2018.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of March 31, 2020:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 18,785,000	\$ 1,945.62	3.33%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	26,460,661	2,740.62	4.68

^(a) The current estimated population of the District is 9,655. (See "THE SCHOOL DISTRICT – Population" herein.)

^(b) The District's full value of taxable real estate for the 2019-20 fiscal year is \$564,958,025. (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 \$7,675,661. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept For School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the 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 District and the holder thereof. Under current law, provision is made for contract creditors of the 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 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 District may not be enforced by levy and execution against property owned by the District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Counties, Cities, Towns and Villages, 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 District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

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

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

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 novel coronavirus ("COVID-19") outbreak, or fear of such an event, could have an adverse impact on the School District's financial condition and operating results. Currently, the spread of COVID-19 appears to be altering the behavior of businesses and people in a manner that is having negative effects on global and local economies. In addition, stock markets in the U.S. and globally have seen significant declines which may be attributable to concerns over COVID-19. There can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the School District. The degree of any such 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, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact.

TAX MATTERS

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes, and is not an "item of tax preference" for purposes of federal alternative minimum tax on individuals.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the Arbitrage and Use of Proceeds Certificate of the District to be executed in connection with the issuance of the Notes, the District will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The District will NOT designate the Notes as “qualified tax exempt obligations” pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

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 and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to federal, State or local income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Bond Counsel, Pittsford, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of 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; provided, however, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors’ rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes and is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage certificate executed by the President of the Board of Education of the District pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel will express no opinion regarding other Federal or State income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel’s engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in registered book-entry form, 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; that 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.

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

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

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

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

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

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

The District's contact information is as follows: Mr. James Bruni, Administrator of Business and Operations, 98 Clinton Street, Seneca Falls, New York 13148 telephone (315) 568-5874, fax (315) 712-0535, email jbruni@senecafallscsd.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

SENECA FALLS CENTRAL SCHOOL DISTRICT

Dated: March 31, 2020

CARA LAJEWSKI
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 6,626,489	\$ 5,894,921	\$ 5,460,022	\$ 4,945,205	\$ 5,959,983
Restricted Cash	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
State and Federal Aid Receivable	-	-	-	-	-
Due from Other Funds	608,830	654,439	584,304	685,361	821,317
Other Receivables	920,370	1,061,767	1,495,690	1,054,748	1,174,651
Due from Other Governments	-	-	-	-	-
Prepaid Items	322,282	341,161	352,137	355,535	295,332
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	\$ 8,477,971	\$ 7,952,288	\$ 7,892,153	\$ 7,040,849	\$ 8,251,283
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 133,207	\$ 193,685	\$ 58,319	\$ 89,691	\$ 70,714
Accrued Liabilities	54,502	44,230	32,073	45,028	63,122
Other Liabilities	-	-	-	2,484	-
Due to Other Funds	404	1,308	2,351	232,028	44,808
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	1,454,707	1,124,966	1,035,035	899,750	965,274
Due to Employees' Retirement System	122,146	104,289	95,411	98,526	97,812
Compensated Absences	354,402	370,376	323,282	428,004	261,404
Unearned Revenue	-	3,520	-	-	-
TOTAL LIABILITIES	2,119,368	1,842,374	1,546,471	1,795,511	1,503,134
<u>FUND EQUITY</u>					
Nonspendable	\$ 322,282	\$ 341,161	\$ 352,137	\$ 355,535	\$ 295,332
Restricted	4,529,973	4,387,621	4,751,407	3,313,707	4,670,707
Assigned	424,366	253,058	88,978	389,100	559,804
Unassigned	1,081,982	1,128,074	1,153,160	1,186,996	1,222,306
TOTAL FUND EQUITY	6,358,603	6,109,914	6,345,682	5,245,338	6,748,149
TOTAL LIABILITIES & FUND EQUITY	\$ 8,477,971	\$ 7,952,288	\$ 7,892,153	\$ 7,040,849	\$ 8,251,283

Source: Audited financial reports of the District. Summary itself not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 12,048,283	\$ 12,395,740	\$ 12,595,097	\$ 12,837,604	\$ 13,009,240
Charges for Services	74,467	90,439	63,047	41,011	126,067
Use of Money & Property	10,227	14,536	7,773	6,764	47,629
Sale of Property and Compensation for Loss	25,427	23,948	39,364	14,908	10,446
Miscellaneous	234,027	171,025	226,671	251,538	444,186
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	11,187,313	12,629,692	13,500,120	14,523,657	15,023,569
Revenues from Federal Sources	72,976	57,836	99,955	106,610	123,137
Total Revenues	<u>\$ 23,652,720</u>	<u>\$ 25,383,216</u>	<u>\$ 26,532,027</u>	<u>\$ 27,782,092</u>	<u>\$ 28,784,274</u>
Other Sources:					
Interfund Transfers	<u>446,934</u>	<u>-</u>	<u>88,000</u>	<u>88,000</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 24,099,654</u>	<u>\$ 25,383,216</u>	<u>\$ 26,620,027</u>	<u>\$ 27,870,092</u>	<u>\$ 28,784,274</u>
EXPENDITURES					
General Support	2,162,462	\$ 2,283,281	\$ 2,375,297	\$ 2,390,438	\$ 2,327,001
Instruction	12,734,710	12,952,128	14,443,595	14,968,140	15,061,660
Pupil Transportation	1,205,428	1,169,916	1,113,917	1,010,337	1,020,070
Community Services	-	-	-	-	-
Employee Benefits	5,545,389	5,824,709	5,658,725	5,857,625	5,757,063
Debt Service	1,702,983	3,048,377	2,945,075	3,034,343	3,024,960
Total Expenditures	<u>\$ 23,350,972</u>	<u>\$ 25,278,411</u>	<u>\$ 26,536,609</u>	<u>\$ 27,260,883</u>	<u>\$ 27,190,754</u>
Other Uses:					
Interfund Transfers	<u>104,697</u>	<u>738,829</u>	<u>332,107</u>	<u>373,441</u>	<u>2,693,864</u>
Total Expenditures and Other Uses	<u>23,455,669</u>	<u>26,017,240</u>	<u>26,868,716</u>	<u>27,634,324</u>	<u>29,884,618</u>
Excess (Deficit) Revenues Over Expenditures	<u>643,985</u>	<u>(634,024)</u>	<u>(248,689)</u>	<u>235,768</u>	<u>(1,100,344)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	6,348,642	6,992,627	6,358,603	6,109,914	6,345,682
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 6,992,627</u>	<u>\$ 6,358,603</u>	<u>\$ 6,109,914</u>	<u>\$ 6,345,682</u>	<u>\$ 5,245,338</u>

Source: Audited financial reports of the District. Summary itself not audited.

GENERAL FUND

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

Fiscal Years Ending June 30:

	2019			2020
	Original Budget	Amended Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes & Tax Items	\$ 13,213,853	\$ 13,213,853	\$ 13,230,315	\$ 13,459,986
Charges for Services	30,000	30,000	61,045	30,000
Use of Money & Property	10,000	10,000	104,954	10,000
Sale of Property and Compensation for Loss	-	-	28,515	-
Miscellaneous	256,373	273,151	425,397	256,373
Interfund Revenues	-	-	-	-
Revenues from State Sources	15,751,674	15,756,629	15,419,281	15,454,707
Revenues from Federal Sources	75,000	75,000	136,194	75,000
Total Revenues	\$ 29,336,900	\$ 29,358,633	\$ 29,405,701	\$ 29,286,066
Other Sources:				
Appropriated Reserves	\$ 150,000	\$ 150,000	\$ -	\$ -
Appropriated Fund Balance	100,000	475,000	-	1,183,578
Prior Year Encumbrances	289,100	289,100	-	-
Grants	-	-	-	-
Interfund Transfers	88,000	88,000	-	88,000
Total Revenues and Other Sources	29,964,000	30,360,733	29,405,701	30,557,644
EXPENDITURES				
General Support	\$ 2,918,428	\$ 3,133,844	\$ 2,636,806	\$ 2,728,039
Instruction	16,404,955	16,462,451	15,164,287	16,897,708
Pupil Transportation	1,276,530	1,240,051	1,093,882	1,304,042
Community Services	600	600	-	600
Employee Benefits	6,167,081	5,952,381	5,465,493	6,424,986
Debt Service	3,041,406	3,041,406	3,025,944	3,047,269
Total Expenditures	\$ 29,809,000	\$ 29,830,733	\$ 27,386,412	\$ 30,402,644
Other Uses:				
Interfund Transfers	155,000	530,000	516,478	155,000
Total Expenditures and Other Uses	29,964,000	30,360,733	27,902,890	30,557,644
Excess (Deficit) Revenues Over Expenditures	-	-	1,502,811	-
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	5,245,338	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 6,748,149	\$ -

Source: Audited financial report and budgets of the District. Summary itself not audited.

APPENDIX - B
Seneca Falls CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2020	\$ 2,415,000	\$ 614,293.75	\$ 3,029,293.75
2021	1,290,000	525,043.75	1,815,043.75
2022	1,290,000	473,643.75	1,763,643.75
2023	1,335,000	421,143.75	1,756,143.75
2024	1,225,000	356,343.75	1,581,343.75
2025	1,100,000	297,043.75	1,397,043.75
2026	1,155,000	244,143.75	1,399,143.75
2027	1,210,000	188,493.75	1,398,493.75
2028	1,270,000	130,243.75	1,400,243.75
2029	1,335,000	68,993.75	1,403,993.75
2030	80,000	4,650.00	84,650.00
2031	80,000	2,400.00	82,400.00
TOTALS	\$ 13,785,000	\$ 3,326,437.50	\$ 17,111,437.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 Refunding of 2002			2014 Refunding of 2005 Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 730,000	\$ 24,850.00	\$ 754,850.00	\$ 500,000	\$ 11,100.00	\$ 511,100.00
2021	-	-	-	55,000	1,100.00	56,100.00
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
TOTALS	\$ 730,000	\$ 24,850.00	\$ 754,850.00	\$ 555,000	\$ 12,200.00	\$ 567,200.00

Fiscal Year Ending June 30th	2014 DASNY - Capital Project			2016 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 810,000	\$ 508,250.00	\$ 1,318,250.00	\$ 60,000	\$ 18,543.75	\$ 78,543.75
2021	850,000	467,750.00	1,317,750.00	60,000	17,243.75	77,243.75
2022	890,000	425,250.00	1,315,250.00	65,000	15,943.75	80,943.75
2023	935,000	380,750.00	1,315,750.00	65,000	14,643.75	79,643.75
2024	980,000	334,000.00	1,314,000.00	65,000	13,343.75	78,343.75
2025	1,030,000	285,000.00	1,315,000.00	70,000	12,043.75	82,043.75
2026	1,085,000	233,500.00	1,318,500.00	70,000	10,643.75	80,643.75
2027	1,135,000	179,250.00	1,314,250.00	75,000	9,243.75	84,243.75
2028	1,195,000	122,500.00	1,317,500.00	75,000	7,743.75	82,743.75
2029	1,255,000	62,750.00	1,317,750.00	80,000	6,243.75	86,243.75
2030	-	-	-	80,000	4,650.00	84,650.00
2031	-	-	-	80,000	2,400.00	82,400.00
TOTALS	\$ 10,165,000	\$ 2,999,000.00	\$ 13,164,000.00	\$ 845,000	\$ 132,687.50	\$ 977,687.50

Fiscal Year Ending June 30th	2017 Refunding of 2008 & 2009 Bonds		
	Principal	Interest	Total
2020	\$ 315,000	\$ 51,550.00	\$ 366,550.00
2021	325,000	38,950.00	363,950.00
2022	335,000	32,450.00	367,450.00
2023	335,000	25,750.00	360,750.00
2024	180,000	9,000.00	189,000.00
TOTALS	\$ 1,490,000	\$ 157,700.00	\$ 1,647,700.00

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 Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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.

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

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

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

**SENECA FALLS CENTRAL SCHOOL DISTRICT
SENECA COUNTY, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2019

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

SENECA FALLS CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2019

MENGEL METZGER BARR & CO. LLP

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

T A B L E O F C O N T E N T S

	Pages
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 13
Basic Financial Statements:	
Statement of Net Position	14
Statement of Activities and Changes in Net Position	15
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	18
Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	19
Notes to the Basic Financial Statements:	20 - 46
Required Supplementary Information:	
Schedule of Changes in District's Total OPEB Liability and Related Ratio (Unaudited)	47
Schedule of the District's Proportionate Share of the Net Pension Liability (Unaudited)	48
Schedule of District Contributions (Unaudited)	49
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund (Unaudited)	50 - 51
Supplementary Information:	
Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit - General Fund	52
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	53
Combining Balance Sheet - Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	55
Net Investment in Capital Assets	56
Schedule of Expenditures of Federal Awards	57
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	58 - 59

MENGEL METZGER BARR & CO. LLP

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Seneca Falls Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Seneca Falls Central School District, New York, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–13 and 47–51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Seneca Falls Central School District, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2019 on our consideration of the Seneca Falls Central School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Seneca Falls Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York
September 26, 2019

Raymond F. Wager, CPA, PC

Seneca Falls Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

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

Financial Highlights

At the close of the fiscal year, the total assets plus deferred outflows (what the district owns) exceeded its total liabilities plus deferred inflows (what the district owes) by \$12,434,188 (net position) an increase of \$2,011,828 from the prior year. This increase is a result of an increase in excess revenue over expenditures and increasing in provision for future indebtedness (per GASB 75 report).

General revenues which include Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$29,515,565 or 94% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$1,776,865 or 6% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$9,044,473, an increase of \$805,934 in comparison with the prior year. The increase in combined fund balances is due to excess revenue over expenditures due to limited spending.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Government-Wide Statements

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

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

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

Financial Analysis of the School District As A Whole

Net Position

The District's combined net position were more on June 30, 2019, than they were the year before, increasing by 19% to \$12,434,188 as shown in the table below.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 11,500,879	\$ 10,218,876	\$ 1,282,003
Capital Assets	43,617,349	44,084,905	(467,556)
Total Assets	\$ 55,118,228	\$ 54,303,781	\$ 814,447
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	\$ 5,549,052	\$ 6,253,344	\$ (704,292)
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 43,617,825	\$ 46,997,752	\$ (3,379,927)
Other Liabilities	1,266,682	1,176,869	89,813
Total Liabilities	\$ 44,884,507	\$ 48,174,621	\$ (3,290,114)
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	\$ 3,348,585	\$ 1,960,144	\$ 1,388,441
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 28,443,314	\$ 26,446,966	\$ 1,996,348
<u>Restricted For</u>			
Capital Projects	1,515,979	-	1,515,979
Reserve for ERS	808,887	646,592	162,295
Capital Reserve	2,999,149	1,956,456	1,042,693
Other Purposes	1,445,898	1,277,430	168,468
Unrestricted	(22,779,039)	(19,905,084)	(2,873,955)
Total Net Position	\$ 12,434,188	\$ 10,422,360	\$ 2,011,828

The District's financial position is the product of many factors.

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

There are four restricted net asset balances, Capital Projects, Reserve for ERS, Capital Reserve, and Other Purposes which constitute 20% of total net position. The remaining balance of unrestricted net position is a deficit of (\$22,779,039).

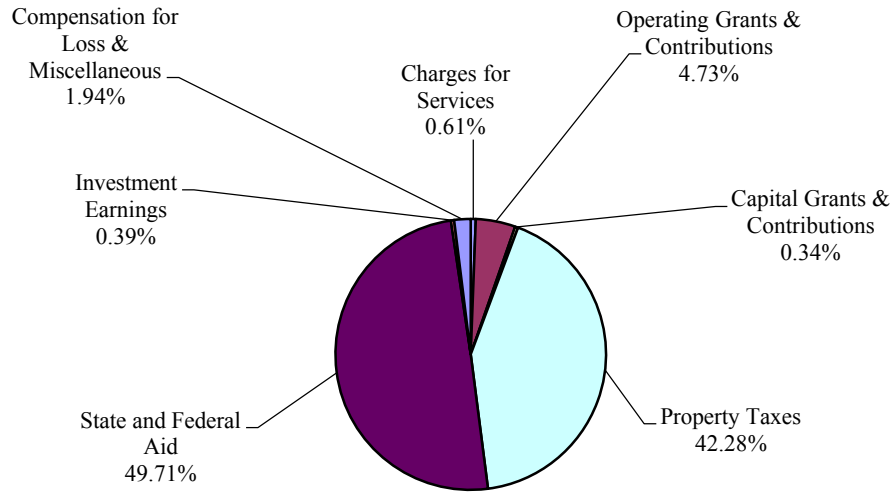
Changes in Net Position

The District's total revenue increased 2% to \$31,292,430. State and federal aid 50% and property taxes 42% accounted for most of the District's revenue. The remaining 8% of the revenue comes from operating grants, capital grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues.

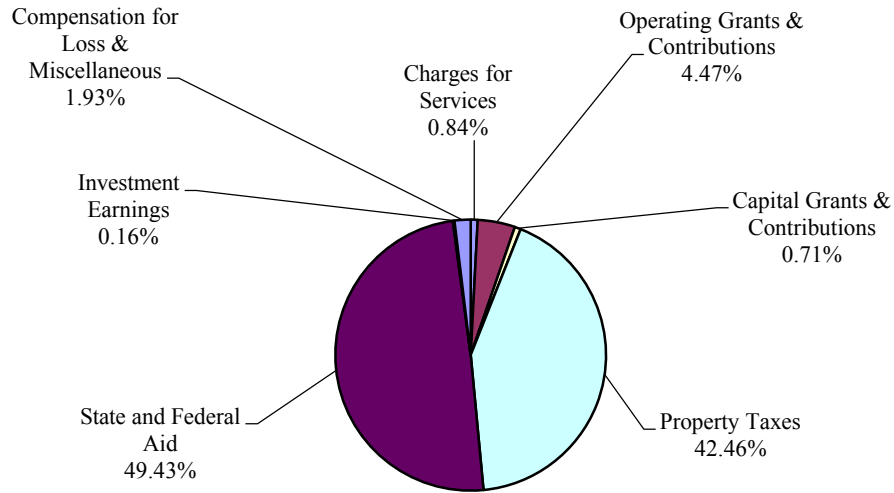
The total cost of all the programs and services decreased 1% to \$29,280,602. The District's expenses are predominately related to education and caring for the students (Instruction) 77%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 11% of the total costs. See table below:

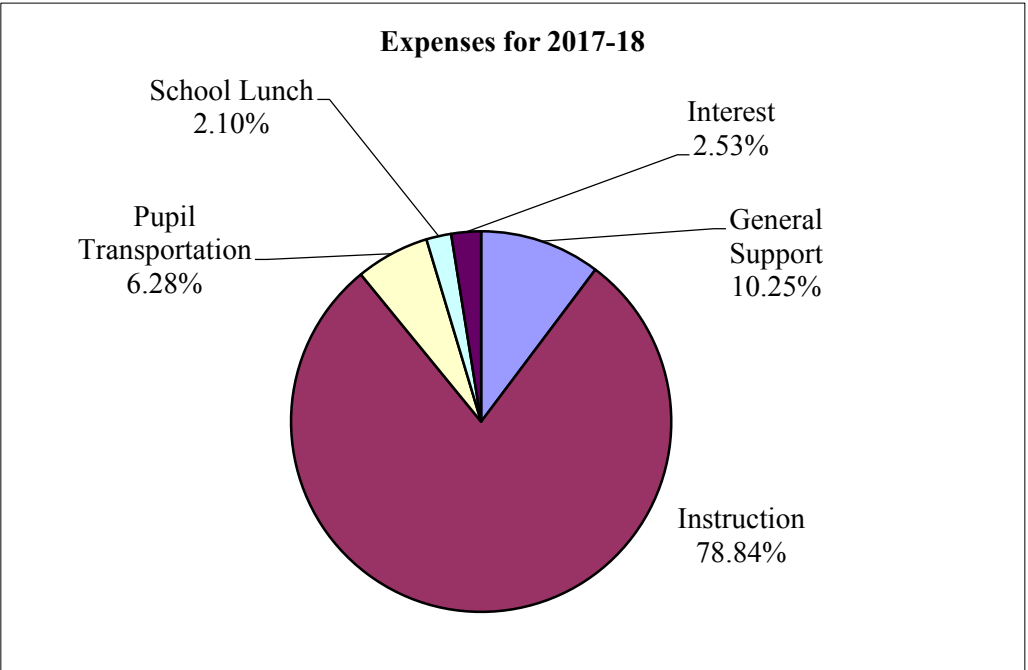
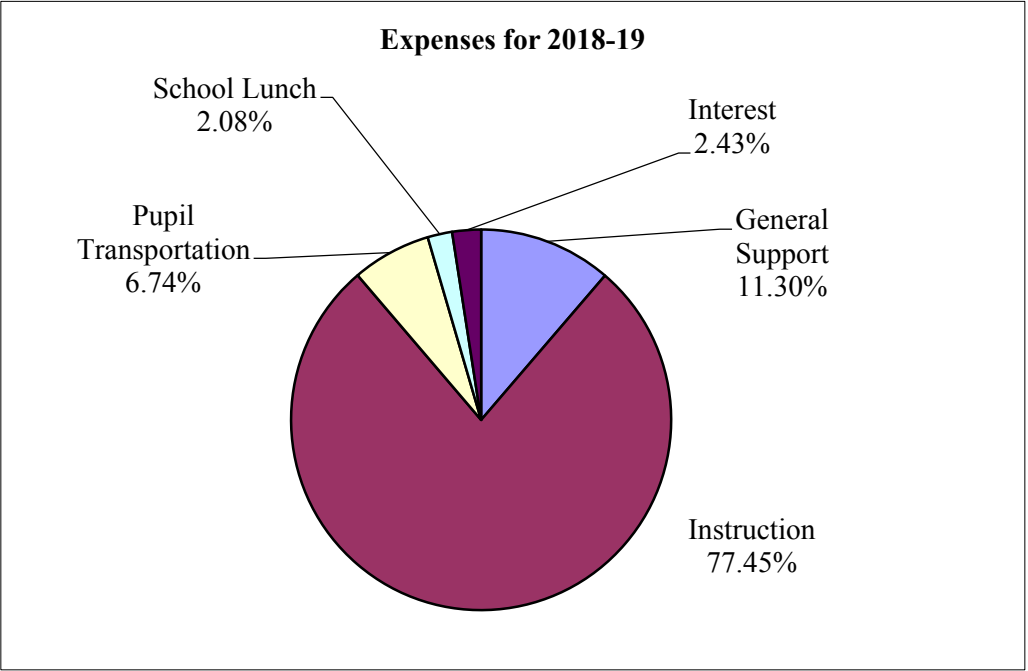
	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2019</u>	<u>2018</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 191,873	\$ 256,109	\$ (64,236)
Operating Grants & Contributions	1,480,012	1,370,224	109,788
Capital Grants & Contributions	104,980	216,386	(111,406)
Total Program	\$ 1,776,865	\$ 1,842,719	\$ (65,854)
<u>General -</u>			
Property Taxes	\$ 13,230,315	\$ 13,009,240	\$ 221,075
State and Federal Aid	15,555,475	15,146,706	408,769
Investment Earnings	121,461	49,068	72,393
Compensation for Loss	28,515	10,446	18,069
Miscellaneous	579,799	581,601	(1,802)
Total General	\$ 29,515,565	\$ 28,797,061	\$ 718,504
TOTAL REVENUES	\$ 31,292,430	\$ 30,639,780	\$ 652,650
<u>SPECIAL ITEM:</u>			
Advance Refunding	\$ -	\$ 5,000	\$ 5,000
<u>EXPENSES:</u>			
General Support	\$ 3,307,256	\$ 3,034,452	\$ 272,804
Instruction	22,676,880	23,330,439	(653,559)
Pupil Transportation	1,972,342	1,857,020	115,322
School Lunch	609,292	620,370	(11,078)
Interest	714,832	750,934	(36,102)
TOTAL EXPENSES	\$ 29,280,602	\$ 29,593,215	\$ (312,613)
INCREASE IN NET POSITION	\$ 2,011,828	\$ 1,051,565	
NET POSITION, BEGINNING OF YEAR	10,422,360	9,370,795	
NET POSITION, ENDING OF YEAR	\$ 12,434,188	\$ 10,422,360	

Revenue for 2018-19



Revenue for 2017-18





Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$9,044,473 which is more than last year's ending fund balance of \$8,238,539.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$6,748,149. Fund balance for the General Fund increased by \$1,502,811 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2019</u>	<u>2018</u>	<u>Total Variance</u>
Nonspendable	\$ 295,332	\$ 355,535	\$ (60,203)
Restricted	4,670,707	3,313,707	1,357,000
Assigned	559,804	389,100	170,704
Unassigned	1,222,306	1,186,996	35,310
Total General Fund Balances	<u>\$ 6,748,149</u>	<u>\$ 5,245,338</u>	<u>\$ 1,502,811</u>

The District appropriated funds from the following reserves for the 2019-20 budget:

	<u>Total</u>
Retirement Contribution	\$ 150,000
Total	<u>\$ 150,000</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$685,833. This change is attributable to carryover encumbrances of \$289,100 from the 2017-18 school year, \$375,000 for voter approved bus purchase, and \$21,733 for various donations.

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

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Programs for Children with Handicapping Conditions	(\$294,775)	Reductions due to less than anticipated students needing BOCES services
Instructional Media	\$351,750	Continuation of a technology refresh plan and 1:1 student device initiative
Transfers-Out	\$375,000	Transfer to cover the purchase of buses

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
State Sources	(\$337,348)	Transferred to grant funds to pay for salaries as authorized in state and federal grants
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Central Services	\$294,526	Savings on utilities and contractual obligations
Teaching-Regular School	\$271,573	Savings on personnel paid through grants
Programs for Children with Handicapping Conditions	\$716,672	Savings on instructional personnel paid through grants
Employee Benefits	\$486,888	Savings on employees transitioning to a low-cost health insurance plan

Capital Asset and Debt Administration

Capital Assets

By the end of the 2018-19 fiscal year, the District had invested \$43,617,349 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2019</u>	<u>2018</u>
Land	\$ 91,100	\$ 91,100
Work in Progress	1,135,037	247,584
Buildings and Improvements	41,061,533	42,546,246
Machinery and Equipment	1,329,679	1,199,976
Total Capital Assets	<u>\$ 43,617,349</u>	<u>\$ 44,084,906</u>

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

Long-Term Debt

At year end, the District had \$43,617,825 in long-term debt outstanding as follows:

<u>Type</u>	<u>2019</u>	<u>2018</u>
Serial Bonds	\$ 13,785,000	\$ 16,110,000
OPEB	27,087,411	28,115,231
Net Pension Liability	487,199	231,347
Unamortized Bond Premium	1,389,035	1,527,939
Compensated Absences	869,180	1,013,235
Total Long-Term Obligations	<u>\$ 43,617,825</u>	<u>\$ 46,997,752</u>

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

Factors Bearing on the District's Future

State aid funding continues to remain unpredictable from year to year making long term planning and decision making difficult. The District has a slight decline in student enrollment which in turn creates a decrease in formula-based state aid. This loss of aid as well as State and Federal grants slowly decreasing will produce gaps in programming as certain instructional salaries are currently paid through State and Federal grants. Contractual obligations through salaries combined with the minimal wage increase make it difficult to maintain as the State tax cap remains in existence.

Contacting the School District's Financial Management

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

Seneca Falls Central School District
P.O. Box 268, 98 Clinton Street
Seneca Falls, New York 13148

SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,592,028
Accounts receivable	1,638,093
Inventories	21,510
Prepaid items	295,332
Net pension asset	953,916
Capital Assets:	
Land	91,100
Work in progress	1,135,037
Other capital assets (net of depreciation)	42,391,212
TOTAL ASSETS	\$ 55,118,228
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	\$ 5,549,052
 LIABILITIES	
Accounts payable	\$ 106,458
Accrued liabilities	89,719
Unearned revenues	7,039
Due to other governments	380
Due to teachers' retirement system	965,274
Due to employees' retirement system	97,812
Long-Term Obligations:	
Due in one year	2,820,308
Due in more than one year	40,797,517
TOTAL LIABILITIES	\$ 44,884,507
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	\$ 3,348,585
 NET POSITION	
Net investment in capital assets	\$ 28,443,314
Restricted For:	
Capital projects	1,515,979
Reserve for employee retirement system	808,887
Capital reserves	2,999,149
Other purposes	1,445,898
Unrestricted	(22,779,039)
TOTAL NET POSITION	\$ 12,434,188

(See accompanying notes to financial statements)

SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
For Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
<u>Primary Government</u> -					
General support	\$ 3,307,256	\$ -	\$ -	\$ -	\$ (3,307,256)
Instruction	22,676,880	61,045	1,087,892	104,980	(21,422,963)
Pupil transportation	1,972,342	-	-	-	(1,972,342)
School lunch	609,292	130,828	392,120	-	(86,344)
Interest	714,832	-	-	-	(714,832)
Total Primary Government	\$ 29,280,602	\$ 191,873	\$ 1,480,012	\$ 104,980	\$ (27,503,737)
General Revenues:					
Property taxes					\$ 13,230,315
State and federal aid					15,555,475
Investment earnings					121,461
Compensation for loss					28,515
Miscellaneous					579,799
Total General Revenues					\$ 29,515,565
Changes in Net Position					\$ 2,011,828
Net Position, Beginning of Year					10,422,360
Net Position, End of Year					\$ 12,434,188

SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2019

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,959,983	\$ 392,109	\$ 1,498,531	\$ 741,405	\$ 8,592,028
Receivables	1,174,651	304,818	129,083	29,541	1,638,093
Inventories	-	-	-	21,510	21,510
Due from other funds	821,317	-	-	47,311	868,628
Prepaid items	295,332	-	-	-	295,332
TOTAL ASSETS	\$ 8,251,283	\$ 696,927	\$ 1,627,614	\$ 839,767	\$ 11,415,591
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	\$ 70,714	\$ -	\$ 35,744	\$ -	\$ 106,458
Accrued liabilities	63,122	-	-	1,001	64,123
Due to other funds	44,808	696,927	75,891	51,002	868,628
Due to other governments	-	-	-	380	380
Due to TRS	965,274	-	-	-	965,274
Due to ERS	97,812	-	-	-	97,812
Compensated absences	261,404	-	-	-	261,404
Unearned revenue	-	-	-	7,039	7,039
TOTAL LIABILITIES	\$ 1,503,134	\$ 696,927	\$ 111,635	\$ 59,422	\$ 2,371,118
Fund Balances -					
Nonspendable	\$ 295,332	\$ -	\$ -	\$ 21,510	\$ 316,842
Restricted	4,670,707	-	1,515,979	583,227	6,769,913
Assigned	559,804	-	-	175,608	735,412
Unassigned	1,222,306	-	-	-	1,222,306
TOTAL FUND BALANCE	\$ 6,748,149	\$ -	\$ 1,515,979	\$ 780,345	\$ 9,044,473
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,251,283	\$ 696,927	\$ 1,627,614	\$ 839,767	

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

43,617,349

Interest is accrued on outstanding bonds in the statement of net position
but not in the funds.

(25,596)

The following long-term obligations are not due and payable in the
current period and therefore are not reported in the governmental funds:

Serial bonds payable

(13,785,000)

OPEB

(27,087,411)

Compensated absences

(607,776)

Unamortized bond premium

(1,389,035)

Net pension asset

953,916

Deferred outflow

34,998

Deferred outflow - pension

5,514,054

Net pension liability

(487,199)

Deferred inflow - pension

(1,405,807)

Deferred inflow - OPEB

(1,942,778)

Net Position of Governmental Activities

\$ 12,434,188

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

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 13,230,315	\$ -	\$ -	\$ -	\$ 13,230,315
Charges for services	61,045	-	-	-	61,045
Use of money and property	104,954	-	-	16,507	121,461
Sale of property and compensation for loss	28,515	-	-	-	28,515
Miscellaneous	425,397	3,175	-	15,498	444,070
State sources	15,419,281	314,820	104,980	54,616	15,893,697
Federal sources	136,194	769,897	-	337,504	1,243,595
Sales	-	-	-	130,828	130,828
TOTAL REVENUES	\$ 29,405,701	\$ 1,087,892	\$ 104,980	\$ 554,953	\$ 31,153,526
EXPENDITURES					
General support	\$ 2,636,806	\$ -	\$ -	\$ -	\$ 2,636,806
Instruction	15,164,287	1,109,670	-	-	16,273,957
Pupil transportation	1,093,882	73,902	362,090	-	1,529,874
Employee benefits	5,465,493	18,708	-	62,296	5,546,497
Debt service - principal	2,325,000	-	-	-	2,325,000
Debt service - interest	700,944	-	-	-	700,944
Cost of sales	-	-	-	196,997	196,997
Other expenses	-	-	-	250,064	250,064
Capital outlay	-	-	887,453	-	887,453
TOTAL EXPENDITURES	\$ 27,386,412	\$ 1,202,280	\$ 1,249,543	\$ 509,357	\$ 30,347,592
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	\$ 2,019,289	\$ (114,388)	\$ (1,144,563)	\$ 45,596	\$ 805,934
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ -	\$ 114,388	\$ 362,090	\$ 40,000	\$ 516,478
Transfers - out	(516,478)	-	-	-	(516,478)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (516,478)	\$ 114,388	\$ 362,090	\$ 40,000	\$ -
NET CHANGE IN FUND BALANCE	\$ 1,502,811	\$ -	\$ (782,473)	\$ 85,596	\$ 805,934
FUND BALANCE, BEGINNING OF YEAR	5,245,338	-	2,298,452	694,749	8,238,539
FUND BALANCE, END OF YEAR	\$ 6,748,149	\$ -	\$ 1,515,979	\$ 780,345	\$ 9,044,473

(See accompanying notes to financial statements)

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

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS

\$ 805,934

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

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

Capital Outlay	\$ 887,453	
Additions to Assets, Net	384,625	
Depreciation	<u>(1,739,635)</u>	
		(467,557)

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

Debt Repayments	\$ 2,325,000	
Unamortized Bond Premium	<u>138,904</u>	
		2,463,904

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,610

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (856,570)

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

Teachers' Retirement System	164,925
Employees' Retirement System	(62,373)

Portion of deferred (inflow) / outflow recognized in long term debt (17,500)

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

Compensated Absences	<u>(22,545)</u>
----------------------	-----------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,011,828

SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2019

	Private Purpose <u>Trust</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 7,236	\$ 617,423
TOTAL ASSETS	<u>\$ 7,236</u>	<u>\$ 617,423</u>
LIABILITIES		
Accounts payable	\$ -	\$ 43,670
Extraclassroom activity balances	-	72,008
Other liabilities	-	501,745
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 617,423</u>
NET POSITION		
Restricted for scholarships	\$ 7,236	
TOTAL NET POSITION	<u>\$ 7,236</u>	

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

	Private Purpose <u>Trust</u>
ADDITIONS	
Contributions	\$ 7,215
Investment earnings	9
TOTAL ADDITIONS	<u>\$ 7,224</u>
DEDUCTIONS	
Other expenses	\$ 9,015
TOTAL DEDUCTIONS	<u>\$ 9,015</u>
CHANGE IN NET POSITION	\$ (1,791)
NET POSITION, BEGINNING OF YEAR	<u>9,027</u>
NET POSITION, END OF YEAR	<u>\$ 7,236</u>

SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2019

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

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

(I.) (Continued)

B. Joint Venture

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

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

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

During the year, the District was billed \$6,572,398 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,264,139.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

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

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

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

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

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

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

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than August, 29, and become a lien on August 2, 2018. Taxes are collected during the period September 1 to November 30, 2018.

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

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

(I.) (Continued)

J. Receivables

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

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

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of 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 non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

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

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

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

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

(I.) (Continued)

M. Unearned Revenue

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

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The District may have three 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. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

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

O. Vested Employee Benefits

1. Compensated Absences

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

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

(I.) (Continued)

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

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

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

P. Other Benefits

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

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

Q. 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.

R. Equity Classifications

1. District-Wide Statements

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

(I.) (Continued)

a. **Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

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

	<u>Total</u>
Workers' Compensation	\$ 113,373
Unemployment Costs	127,181
Teachers' Retirement Reserve	175,000
Tax Certiorari	36,754
Debt	583,227
Employee Benefit Accrued Liability	<u>410,363</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 1,445,898</u>

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

2. **Fund Statements**

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

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

	<u>Total</u>
Inventory in School Lunch	\$ 21,510
Prepaid Items	295,332
Total Nonspendable Fund Balance	<u>\$ 316,842</u>

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

(I.) (Continued)

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

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
General Capital Reserve	\$ 9,500,000	\$ 4,539,854	\$ 1,819,089
Bus Purchase Reserve	\$ 3,700,000	\$ 2,522,052	\$ 1,180,060

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

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

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

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

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

(I.) (Continued)

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.

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

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

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 113,373
Unemployment Costs	127,181
Employees' Retirement Contribution	808,887
Teachers' Retirement Contribution	175,000
Tax Certiorari	36,754
Capital Reserves	2,999,149
Employee Benefit Accrued Liability	410,363
<u>Capital Fund -</u>	
2018 Capital Renovation Project	1,515,979
<u>Debt Service Fund -</u>	
Debt Service	583,227
Total Restricted Fund Balance	<u>\$ 6,769,913</u>

(I.) (Continued)

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

	<u>Total</u>
Retirement Contribution	\$ 150,000
Total	<u>\$ 150,000</u>

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

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

Management has determined significant encumbrances for the General Fund to be \$43,000 and the capital projects fund to be \$4,000.

General Fund -

Central Services	\$ 76,251
Total General Fund Significant Encumbrances	<u>\$ 76,251</u>

Capital Projects Fund -

Capital Projects	\$ 285,609
Total Capital Fund Significant Encumbrances	<u>\$ 285,609</u>

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	126,226
General Fund - Appropriated for Taxes	433,578
School Lunch Fund - Year End Equity	175,608
Total Assigned Fund Balance	<u>\$ 735,412</u>

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

(I.) (Continued)

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

3. Order of Use of Fund Balance

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

S. New Accounting Standards

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

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, which will be effective for reporting periods beginning after June 15, 2019.

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

T. Future Changes in Accounting Standards

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

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

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

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

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

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

II. Stewardship, Compliance and Accountability

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

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2018-19 fiscal year the budget was increased \$375,000 for voter approved bus purchases, \$21,733 for donations, and \$289,100 for prior year carryover encumbrances.

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

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

B. Encumbrances

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

III. Cash and Cash Equivalents

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

(III.) (Continued)

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

Interest Rate Risk – The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

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

Uncollateralized	\$ -
Collateralized with Securities held by the Pledging Financial Institution	202,000
Collateralized within Trust Department or Agent	3,726,785
Total	<u>\$ 3,928,785</u>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$6,769,913 within the governmental funds and \$7,236 in the fiduciary funds.

IV. Receivables

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

<u>Description</u>	Governmental Activities				<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>School Lunch Fund</u>	
Accounts Receivable	\$ 71,766	\$ -	\$ -	\$ 4,947	\$ 76,713
Due From State and Federal	400,759	304,818	129,083	24,594	859,254
Due From Other Governments	702,126	-	-	-	702,126
Total Receivables	<u>\$ 1,174,651</u>	<u>\$ 304,818</u>	<u>\$ 129,083</u>	<u>\$ 29,541</u>	<u>\$ 1,638,093</u>

District management has deemed the amounts to be fully collectible.

V. Interfund Receivables, Payables, Revenues and Expenditures

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

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 821,317	\$ 44,808	\$ -	\$ 516,478
Special Aid Fund	-	696,927	114,388	-
School Lunch Fund	44,808	51,002	40,000	-
Debt Service Fund	2,503	-	-	-
Capital Projects Fund	-	75,891	362,090	-
Total	<u>\$ 868,628</u>	<u>\$ 868,628</u>	<u>\$ 516,478</u>	<u>\$ 516,478</u>

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

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

VI. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 91,100	\$ -	\$ -	\$ 91,100
Work in progress	247,584	887,453	-	1,135,037
<i>Total Nondepreciable</i>	<u>\$ 338,684</u>	<u>\$ 887,453</u>	<u>\$ -</u>	<u>\$ 1,226,137</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 65,213,623	\$ 7,791	\$ -	\$ 65,221,414
Machinery and equipment	3,472,689	376,834	178,864	3,670,659
<i>Total Depreciated Assets</i>	<u>\$ 68,686,312</u>	<u>\$ 384,625</u>	<u>\$ 178,864</u>	<u>\$ 68,892,073</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 22,667,377	\$ 1,492,504	\$ -	\$ 24,159,881
Machinery and equipment	2,272,713	247,131	178,864	2,340,980
<i>Total Accumulated Depreciation</i>	<u>\$ 24,940,090</u>	<u>\$ 1,739,635</u>	<u>\$ 178,864</u>	<u>\$ 26,500,861</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 43,746,222</u>	<u>\$ (1,355,010)</u>	<u>\$ -</u>	<u>\$ 42,391,212</u>
Total Capital Assets	<u>\$ 44,084,906</u>	<u>\$ (467,557)</u>	<u>\$ -</u>	<u>\$ 43,617,349</u>

(VI.) (Continued)

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

<u>Governmental Activities:</u>	
General Government Support	\$ 77,795
Instruction	1,319,586
Pupil Transportation	247,864
School Lunch	94,390
Total Depreciation Expense	<u>\$ 1,739,635</u>

VII. Long-Term Debt Obligations

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

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 16,110,000	\$ -	\$ 2,325,000	\$ 13,785,000	\$ 2,420,000
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 231,347	\$ 255,852	\$ -	\$ 487,199	\$ -
OPEB	28,115,231	-	1,027,820	27,087,411	-
Unamortized Bond Premium	1,527,939	-	138,904	1,389,035	138,904
Compensated Absences	1,013,235	-	144,055	869,180	261,404
Total Other Liabilities	<u>\$ 30,887,752</u>	<u>\$ 255,852</u>	<u>\$ 1,310,779</u>	<u>\$ 29,832,825</u>	<u>\$ 400,308</u>
Total Long-Term Obligations	<u>\$ 46,997,752</u>	<u>\$ 255,852</u>	<u>\$ 3,635,779</u>	<u>\$ 43,617,825</u>	<u>\$ 2,820,308</u>

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

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u> <u>6/30/2019</u>
Refunded	\$ 1,825,000	2018	2024	1.1%-5.0%	\$ 1,490,000
Construction	\$ 5,775,000	2011	2020	2.0%-4.0%	730,000
Construction	\$ 13,225,000	2014	2029	2.0%-5.0%	10,165,000
Refunded	\$ 2,500,000	2015	2021	1.0%-2.0%	555,000
Construction	\$ 1,020,000	2016	2031	2.0%-3.0%	845,000
Total Serial Bonds					<u>\$ 13,785,000</u>

(VII.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,420,000	\$ 614,293
2021	1,295,000	524,494
2022	1,290,000	473,644
2023	1,335,000	421,144
2024	1,225,000	356,344
2025-29	6,065,000	928,919
2030-31	155,000	7,050
Total	\$ 13,785,000	\$ 3,325,888

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$2,550,000 of bonds outstanding are considered defeased.

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

Interest Paid	\$ 700,942
Amortization for debt	17,500
Less: Interest Accrued in the Prior Year	(29,206)
Plus: Interest Accrued in the Current Year	25,596
Total Long-Term Interest Expense	\$ 714,832

VIII. Deferred Inflows/Outflows of Resources

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	5,514,054	1,405,807
Bonds	34,998	-
OPEB	-	1,942,778
Total	\$ 5,549,052	\$ 3,348,585

IX. Pension Plans

A. General Information

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

B. Provisions and Administration

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

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

C. Funding Policies

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

(IX.) (Continued)

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

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2019	\$ 331,526	\$ 965,274

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

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2018	June 30, 2018
Net pension assets/(liability)	\$ (487,199)	\$ 953,916
District's portion of the Plan's total net pension asset/(liability)	0.006876%	0.052753%

For the year ended June 30, 2019, the District recognized pension expenses of \$393,188 for ERS and \$749,390 for TRS. At June 30, 2019 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expensed and actual experience	\$ 95,940	\$ 712,854	\$ 32,705	\$ 129,126
Changes of assumptions	122,462	3,334,564	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	125,042	1,058,920
Changes in proportion and differences between the District's contributions and proportionate share of contributions	143,262	82,670	29,497	30,517
Subtotal	\$ 361,664	\$ 4,130,088	\$ 187,244	\$ 1,218,563
District's contributions subsequent to the measurement date	97,812	924,490	-	-
Grand Total	\$ 459,476	\$ 5,054,578	\$ 187,244	\$ 1,218,563

(IX.) (Continued)

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2019	\$ -	\$ 965,201
2020	154,491	658,224
2021	(65,365)	77,520
2022	10,375	655,976
2023	74,919	444,590
Thereafter	-	110,014
Total	\$ 174,420	\$ 2,911,525

E. Actuarial Assumptions

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

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

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale AA.

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

(IX.) (Continued)

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

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

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

F. Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

(IX.) (Continued)

<u>ERS</u>	1% Decrease (6%)	Current Assumption (7%)	1% Increase (8%)
Employer's proportionate share of the net pension asset (liability)	\$ (2,130,113)	\$ (487,199)	\$ 892,965

<u>TRS</u>	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension asset (liability)	\$ (6,553,562)	\$ 953,916	\$ 7,243,097

H. Pension Plan Fiduciary Net Position

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

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

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to \$97,812.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to \$965,274.

X. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	\$	6
Inactive employees entitled to but not yet receiving benefit payments		175
Active Employees		229
Total	\$	410

B. Total OPEB Liability

The District’s total OPEB liability of \$27,087,411 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

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

Inflation	3.00 percent
Salary Increases	3.00 percent, average, including inflation
Discount Rate	3.50 percent
Healthcare Cost Trend Rates	7.50 percent for 2019, decreasing .05 percent per year to an ultimate rate of 4.50 percent for 2026 and later years
Retirees' Share of Benefit-Related Costs	The projected health insurance premiums for retirees varies depending on contract

The discount rate was based on the 20 year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher.

Mortality rates were based on the RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2018.

(X.) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	<u>\$ 28,115,231</u>
<u>Changes for the Year -</u>	
Service cost	\$ 1,060,400
Interest	864,027
Changes in assumptions or other inputs	(2,197,130)
Benefit payments	<u>(755,117)</u>
Net Changes	<u>\$ (1,027,820)</u>
Balance at June 30, 2019	<u>\$ 27,087,411</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4 percent in 2018 to 3 percent in 2019.

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

	1% Decrease	Discount	1% Increase
	<u>(2.50%)</u>	<u>Rate</u>	<u>(4.50%)</u>
		<u>(3.50%)</u>	
Total OPEB Liability	\$ 31,745,433	\$ 27,087,411	\$ 23,355,628

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5 percent) or 1-percentage-point higher (5.5 percent) than the current healthcare cost trend rate:

	1% Decrease	Healthcare	1% Increase
	<u>(6.50</u>	Cost Trend Rates	<u>(8.50</u>
	<u>Decreasing</u>	<u>(7.50</u>	<u>Decreasing</u>
	<u>to 3.50)</u>	<u>Decreasing</u>	<u>Decreasing</u>
		<u>to 4.50)</u>	<u>to 5.50)</u>
Total OPEB Liability	\$ 22,443,100	\$ 27,087,411	\$ 33,153,185

(X.) (Continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,611,687. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expensed and actual experience	\$ (50,805)
Changes of assumptions	<u>(1,891,973)</u>
Total	<u><u>\$ (1,942,778)</u></u>

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

<u>Year</u>		
2020	\$	(312,740)
2021		(312,740)
2022		(312,740)
2023		(312,740)
2024		(312,740)
Thereafter		<u>(379,078)</u>
Total	\$	<u><u>(1,942,778)</u></u>

XI. Risk Management

A. General Information

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

B. Workers' Compensation

The District is a member of the Seneca County Workers' Compensation Self-Insurance Plan (the Plan). Current membership of the Plan includes participants from various municipal entities. The Plan is administered by Seneca County and utilizes a third party administrator who is responsible for processing claims, estimating liabilities and providing actuarial services. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

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

(XI.) (Continued)

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2019, the District incurred premiums or contribution expenditures totaling \$77,514.

The Plan is audited on an annual basis and is available at Seneca County administrative offices.

C. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2018-19 fiscal year totaled \$0. The balance of the fund at June 30, 2019 was \$127,181 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2019, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XIV. Commitments and Contingencies

A. Litigation

There is no pending litigation as of the audit report date.

B. Grants

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

XV. Rental Income

The District leases property to various individuals and organizations. Total rental income for the 2018-19 fiscal year totaled \$21,583.

XVI. Tax Abatement

The County of Seneca IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the District property tax revenue was reduced \$322,252. The District received payment in lieu of tax (PILOT) payment totaling \$237,272 to help offset the property tax reduction.

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

TOTAL OPEB LIABILITY			
	<u>2019</u>		<u>2018</u>
Service cost	\$ 1,060,400	\$	1,029,515
Interest	864,027		830,089
Differences between expected and actual experiences	-		(65,971)
Changes of assumptions or other inputs	(2,197,130)		-
Benefit payments	<u>(755,117)</u>		<u>(632,445)</u>
Net Change in Total OPEB Liability	\$ (1,027,820)	\$	1,161,188
Total OPEB Liability - Beginning	\$ 28,115,231	\$	26,954,043
Total OPEB Liability - Ending	<u>\$ 27,087,411</u>	\$	<u>28,115,231</u>
Covered Employee Payroll	\$ 10,683,475	\$	10,683,475
Total OPEB Liability as a Percentage of Covered			
Employee Payroll	253.54%		263.17%

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

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

NYSERS Pension Plan					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0068762%	0.0071681%	0.0075715%	0.0078%	0.0074%
Proportionate share of the net pension liability (assets)	\$ 487,199	\$ 231,347	\$ 711,439	\$ 1,249,246	\$ 248,969
Covered-employee payroll	\$ 2,287,152	\$ 2,359,470	\$ 2,359,930	\$ 2,292,875	\$ 2,225,171
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	21.302%	9.805%	30.147%	54.484%	11.189%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.052753%	0.053239%	0.05264%	0.0532%	0.0532%
Proportionate share of the net pension liability (assets)	\$ (953,916)	\$ (404,669)	\$ 563,794	\$ (5,528,515)	\$ (6,085,255)
Covered-employee payroll	\$ 8,705,180	\$ 8,701,197	\$ 8,445,319	\$ 8,132,602	\$ 8,037,230
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-10.958%	-4.651%	6.676%	-67.980%	-75.713%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	100.66%	99.01%	110.46%	111.48%

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

(See Independent Auditors' Report)

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

NYSERS Pension Plan					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 331,528	\$ 355,966	\$ 362,741	\$ 441,602	\$ 462,905
Contributions in relation to the contractually required contribution	<u>(331,528)</u>	<u>(355,966)</u>	<u>(362,741)</u>	<u>(441,602)</u>	<u>(462,905)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,287,152	\$ 2,359,470	\$ 2,359,930	\$ 2,292,875	\$ 2,225,171
Contributions as a percentage of covered-employee payroll	14.50%	15.09%	15.37%	19.26%	20.80%

NYSTRS Pension Plan					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 965,274	\$ 899,750	\$ 1,035,035	\$ 1,124,966	\$ 1,454,707
Contributions in relation to the contractually required contribution	<u>(965,274)</u>	<u>(899,750)</u>	<u>(1,035,035)</u>	<u>(1,124,966)</u>	<u>(1,454,707)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,705,180	\$ 8,701,197	\$ 8,445,319	\$ 8,132,602	\$ 8,037,230
Contributions as a percentage of covered-employee payroll	11.09%	10.34%	12.26%	13.83%	18.10%

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

(See Independent Auditors' Report)

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

	Original	Amended	Current	Over (Under)
	<u>Budget</u>	<u>Budget</u>	<u>Year's</u>	<u>Revised</u>
			<u>Revenues</u>	<u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 12,954,353	\$ 10,839,719	\$ 10,835,531	\$ (4,188)
Real property tax items	259,500	2,374,134	2,394,784	20,650
Charges for services	30,000	30,000	61,045	31,045
Use of money and property	10,000	10,000	104,954	94,954
Sale of property and compensation for loss	-	-	28,515	28,515
Miscellaneous	256,373	273,151	425,397	152,246
State Sources -				
Basic formula	15,751,674	15,751,674	11,893,235	(3,858,439)
Lottery aid	-	-	2,046,757	2,046,757
BOCES	-	4,955	1,264,139	1,259,184
Textbooks	-	-	78,230	78,230
All Other Aid -				
Computer software	-	-	46,168	46,168
Library loan	-	-	8,812	8,812
Other aid	-	-	81,940	81,940
Federal Sources	<u>75,000</u>	<u>75,000</u>	<u>136,194</u>	<u>61,194</u>
TOTAL REVENUES	<u>\$ 29,336,900</u>	<u>\$ 29,358,633</u>	<u>\$ 29,405,701</u>	<u>\$ 47,068</u>
Other Sources -				
Transfer - in	<u>\$ 88,000</u>	<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ (88,000)</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 29,424,900</u>	<u>\$ 29,446,633</u>	<u>\$ 29,405,701</u>	<u>\$ (40,932)</u>
Appropriated reserves	<u>\$ 150,000</u>	<u>\$ 150,000</u>		
Appropriated fund balance	<u>\$ 100,000</u>	<u>\$ 475,000</u>		
Prior year encumbrances	<u>\$ 289,100</u>	<u>\$ 289,100</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u><u>\$ 29,964,000</u></u>	<u><u>\$ 30,360,733</u></u>		

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

	Original	Amended	Current		Unencumbered
	<u>Budget</u>	<u>Budget</u>	<u>Year's</u>	<u>Encumbrances</u>	<u>Balances</u>
			<u>Expenditures</u>		
EXPENDITURES					
General Support -					
Board of education	\$ 31,295	\$ 60,482	\$ 48,364	\$ 6,250	\$ 5,868
Central administration	268,306	272,506	265,361	749	6,396
Finance	495,159	483,540	425,865	206	57,469
Staff	71,763	71,763	35,185	-	36,578
Central services	1,684,238	1,886,523	1,515,746	76,251	294,526
Special items	367,667	359,030	346,285	-	12,745
Instructional -					
Instruction, administration and improvement	1,073,279	1,065,083	972,959	199	91,925
Teaching - regular school	6,575,244	6,549,178	6,273,205	4,400	271,573
Programs for children with handicapping conditions	6,238,830	5,944,055	5,227,188	195	716,672
Occupational education	452,484	446,634	441,684	-	4,950
Teaching - special schools	69,563	75,413	75,378	-	35
Instructional media	926,918	1,278,668	1,159,537	28,476	90,655
Pupil services	1,068,637	1,103,420	1,014,336	9,500	79,584
Pupil Transportation	1,276,530	1,240,051	1,093,882	-	146,169
Community Services	600	600	-	-	600
Employee Benefits	6,167,081	5,952,381	5,465,493	-	486,888
Debt service - principal	2,325,000	2,325,000	2,325,000	-	-
Debt service - interest	716,406	716,406	700,944	-	15,462
TOTAL EXPENDITURES	<u>\$ 29,809,000</u>	<u>\$ 29,830,733</u>	<u>\$ 27,386,412</u>	<u>\$ 126,226</u>	<u>\$ 2,318,095</u>
Other Uses -					
Transfers - out	\$ 155,000	\$ 530,000	\$ 516,478	\$ -	\$ 13,522
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 29,964,000</u>	<u>\$ 30,360,733</u>	<u>\$ 27,902,890</u>	<u>\$ 126,226</u>	<u>\$ 2,331,617</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,502,811</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>5,245,338</u>	<u>5,245,338</u>	<u>5,245,338</u>		
FUND BALANCE, END OF YEAR	<u><u>\$ 5,245,338</u></u>	<u><u>\$ 5,245,338</u></u>	<u><u>\$ 6,748,149</u></u>		

Note to Required Supplementary Information:

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 29,674,900
Prior year's encumbrances	<u>289,100</u>
Original Budget	\$ 29,964,000
Budget revisions -	
Voter approved bus purchase	375,000
Various donations received	<u>21,733</u>
FINAL BUDGET	<u><u>\$ 30,360,733</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2019-20 voter approved expenditure budget	\$ 30,557,644
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 559,804
Unassigned fund balance	<u>1,222,306</u>
Total Unrestricted fund balance	<u>\$ 1,782,110</u>
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 433,578
Encumbrances included in assigned fund balance	<u>126,226</u>
Total adjustments	<u>\$ 559,804</u>
General fund fund balance subject to Section 1318 of	
Real Property Tax Law	<u>1,222,306</u>
ACTUAL PERCENTAGE	<u><u>4.00%</u></u>

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

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>			<u>Fund Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Local Sources</u>	<u>State Sources</u>	<u>Total</u>	
2018 Capital Renovation Project	\$ 13,950,000	\$ 13,950,000	\$ 31,198	\$ 782,473	\$ 813,671	\$ 13,136,329	\$ 2,329,650	\$ -	\$ 2,329,650	\$ 1,515,979
Smart Schools Bond Act	322,837	322,837	216,386	104,980	321,366	1,471	-	321,366	321,366	-
2018-19 Bus Purchase	375,000	375,000	-	362,090	362,090	12,910	362,090	-	362,090	-
TOTAL	<u>\$ 14,647,837</u>	<u>\$ 14,647,837</u>	<u>\$ 247,584</u>	<u>\$ 1,249,543</u>	<u>\$ 1,497,127</u>	<u>\$ 13,150,710</u>	<u>\$ 2,691,740</u>	<u>\$ 321,366</u>	<u>\$ 3,013,106</u>	<u>\$ 1,515,979</u>

Supplementary Information
SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Fund		Total Nonmajor Governmental Funds
	School Lunch Fund	Debt Service Fund	
ASSETS			
Cash and cash equivalents	\$ 160,681	\$ 580,724	\$ 741,405
Receivables	29,541	-	29,541
Inventories	21,510	-	21,510
Due from other funds	44,808	2,503	47,311
TOTAL ASSETS	<u>\$ 256,540</u>	<u>\$ 583,227</u>	<u>\$ 839,767</u>
LIABILITIES AND FUND BALANCES			
<u>Liabilities</u> -			
Accrued liabilities	\$ 1,001	\$ -	\$ 1,001
Due to other funds	51,002	-	51,002
Due to other governments	380	-	380
Unearned revenue	7,039	-	7,039
TOTAL LIABILITIES	<u>\$ 59,422</u>	<u>\$ -</u>	<u>\$ 59,422</u>
<u>Fund Balances</u> -			
Nonspendable	\$ 21,510	\$ -	\$ 21,510
Restricted	-	583,227	583,227
Assigned	175,608	-	175,608
TOTAL FUND BALANCE	<u>\$ 197,118</u>	<u>\$ 583,227</u>	<u>\$ 780,345</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 256,540</u>	<u>\$ 583,227</u>	<u>\$ 839,767</u>

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

	<u>Special Revenue Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch Fund</u>	<u>Debt Service Fund</u>	
REVENUES			
Use of money and property	\$ 51	\$ 16,456	\$ 16,507
Miscellaneous	15,498	-	15,498
State sources	54,616	-	54,616
Federal sources	337,504	-	337,504
Sales	130,828	-	130,828
TOTAL REVENUES	<u>\$ 538,497</u>	<u>\$ 16,456</u>	<u>\$ 554,953</u>
EXPENDITURES			
Employee benefits	\$ 62,296	\$ -	\$ 62,296
Cost of sales	196,997	-	196,997
Other expenses	250,064	-	250,064
Capital outlay	-	-	-
TOTAL EXPENDITURES	<u>\$ 509,357</u>	<u>\$ -</u>	<u>\$ 509,357</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 29,140</u>	<u>\$ 16,456</u>	<u>\$ 45,596</u>
OTHER FINANCING SOURCES (USES)			
Transfers - in	\$ 40,000	\$ -	\$ 40,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 69,140</u>	<u>\$ 16,456</u>	<u>\$ 85,596</u>
FUND BALANCE, BEGINNING OF YEAR	<u>127,978</u>	<u>566,771</u>	<u>694,749</u>
FUND BALANCE, END OF YEAR	<u>\$ 197,118</u>	<u>\$ 583,227</u>	<u>\$ 780,345</u>

Supplementary Information
SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
For Year Ended June 30, 2019

Capital assets, net			\$ 43,617,349
Deduct:			
Bonds payable	\$ 13,785,000		
Unamortized bond premium	<u>1,389,035</u>		
			<u>15,174,035</u>
Net Investment in Capital Assets			<u><u>\$ 28,443,314</u></u>

Supplementary Information
SENECA FALLS CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended June 30, 2019

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-19-0850	\$ 333,525
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-19-0850	11,377
Total Special Education Cluster IDEA				\$ 344,902
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-19-2820	49,824
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-18-2820	30,548
Title IV	84.424	N/A	0204-19-2820	16,000
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-19-2820	322,033
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-18-2820	3,450
Total U.S. Department of Education				\$ 766,757
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
CN Equipmnet Assistance Grants	10.579	N/A	0005-19-0029	\$ 3,140
<u>Child Nutrition Cluster -</u>				
National School Lunch Program	10.555	N/A	009904	\$ 226,179
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	009904	33,801
National Summer Food Service program	10.559	N/A	009904	9,634
National School Breakfast Program	10.553	N/A	009904	67,890
Total Child Nutrition Cluster				\$ 337,504
Total U.S. Department of Agriculture				\$ 340,644
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,107,401

MENGEL METZGER BARR & CO. LLP

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Board of Education
Seneca Falls Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Seneca Falls Central School District, New York, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Seneca Falls Central School District, New York's basic financial statements, and have issued our report thereon dated September 26, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Raymond F. Wager, CPA, PC

Rochester, New York
September 26, 2019