PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "TAX MATTERS" herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. 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).

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

$1,500,000

COOPERSTOWN CENTRAL SCHOOL DISTRICT

OTSEGO COUNTY, NEW YORK

GENERAL OBLIGATIONS

$1,500,000 Bond Anticipation Notes, 2020

(the "Notes")

Dated: August 27, 2020 **Due: August 27, 2021**

The Notes will constitute general obligations of the Cooperstown Central School District (the "School District" or the "District") and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. All the taxable real property within the District will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "THE NOTES - Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants (as herein after defined) and Indirect Participants (as herein after defined) 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 Hodgson Russ LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser(s), or about August 27, 2020.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on August 13, 2020 until 10:45 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

August 11, 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 NOTICES OF EVENTS. SEE "APPENDIX C – FORM UNDERTAKING TO PROVIDE NOTICES OF EVENTS" HEREIN.

COOPERSTOWN CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK

2020-2021 BOARD OF EDUCATION

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District Clerk

WILLIAM C. GREEN
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HODGSON RUSS LLP
Bond Counsel

No person has been authorized by Cooperstown 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 Cooperstown Central School District.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

OF THE

COOPERSTOWN CENTRAL SCHOOL DISTRICT
OTSEGO COUNTY, NEW YORK

Relating To

$1,500,000 Bond Anticipation Notes, 2020

This Official Statement, which includes the cover page and appendices, has been prepared by the Cooperstown Central School District, Otsego County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $1,500,000 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.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. **This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "COVID-19," herein.**

THE NOTES

Nature of the Obligation

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

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

Description of the Notes

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

The Notes are dated August 27, 2020 and mature, without option of prior redemption, on August 27, 2021. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

If the Notes are issued registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, except for a necessary odd denomination. Any related bank fees, if any, are to be paid by the purchaser(s).

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

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the School District dated March 4, 2020 authorizing the issuance of $5,163,000 serial bonds of said School District to finance a District-wide capital improvement project.

The proceeds of the Notes will provide new monies for the abovementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL 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 upstate New York, in the north-central sector of Otsego County. The City of Albany is approximately 70 miles to the east, the City of Utica, approximately 50 miles northwest and the City of Oneonta, 20 miles to the south. Major highways serving the District include New York State Routes 20, 28, 80, 166 and 205, as well as Interstate 88.

With a land area of approximately 99.4 square miles, the District is residential and agricultural in nature. The Village of Cooperstown, with a current estimated population of 2,200 and a land area of 1.8 square miles is the commercial center within the District and the County Seat. The Village is best known for its various internationally known museums, including the National Baseball Hall of Fame and Museum, the Fenimore House and the Farmer's Museum.

Source: District Officials.

District Population

The estimated population of the District is 6,626 (Source: 2019 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 Village of Cooperstown (the "Village"), the Towns of Burlington, Hartwick, Middlefield, New Lisbon and Otsego (collectively, the "Towns") and the County of Otsego. The figures set forth below with respect to the Village, Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Village, Towns or the County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
Village of:						
Cooperstown	$ 26,799	$ 36,562	$ 46,681	$ 50,250	$ 77,321	$ 89,167
Towns of:						
Burlington	15,184	24,565	23,185	42,500	55,875	58,472
Hartwick	17,473	22,267	30,114	38,889	60,069	71,528
Middlefield	21,076	32,151	35,989	43,750	68,487	64,239
New Lisbon	16,935	21,744	33,905	40,125	50,086	73,958
Otsego	26,305	33,902	47,120	48,320	63,750	96,296
County of:						
Otsego	16,806	22,902	27,680	41,110	56,797	66,399
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

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

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

The larger employers located within the area in and surrounding the District includes the following:

Name	Type	Employees
Bassett Healthcare	Hospital	5,000 *
SUNY College at Oneonta	Education	1,181 *
NY Central Mutual Fire Insurance Co.	Insurance	>800
A.O. Fox Hospital	Hospital	950
County of Otsego	Government	850

* Includes locations outside County of Otsego.

Note: These figures pre-date the emergence of the COVID-19 pandemic whose impact hereon is not predictable at this time.

Source: District Officials.

Unemployment Rate Statistics

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

	Annual Average						
	2013	2014	2015	2016	2017	2018	2019
Otsego County	6.8%	5.7%	5.4%	4.9%	5.0%	4.4%	4.2%
New York State	7.7	6.3	5.3	4.9	4.7	4.1	4.0

	2020 Monthly Figures							
	Jan	Feb	Mar	Apr	May	June	July	Aug
Otsego County	5.5%	5.1%	5.2%	12.1%	8.5%	9.3%	N/A	N/A
New York State	4.1	3.9	4.2	15.1	14.2	15.6	N/A	N/A

Note: Unemployment rates for July and August 2020 are not available as of the date of this Official Statement. As a result of the COVID-19 pandemic unemployment rates for April and May 2020 and unemployment rates for the foreseeable future are expected to increase substantially over prior periods.

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

Form of School Government

The Board of Education (the "Board") which is the policy-making body of the District consists of seven 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. The President and the Vice President are selected by the Board members.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board 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 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 The Tax Levy Limitation Law, 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 "District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the 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 District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board 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 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 The Tax Levy Limitation Law, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 322 to 49. The District's adopted budget for 2019-20 fiscal year remained within the District's Tax Cap. The budget called for a total tax levy increase of 2.99%, which was equal to the District Tax Levy.

The budget for the 2020-21 fiscal year was adopted by the qualified voters on June 18, 2020 by a vote of 1,015 to 348. The District's adopted budget for 2020-2021 fiscal year remained within the District's Tax Cap. The budget called for a total tax levy increase of 1.37%, which was equal to the District Tax Levy.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) 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 School 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 2020-2021 fiscal year, approximately 32.5% 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 Tax Cuts and Jobs Act also made extensive changes to the deductibility of various taxes, including placing a cap of $10,000 on a taxpayer's deduction of state and local taxes (the "SALT Deduction Limitation"). While it cannot yet be predicted what precise effects the SALT Deduction Limitation will have for the State, it is possible that government officials at both the State and local level may find it politically more difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

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

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically. (See "State Aid History" herein).

It is anticipated that the State Budget Director's powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020, the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projects a $13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. (See "State Aid History" herein).

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

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

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

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").

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, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In the event of a mid-year reduction in State aid, deficiency notes may be issued under certain circumstances.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. It should be noted that the City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of $10-$15 billion in the coming fiscal year.

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

On April 25, 2020, the State Division of the Budget announced the release of the State's Fiscal Year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), which projects a $13.3 billion (14%) shortfall in revenue from the Executive Budget Forecast that was released in January and estimates a $61 billion decline in State revenues through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by $10.1 billion from the Executive Budget. This represents a $7.3 billion reduction in State spending from FY 2020 levels. As of the date of this Official Statement, the State Division of the Budget has not released specifics about cuts to education aid overall or how these cuts will be distributed allocated State-wide among the State's school districts. State officials are lobbying Congress for substantial direct financial relief to states and localities, and the $3 trillion "HEROES" Act that has been adopted by the House of Representatives on May 15, 2020 would provide substantial relief to the State and to the District. The HEROES Act has not been taken up by the Senate as yet and the President has threatened to veto the bill unless it is substantially re-negotiated. At this point the extent of COVID-19-related direct federal financial relief, if any, to states, localities and school districts cannot be predicted. Reductions in the payment of State aid could adversely affect the financial condition of Districts in the State, including the District.

See "COVID-19," herein, for further details on such pandemic and its effects on the State.

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, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. For a complete discussion of COVID-19, see COVID-19 herein.

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

Building aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2020-2021 preliminary building aid ratios, the District expects to receive State building aid of approximately 71.8% 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

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

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 was 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 is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. In 2014-2015, the District had a loss in funds totaling $583,673 and a loss in funds totaling $348,594 for the 2015-16 fiscal year as a result of GEA. Since the program began, the total GEA and Deficit Reduction Assessment reduction in school aid for the District has amounted to approximately $4,606,134. The District has been forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District will not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

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

School district fiscal year (2018-2019): The State’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 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): The State's 2020-2021 Enacted Budget includes a year-to-year funding increase for State aid of $95.0 million or .035% percent. Foundation Aid to school districts is frozen at the same level as the 2019-2020 fiscal year; while other aids, calculated according formulas in current law, are responsible for the increase. The State's 2020-2021 Enacted Budget includes $10 million in new funding for grants to school districts for student mental health services. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation from the 2019-2020 year. The reduction is being referred to as a "Pandemic Adjustment". However, the decrease in State aid is expected to be fully offset by an allocation received by the State of funds from the recently approved federal stimulus bill. Absent the federal stimulus funds, there would have been a $1.127 billion decrease in State aid from the 2019-2020 year. In addition, the State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

State Aid Litigation

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

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

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

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

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

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State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures for the 2019-2020 and 2020-2021 fiscal years comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2014-2015	$ 16,833,045	$ 5,212,266	30.96%
2015-2016	17,393,859	5,503,046	31.64
2016-2017	17,487,094	5,492,443	31.41
2017-2018	18,219,922	5,971,015	32.77
2018-2019	18,879,678	6,120,688	32.42
2019-2020 (Budgeted)	18,905,995	6,130,550	32.43
2020-2021 (Budgeted)	19,091,549	6,207,867	32.52

[1] General fund only, figures do not include interfund transfers.

Source: Audited financial statements for fiscal years 2014-2015 through and including 2018-2019 and the adopted budget of the District for the 2019-2020 and 2020-2021 fiscal years. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built
Cooperstown Elementary School	K-6	756	1954, ‘65, ‘87, ‘95
Cooperstown Jr.-Sr. High School	7-12	850	1968, ‘95

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2015-2016	884	2020-2021	816
2016-2017	894	2021-2022	773
2017-2018	856	2022-2023	765
2018-2019	852	2023-2024	755
2019-2020	828	2024-2025	745

Source: District officials.

Employees

The District employs a total of 144 full-time and 17 part-time employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
77	Cooperstown Central School Faculty Association	June 30, 2023
69	Cooperstown Central School Service Unit	June 30, 2023
2	Cooperstown Central School Administrators Assoc.	June 30, 2020 [1]
13	Various contractual Agreements	Various

[1] Currently under negotiations.

Note: The figure for part-time employees does not include substitutes.

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 since the 2014-2015 fiscal year and budgeted figures for the 2019-2020 and 2020-2021 fiscal years are as follows:

Fiscal Year	TRS	ERS
2014-2015	$ 950,738	$ 335,012
2015-2016	737,121	329,909
2016-2017	656,892	322,755
2017-2018	595,748	312,704
2018-2019	648,805	308,895
2019-2020 (Budgeted)	550,000	401,405
2020-2021 (Budgeted)	585,645	418,514

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

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

A chart of average ERS and TRS rates as a percent of payroll (2017 to 2021) is shown below:

Year	ERS	TRS
2016-17	15.5%	11.72%
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53 (1)

(1) Estimated.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of May 8, 2019, the District established a reserve fund for the purpose of funding the cost of TRS contributions.

Other Post-Employment Benefits

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

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

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

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

The District contracted with the Korn Ferry to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

Balance beginning at:	June 30, 2017	June 30, 2018
	$ 34,719,543	$ 34,271,939
Changes for the year:		
Service cost	874,666	839,178
Interest	1,228,377	1,341,437
Changes in benefit terms	-	-
Differences between expected and actual experience	-	298,401
Changes in assumptions or other inputs	(1,735,977)	2,255,463
Benefit payments	(814,670)	(905,930)
Net Changes	$ (447,604)	$ 3,828,549
Balance ending at:	June 30, 2018	June 30, 2019
	$ 34,271,939	**$ 38,100,488**

Note: The above table is not audited. For additional information see "APPENDIX - C" 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.

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

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.

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.

Unaudited Results for Fiscal Year Ending June 30, 2020

The District expects to end the fiscal year ending June 30, 2020 with a cumulative unassigned fund balance of $927,723.

Summary unaudited information for the General Fund for the period ending June 30, 2020 is as follows:

Revenues:	$ 19,234,724
Expenditures:	19,028,070
Excess (Deficit) Revenues Over Expenditures:	$ 206,654
Total Fund Balance at June 30, 2019:	$ 3,316,671
Total Estimated Fund Balance at June 30, 2020:	$ 3,523,325

The audited report for the fiscal year ending June 30, 2020 is expected to be completed in September or October 2020.

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom

New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on July 29, 2016. The purpose of the audit was to determine whether District officials managed the school lunch fund's financial condition for the period July 1, 2014 through January 14, 2016.

Key Findings:

- District officials have not performed a cost-per-meal analysis or an analysis of their meals per labor hour (MPLH) that would have allowed them to identify the loss per meal equivalent, and identify potential areas where they could cut costs or enhance revenues.

Key Recommendations:

- Complete a cost-per-meal analysis and explore methods for increasing revenues and decreasing expenditures to a level that allows the fund to be self-sustaining and monitor the MPLH.

The District provided a complete response to the State Comptroller's office on July 13, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the District that are currently in progress or pending release.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	0.0
2018	No Designation	0.0
2017	No Designation	6.7
2016	No Designation	13.3

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Towns of:					
Burlington	$ 847,247	$ 830,247	$ 830,247	$ 830,247	$ 830,247
Hartwick	207,784,557	208,971,012	209,453,284	207,232,378	208,170,135
Middlefield	124,730,108	125,467,158	126,379,569	126,989,133	128,307,111
New Lisbon	263,507	263,507	260,253	248,687	248,687
Otsego	670,184,236	668,588,352	670,557,724	663,253,577	662,010,519
Total Assessed Values	$ 1,003,809,655	$ 1,004,120,276	$ 1,007,481,077	$ 998,554,022	$ 999,566,699
State Equalization Rates					
Towns of:					
Burlington	56.00%	56.50%	56.00%	49.91%	49.00%
Hartwick	100.00%	100.00%	100.00%	100.00%	100.00%
Middlefield	75.00%	75.00%	72.00%	67.51%	70.00%
New Lisbon	115.93%	113.13%	109.02%	106.22%	100.00%
Otsego	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 1,046,015,843	$ 1,046,551,296	$ 1,057,259,492	$ 1,060,487,749	$ 1,055,419,595

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Towns of:					
Burlington	$ 19.87	$ 19.71	$ 20.14	$ 22.93	$ 23.78
Hartwick	11.08	11.38	11.48	11.65	11.85
Middlefield	14.58	14.96	15.74	17.01	16.70
New Lisbon	9.54	9.78	9.99	11.16	11.65
Otsego	11.01	11.31	11.44	11.59	11.82

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Total Tax Levy	$ 10,842,956	$ 10,904,899	$ 11,050,571	$ 11,293,754	$ 11,718,803
Amount Uncollected (1)	813,787	859,400	814,736	760,852	843,830
% Uncollected	7.51%	7.88%	7.37%	6.74%	7.20%

(1) See "Tax Collection Procedure".

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 from October 1st to October 31st and a 3% penalty after November 1st. On or about November 15th, uncollected taxes are returnable to the County for collection. The School District receives this amount from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

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 current fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues [1]	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2014-2015	$ 16,833,045	$ 10,444,093	62.04%
2015-2016	17,393,859	10,652,617	61.24
2016-2017	17,487,094	10,720,607	61.61
2017-2018	18,219,922	11,048,746	60.64
2018-2019	18,879,678	11,292,501	59.81
2019-2020 (Budgeted)	18,905,995	12,285,367	64.98
2020-2021 (Budgeted)	19,091,549	12,454,053	65.23

(1) General fund only, figures do not include interfund transfers.

Source: Audited financial statements for fiscal years 2014-2015 through and including 2018-2019 and the adopted budgets of the District for the 2019-2020 and 2020-2021 fiscal years. This table is not audited.

Larger Taxpayers 2019 for 2019-2020 District Tax Roll

Name	Type	Full Valuation
Clark Foundation	Various	$ 42,175,573
Leatherstocking Corporation	Various	29,540,000
Templeton Foundation	Various	20,448,200
Cooperstown Properties LLC	Commercial	12,892,500
New York State Electric & Gas	Utility	8,624,488
Hager, Louis B Jr.	Residential	6,090,000
Clark, Jane Forbes	Residential	5,584,900
Cooperstown Realty Properties LL	Commercial	5,000,000
Otsego Electric Coop Inc.	Utility	4,769,755
Rainbow Development Group	Commercial	4,400,000

Note: Otsego County sold the Manor (a home for the aged) to the "County of Otsego Industrial Agency." Said property will go on the District's tax rolls. A PILOT agreement starting with a fixed annual payment of $65,500 in year one with a cumulative annual cost of living adjustment added to the fixed amount an included in the computation each year thereafter, was entered. The amount the District received for the 2019-2020 fiscal year is $57,315.53. The PILOT amount has an annual cost of living adjustment increase that is cumulative.

The ten larger taxpayers listed above have a total full valuation of $139,525,416, which represents 10.87% of the tax base of the District for the 2019-2020 fiscal year.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known or believed to have a material impact on the District. As of June 30, 2019, the District had $125,717 available in its Tax Certiorari Reserve. As of June 30, 2020, the District had $4,677 available in its Tax Certiorari Reserve.

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 individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. Homeowners with STAR Adjusted Gross Income of $250,000 have the option. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Burlington	$ 34,840	$ 14,970	4/10/2020
Hartwick	69,800	30,000	4/10/2020
Middlefield	47,120	20,250	4/10/2020
New Lisbon	74,140	31,870	4/10/2020
Otsego	81,580	30,000	4/10/2020

$634,485 of the District's $11,928,238 school tax levy for the 2018-2019 fiscal year was exempt by the STAR Program. The District received reimbursement of such exempt taxes from the State in January 2018.

$577,808 of the District's $12,285,367 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 by January 2020.

Additional Tax Information

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

Total assessed valuation of the District is estimated to be categorized as follows: Residential-57.0%, Agricultural-4.5%, Commercial-3.3% and Other-35.2%.

The estimated total annual property tax bill of a $100,000 average market value residential property located in the School District is approximately $1,500 including State, County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

The Tax Levy Limitation Law requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020 unless extended; it was made permanent in the current legislative session. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, The Tax Levy Limitation Law 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 The Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

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

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" 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") included provisions which provides a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. 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. 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.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

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

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

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

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

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

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

Statutory Procedure

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

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 may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

The Local Finance Law also authorizes the District to issue revenue anticipation notes, in anticipation of the collection of a specific type of revenue, such as State aid.

Debt Limit. The District has the power to contract indebtedness for any 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 such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The Local Finance Law also provides that where a resolution authorizing the issuance of bonds or notes is published with a statutory form of notice, the validity of the bonds or notes authorized thereby, including revenue anticipation notes may be contested only if:

(1) (a) such obligations were authorized for an object or purpose for which the District is not authorized to expend money, or

(b) if the provisions of the law which should be complied with as of the date of publication of this notice were not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of this notice; or

(2) Such obligations were authorized in violation of the provisions of the Constitution of New York.

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

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
Bonds	$ 5,925,000	$ 5,240,000	$ 4,525,000	$ 8,385,000	$ 7,415,000
Bond Anticipation Notes	2,700,000	5,860,000	5,560,000	0	0
Other Debt [(1)]	0	690,620	698,837	706,836	393,212
Total Debt Outstanding	$ 8,625,000	$ 11,790,620	$ 10,783,837	$ 9,091,836	$ 7,808,212

(1) Represents various operating leases. Leases do not count against the District's debt limit. See "Operating Leases" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District as of August 11, 2020:

Type of Indebtedness	Maturity		Amount
Bonds	2021-2025		$ 7,415,000
		Total Indebtedness	$ 7,415,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 11, 2020:

Full Valuation of Taxable Real Property			$ 1,055,419,595
Debt Limit 10% thereof			105,541,959
Inclusions:			
Bonds	$ 7,415,000		
Bond Anticipation Notes	0		
Principal of the Notes	1,500,000		
Total Inclusions		$ 8,915,000	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 8,915,000
Net Debt-Contracting Margin			$ 96,626,959
The percent of debt contracting power exhausted is			8.45%

(1) Based on preliminary 2020-2021 building aid estimates, the District anticipates State Building aid of 71.8% 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 Financing Plans

On December 17, 2019, District voters authorized the issuance of $5,163,000 serial bond to finance a District-wide capital improvement project. The issuance of the Notes represents the first borrowing against this authorization. Future borrowings will occur upon approval from the State Education Department and as the project's cash flow needs warrant.

The District is contemplating issuing an energy performance contract lease. The amount and timing are not known as of this Official Statement. The lease payments will be offset by building and energy savings resulting in no impact.

The District entered into a lease agreement for three buses of a total capitalized cost of $341,205.99. The District is scheduled to make five equal annual payments of $56,601 commencing September 15, 2020. The delivery of buses is expected to occur on August 27, 2020.

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

Operating Leases

The District leases buses and other equipment under the term of various non-cancelable operating leases that expire at various dates through fiscal year 2023. Future minimum lease payments under the terms of these agreements are as follows for the fiscal years ending June 30:

Year	Amount
2020	$ 313,624
2021	108,874
2022	173,710
2023	110,628
Total	$ 706,836

Cash Flow Borrowings

The District has not issued revenue anticipation notes since the 2002-03 fiscal year and has not issued tax anticipation notes in the past. Although the degree of the impact of COVID-19 on the operations and finances of the District is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, the District may consider the issuance of additional obligations in the coming fiscal year to address cash flow needs.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Otsego	12/31/2018	$ 5,489,315	$ 4,489,315	$ 1,000,000	23.09%	$ 230,900
Town of:						
Burlington	12/31/2018	60,000	-	60,000	1.79%	1,074
Hartwick	12/31/2018	1,876,914	1,500,000	376,914	85.07%	320,641
Middlefield	12/31/2018	-	-	-	64.56%	-
New Lisbon	12/31/2018	-	-	-	0.25%	-
Otsego	12/31/2018	-	-	-	91.76%	-
Village of:						
Cooperstown	5/31/2019	1,952,586	20,545	1,932,041	100.00%	1,932,041
					Total:	$ 2,484,656

(1) Bonds and bond anticipation notes as of close of the 2016 fiscal year. Not adjusted to include subsequent bond sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Note: The 2019 Comptroller's Special Report for the Towns and County is currently unavailable as of the date of this Official Statement.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2018 and 2019.

Debt Ratios

The following table sets forth certain ratios relating to the School District's indebtedness as of August 11, 2020:

	Amount Indebtedness	Per Capita [(a)]	Percentage of Full Valuation [(b)]
Net Indebtedness [(c)]	$ 8,915,000	$ 1,345.46	0.84%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	11,399,656	1,720.44	1.08

(a) The current estimated population of the District is 6,626. See "THE SCHOOL DISTRICT - Population" herein.
(b) The District's full value of taxable real estate for 2020-2021 is $1,055,419,595. See "TAX INFORMATION – Taxable Assessed Valuations" herein.
(c) See "Debt Statement Summary".
(d) Estimated net overlapping indebtedness is $2,484,656. See "Estimated Overlapping Indebtedness" herein.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

The financial condition of the 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 relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow 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 impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. 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. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

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

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

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

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, which was first detected in China in December of 2019 and has since spread world-wide, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

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

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

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

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the $2.3 trillion CARES Act, which attempt to address financial stability and liquidity issues through a variety of stimulus measures.

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

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

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

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

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

State Response

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

Starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening. Reopening is occurring in phases, with different industries allowed to open in each phase. Phase One generally includes construction, agriculture, forestry, fishing and hunting, retail (limited to curbside or in-store pickup or drop off), manufacturing, and wholesale trade. Phase Two generally includes professional services, retail, administrative support, real estate activities, and outdoor dining at restaurants (with certain restrictions). Phase Three generally includes dine-in food services and additional personal care services, and Phase Four generally includes arts, entertainment and recreational facilities, as well as education services. See https://forward.ny.gov/ for more details on the different phases, including which regions of the State are in which phase. Reference to website implies no warranty of accuracy of information therein.

Pursuant to State Executive Order 202.4, every school in the State was directed to close no later than March 18, 2020. While schools were originally ordered closed until April 1, the time period was later extended to May 15, and then through the end of the school year. School districts must normally maintain 180-day in-class attendance for State aid; however, this requirement has been waived to the extent attributable to COVID-19 related closures during the 2019-20 school year. Additionally, pursuant to State Executive Orders Nos. 202.13 and 202.26, the school district elections and budget votes that normally would have been held on May 19, 2020 were postponed until June 9, with an additional extension for ballots received through mail until June 16.

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

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

On April 25, 2020, the State Division of the Budget announced the release of the State's Fiscal Year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), which projects a $13.3 billion (14%) shortfall in revenue from the Executive Budget Forecast that was released in January and estimates a $61 billion decline in State revenues through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by $10.1 billion from the Executive Budget. This represents a $7.3 billion reduction in state spending from FY 2020 levels.

As of the date of this Official Statement, the State Division of the Budget has not released specifics about potential cuts to State aid overall or how any such cuts would be distributed State-wide among school districts. State officials are lobbying Congress for substantial direct financial relief to states and localities, and the $3 trillion "HEROES" Act that has been adopted by the House of Representatives on May 15, 2020 would provide a substantial amount of relief to the State and to the District. The HEROES Act has not been taken up by the Senate as yet and the President has threatened to veto the bill unless it is substantially re-negotiated. At this point the extent of COVID-19-related direct federal financial relief, if any, to states, localities and school districts cannot be predicted. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

TAX MATTERS

The Notes

Hodgson Russ LLP, of Albany, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Notes is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Tax Requirements

In rendering the foregoing opinions, Hodgson Russ LLP will note that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the District with the applicable requirements of Code sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the "Tax Requirements"). In the opinion of Hodgson Russ LLP, the tax compliance certificate and nonarbitrage certificate that will be executed and delivered by the District in connection with the issuance of the Notes (collectively, the "Tax Certificate") establishes the requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1 The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a "private activity bond" within the meaning of Code section 141;

2 The requirements contained in Code section 148 relating to arbitrage bonds; and

3 The requirements that payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code section 149(b).

In the Tax Certificate, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Bank Qualified

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Code section 265.

Other Impacts

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes 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 Retirement 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 from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond before maturity within the United States. Backup withholding may apply to a holder of the Notes under Code section 3406, if such holder fails to provide the information required on Internal Revenue Service ("IRS") Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Notes from gross income for federal income tax purposes.

Future Legislation

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes.

Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Notes at other than their original issuance at the respective prices set indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations, such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

New York State Taxes

In the opinion of Bond Counsel, interest on the Notes is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous

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

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. Unless separately engaged, Bond Counsel is not obligated to defend the District or the owners of the Notes regarding the tax status of the interest thereon in the event of an audit examination by the Service.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH 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 unqualified legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, 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 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, subject to the statutory limitation imposed by the Tax Levy Limitation Law, (ii) 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 (iii) 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 the federal alternative minimum tax imposed on individuals. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases. See "TAX LEVY LIMITATION LAW" herein.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth in the description of Bond Counsel's opinion above).

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 accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), unless the Notes are purchased for the purchaser's own account, as principal for investment and not for resale, the District will enter into an Undertaking to Provide Notices of Events, the form of which is attached hereto as "APPENDIX – C".

The District has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board ("MSRB") established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System ("EMMA").

A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a 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

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

RATINGS

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

The District does not have an underlying rating on its outstanding general obligation serial bonds. On January 8, 2018, S&P Global Ratings withdrew the District's rating which was previously "A" based on the State aid intercept program. Additional information may 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 outstanding bonds.

MISCELLANEOUS

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

Statements in 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.

Hodgson Russ LLP, Albany, 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 School District contact information is as follows: Amy Kukenberger, Business Administrator, 39 Linden Avenue, Cooperstown, New York 13326, Phone: (607) 547-5386, Fax: (607) 547-5100, email: akukenberger@cooperstowncs.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.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Dated: August 11, 2020

TIMOTHY HAYES
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
ASSETS					
Unrestricted Cash	$ 1,889,325	$ 3,080,931	$ 1,839,938	$ 1,732,633	$ 1,760,223
Restricted Cash	-	-	1,597,432	1,534,783	1,713,168
Due from Other Funds	1,186,919	657,331	449,884	453,262	519,436
Due from Other Governments	126,473	147,984	143,601	168,245	175,131
Other receivables	93,880	9,018	20,583	32,335	20,460
State and Federal Aid Receivable	135,881	155,382	112,277	74,301	96,264
Prepaid Expenses	-	-	-	-	-
TOTAL ASSETS	$ 3,432,478	$ 4,050,646	$ 4,163,715	$ 3,995,559	$ 4,284,682
LIABILITIES AND FUND EQUITY					
Accounts Payable & Accrued Liabilities	$ 157,404	$ 96,683	$ 191,607	$ 150,169	$ 172,033
Due to Other Funds	213,766	316,731	106,970	50,410	23,644
Due to Other Governments	-	830	1,659	2,543	1,197
Due to Teachers' Retirement System	982,254	769,853	691,272	632,320	686,808
Due to Employees' Retirement System	93,255	87,797	84,141	83,027	83,169
Deferred Revenues	1,160	1,160	1,160	1,160	1,160
Compensated Absences Payable	-	-	-	-	-
TOTAL LIABILITIES	$ 1,447,839	$ 1,273,054	$ 1,076,809	$ 919,629	$ 968,011
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	752,053	1,292,419	1,597,432	1,534,783	1,713,168
Assigned	840,014	748,699	726,997	753,106	779,306
Unassigned	392,572	736,474	762,477	788,041	824,197
TOTAL FUND EQUITY	$ 1,984,639	$ 2,777,592	$ 3,086,906	$ 3,075,930	$ 3,316,671
TOTAL LIABILITIES & FUND EQUITY	$ 3,432,478	$ 4,050,646	$ 4,163,715	$ 3,995,559	$ 4,284,682

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2014	2015	2016	2017	2018
REVENUES					
Real Property Taxes	$ 10,221,857	$ 10,444,093	$ 10,652,617	$ 10,720,607	$ 11,048,746
Other Tax Items	687,348	687,950	752,271	757,221	733,040
Charges for Services	179,690	187,934	179,992	157,868	69,898
Use of Money & Property	8,227	8,157	10,971	19,658	42,112
Sale of Property and Compensation for Loss	53,140	25,444	68,287	26,846	19,818
Miscellaneous	319,011	240,935	164,309	273,970	309,219
Revenues from State Sources	4,979,758	5,212,266	5,503,046	5,492,443	5,971,015
Federal Sources	32,172	26,266	62,366	38,481	26,074
Total Revenues	$ 16,481,203	$ 16,833,045	$ 17,393,859	$ 17,487,094	$ 18,219,922
Other Sources:					
Interfund Transfers	-	-	-	-	110,000
Total Revenues and Other Sources	$ 16,481,203	$ 16,833,045	$ 17,393,859	$ 17,487,094	$ 18,329,922
EXPENDITURES					
General Support	$ 2,164,683	$ 2,188,153	$ 2,153,757	$ 2,211,361	$ 2,242,533
Instruction	7,755,238	8,033,125	8,325,277	8,529,537	8,958,267
Pupil Transportation	761,543	737,420	671,075	739,850	739,757
Community Services	-	-	-	-	-
Employee Benefits	4,759,104	5,075,222	4,246,424	4,468,483	4,990,800
Debt Service	1,227,245	1,199,366	1,171,513	1,176,837	1,345,438
Total Expenditures	$ 16,667,813	$ 17,233,286	$ 16,568,046	$ 17,126,068	$ 18,276,795
Other Uses:					
Interfund Transfers	13,183	52,778	32,860	51,712	64,103
Total Expenditures and Other Uses	$ 16,680,996	$ 17,286,064	$ 16,600,906	$ 17,177,780	$ 18,340,898
Excess (Deficit) Revenues Over Expenditures	(199,793)	(453,019)	792,953	309,314	(10,976)
FUND BALANCE					
Fund Balance - Beginning of Year	2,637,451	2,437,658	1,984,639	2,777,592	3,086,906
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 2,437,658	$ 1,984,639	$ 2,777,592	$ 3,086,906	$ 3,075,930

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2019 Adopted Budget	2019 Modified Budget	2019 Actual	2020 Adopted Budget	2021 Adopted Budget
REVENUES					
Real Property Taxes	$ 11,928,238	$ 11,928,238	$ 11,292,501	$ 12,285,367	$ 12,454,053
Other Tax Items	90,324	90,324	726,979	91,984	-
Charges for Services	85,200	85,200	201,285	82,000	-
Use of Money & Property	18,500	18,500	99,350	33,500	-
Sale of Property and Compensation for Loss	20,000	20,000	32,728	50,000	
Miscellaneous	207,594	243,199	357,632	207,594	429,629
Revenues from State Sources	6,106,087	6,106,087	6,120,688	6,130,550	6,207,867
Revenues from Federal Sources	25,000	25,000	48,515	25,000	-
Total Revenues	$ 18,480,943	$ 18,516,548	$ 18,879,678	$ 18,905,995	$ 19,091,549
Other Sources:					
Interfund Transfers	100,000	100,000	100,000	-	-
Total Revenues and Other Sources	$ 18,580,943	$ 18,616,548	$ 18,979,678	$ 18,905,995	$ 19,091,549
EXPENDITURES					
General Support	$ 2,379,861	$ 2,404,237	$ 2,240,119	$ 2,277,970	$ 2,369,844
Instruction	9,388,711	9,438,532	8,914,009	9,051,630	9,473,594
Pupil Transportation	848,177	848,177	775,783	840,512	922,643
Community Services	-	-	-	-	-
Employee Benefits	5,474,337	5,474,337	5,216,648	6,019,525	5,286,850
Debt Service	1,429,852	1,429,852	1,402,538	1,435,238	1,393,538
Total Expenditures	$ 19,520,938	$ 19,595,135	$ 18,549,097	$ 19,624,875	$ 19,446,469
Other Uses:					
Interfund Transfers	180,000	180,000	189,840	180,000	358,406
Total Expenditures and Other Uses	$ 19,700,938	$ 19,775,135	$ 18,738,937	$ 19,804,875	$ 19,804,875
Excess (Deficit) Revenues Over Expenditures	(1,119,995)	(1,158,587)	240,741	(898,880)	(713,326)
FUND BALANCE					
Fund Balance - Beginning of Year	1,119,995	1,158,587	3,075,930	898,880	713,326
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 3,316,671	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2021	$ 1,075,000	$ 318,537.52	$ 1,393,537.52
2022	830,000	275,537.52	1,105,537.52
2023	860,000	242,287.52	1,102,287.52
2024	895,000	206,412.52	1,101,412.52
2025	810,000	167,562.52	977,562.52
2026	335,000	131,350.00	466,350.00
2027	355,000	114,600.00	469,600.00
2028	370,000	96,850.00	466,850.00
2029	390,000	78,350.00	468,350.00
2030	410,000	58,850.00	468,850.00
2031	430,000	38,350.00	468,350.00
2032	365,000	25,450.00	390,450.00
2033	290,000	14,500.00	304,500.00
TOTAL	$ 7,415,000	$1,768,637.60	$ 9,183,637.60

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2006 Refunding of 1995 & 2001 Serial Bonds Principal	Interest	Total	2011C DASNY - Capital Project Principal	Interest	Total
2021	$ 280,000	$ 11,200.00	$ 291,200.00	$ 530,000	$ 102,987.52	$ 632,987.52
2022	-	-	-	550,000	84,437.52	634,437.52
2023	-	-	-	570,000	65,187.52	635,187.52
2024	-	-	-	590,000	43,812.52	633,812.52
2025	-	-	-	490,000	20,212.52	510,212.52
TOTAL	$ 280,000	$ 11,200.00	$ 291,200.00	$ 2,730,000	$ 316,637.60	$ 3,046,637.60

Fiscal Year Ending June 30th	2019A DASNY - Capital Project Principal	Interest	Total
2021	$ 265,000	$ 204,350.00	$ 469,350.00
2022	280,000	191,100.00	471,100.00
2023	290,000	177,100.00	467,100.00
2024	305,000	162,600.00	467,600.00
2025	320,000	147,350.00	467,350.00
2026	335,000	131,350.00	466,350.00
2027	355,000	114,600.00	469,600.00
2028	370,000	96,850.00	466,850.00
2029	390,000	78,350.00	468,350.00
2030	410,000	58,850.00	468,850.00
2031	430,000	38,350.00	468,350.00
2032	365,000	25,450.00	390,450.00
2033	290,000	14,500.00	304,500.00
TOTAL	$ 4,405,000	$ 1,440,800.00	$ 5,845,800.00

FORM UNDERTAKING TO PROVIDE NOTICES OF EVENTS

This undertaking to provide notice of certain designated events (the "Disclosure Undertaking") is executed and delivered by the Cooperstown Central School District, a school district of the State of New York (the "Issuer") in connection with the issuance of its **$1,500,000 Bond Anticipation Notes, 2020** (the "Security"). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) 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 Security, or other material events affecting the tax status of the Security;

(7) Modifications to rights of Security Holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) 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 an obligated person 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 obligated person, 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 obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

"Purchaser" shall mean the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

"Security Holder" shall mean any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change; provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Disclosure Undertaking as of **August __, 2020.**

COOPERSTOWN CENTRAL SCHOOL DISTRICT

By: /s/:____________________________________

President of the Board of Education

COOPERSTOWN CENTRAL SCHOOL DISTRICT
OTSEGO 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.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Financial Statements
For the Year Ended June 30, 2019
Together with Independent
Auditor's Reports

Bonadio & Co., LLP
Certified Public Accountants

COOPERSTOWN CENTRAL SCHOOL DISTRICT

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COOPERSTOWN CENTRAL SCHOOL DISTRICT

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

October 2, 2019

To the Board of Education and Superintendent of
Cooperstown Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cooperstown Central School District (School District) 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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INDEPENDENT AUDITOR'S REPORT

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 Cooperstown Central School District as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in total other postemployment benefit liability and related ratios and schedules of contributions-pension plans, and proportionate share of the net pension liability (asset) 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 District's basic financial statements as a whole. The supplemental financial information described in the table of contents as required by the New York State Education Department, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental financial information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2019, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 School 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 the School District's internal control over financial reporting and compliance.

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

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District is $(24,767,2445).
- Government-wide net position is $718,230 less than at July 1, 2018 due predominately to increases in deferred inflows of resources related to pension plans and other postemployment benefit obligations.

- The School District continued to offer all programs, without reducing services.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are School District-wide financial statements that provide both short term and long term information about the School District's overall financial status. Because of this, the Statement of Net Position will include assets such as building and equipment and long term balances due to the School District as well as long term liabilities such as bonds payable. In addition, payments for principal on long term bond obligations will be shown as a reduction of the liability and payments for buildings and equipment will be shown as additions to assets.

- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the School District-wide statements. The fund financial statements concentrate on the School District's most significant funds.

- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending. As such, in this presentation, payments for buildings and equipment will be shown as expenditures rather than an increase in assets, proceeds from new long term borrowings will be shown as a source of revenue rather than a long term liability, and principal payments on the long term borrowings will be shown as expenditures.

- *Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others.*

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information and other supplementary information.

OVERWIEW OF THE FINANCIAL STATEMENTS

These schedules further explain and support the financial statements with a comparison of the School District's budget for the year, a detailed capital project schedule, and other financial information.

Table A-1 shows how the various sections of this annual report are arranged and related to one another.

Table A-1 **Organization of the School District's Annual Financial Report**

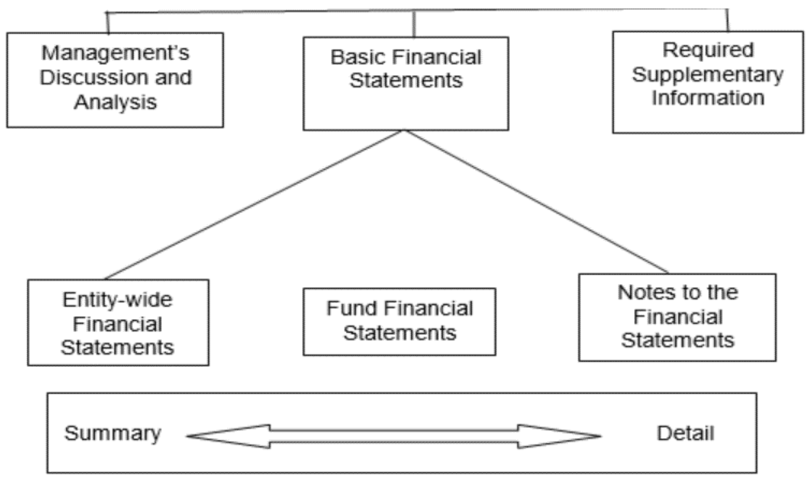


Table A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Table A-2 Major Features of the School District-Wide and Fund Financial Statements

		Fund Financial Statements	
	School District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education.	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 revenue, expenditures, and changes in fund balances	• Statement of fiduciary net position. • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual Accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Current assets and liabilities that come due during the year or soon after; 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 revenue and expenses during year, regardless of when cash is received or paid.	Revenue 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 payable.	All additions and deductions during the year, regardless of when cash is received or paid.

School District-Wide Statements

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

The two School District-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and liabilities – are one way to measure the School District's financial health or position.

OVERVIEW OF THE FINANCIAL STATEMENTS

School District-Wide Statements

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
    - Investment in capital assets, net of related debt.
    - Restricted net position is those assets with constraints placed on use by external sources or imposed by law.
    - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

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

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

The School District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending.
  Consequently, the governmental funds statements provide a detailed short term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long term focus of the School District wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

Fund Financial Statements

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

FINANCIAL ANALYSIS OF THE School District AS A WHOLE

Table A-3 **Condensed Statement of Net Position**

	Fiscal Year 2019	Fiscal Year 2018	Percent Change
Current and other assets	$ 4,633,441	$ 4,449,748	4.13%
Noncurrent assets	15,587,054	15,740,579	-0.98%
Total assets	20,220,495	20,190,327	0.15%
Deferred outflows	6,192,964	4,400,603	40.73%
Long-term liabilities	46,888,231	38,465,844	21.90%
Other liabilities	1,952,402	7,193,986	-72.86%
Total liabilities	48,840,633	45,659,830	6.97%
Deferred inflows	2,340,071	2,980,115	-21.48%
Net position:			
Net investment in capital assets	5,778,517	5,820,777	-0.73%
Restricted	2,101,623	2,011,644	4.47%
Unrestricted	(32,647,385)	(31,881,436)	2.40%
Total net position	$ (24,767,245)	$ (24,049,015)	2.99%

In Table A-3, total assets at June 30, 2019 were approximately $30,168 higher than at June 30, 2018. Deferred outflows increased due to the recognition of amounts from pension plans and other postemployment benefit obligations.

Total liabilities increased $3,180,803 due to the issuance of long-term debt and an increase in the Other Post Employment (OPEB) liability.

FINANCIAL ANALYSIS OF THE School District AS A WHOLE

Table A-4 Changes in Net Position from Operating Results

	Fiscal Year 2019	Fiscal Year 2018	Percent Change
Revenue			
Program revenue:			
Operating grants	$ 618,806	$ 703,388	-12.02%
Charges for services	445,521	300,965	48.03%
General revenue:			
Property and other tax items	12,019,480	11,781,786	2.02%
State aid	6,120,688	5,971,015	2.51%
Medicaid reimbursement	48,515	26,074	86.07%
Interest and use of property	110,950	43,217	156.73%
Sale of property and compensation for loss	32,728	19,818	65.14%
Miscellaneous	365,559	361,133	1.23%
Total revenue	19,762,247	19,207,396	2.89%
Expenses			
General support	3,642,853	3,376,959	7.87%
Instruction	14,523,045	14,448,039	0.52%
Pupil transportation	1,471,462	1,505,487	-2.26%
Debt service - Interest	336,950	329,875	2.14%
School lunch program	506,167	482,549	4.89%
Total expenses	20,480,477	20,142,909	1.68%
Change in Net Position	$ (718,230)	$ (935,513)	-23.23%

Changes in Net Position

The School District's total fiscal year 2019 revenues totaled $19,762,247. (See Table A-4). Property taxes (including other tax items), state, and federal sources formula aid accounted for most of the School District's revenue. (See Chart A-1). The remainder came from fees charged for services, operating grants, use of money and property, and other miscellaneous sources.

The total cost of all programs and services totaled $20,480,477 for fiscal year 2019. These expenses are predominately related to general instruction, which account for 72% of School District expenses. (See Chart A-2). The School District's general support activities accounted for 17% of total costs.

FINANCIAL ANALYSIS OF THE School District AS A WHOLE

Chart A-1 Sources of Revenue for 2019

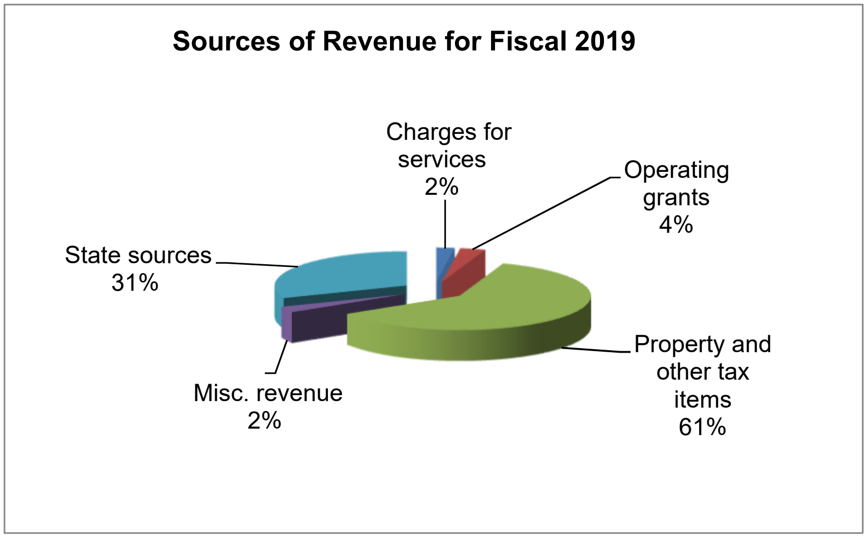
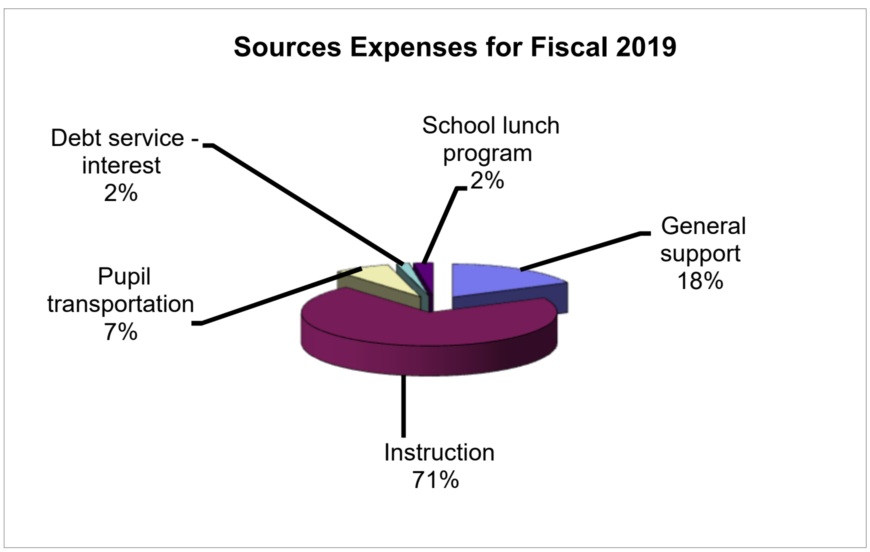


Chart A-2 Sources of Expenses for 2019



FINANCIAL ANALYSIS OF THE School District AS A WHOLE

Governmental Activities

Table A-5 presents the cost of several of the School District's major programs or activities as well as each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions. See the Statement of Activities for further information.

Table A-5 **Net costs of Governmental Activities**

	Total Cost of Services 2019	Total Cost of Services 2018	Percent Change	(Net) Cost Of Services 2019	(Net) Cost Of Services 2018	Percent Change
Functions:						
General support	$ 3,642,853	$ 3,376,959	7.87%	$ 3,642,853	$ 3,376,959	7.87%
Instruction	14,523,045	14,448,039	0.52%	13,855,482	13,831,639	0.17%
Pupil transportation	1,471,462	1,505,487	-2.26%	1,471,462	1,505,487	-2.26%
Debt service - Interest	336,950	329,875	2.14%	336,950	329,875	2.14%
Cost of Sales	506,167	482,549	4.89%	109,403	94,596	15.65%
Total	$ 20,480,477	$ 20,142,909	1.68%	$ 19,416,150	$ 19,138,556	1.45%

- The total cost of all governmental activities for the year was $20,480,427
- The users of the School District's programs financed $445,521 the costs.
- The federal and state operating grants financed $618,806 of the costs.
- The remainder of the costs were mostly financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE School Districts FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the School District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

General Fund Budgetary Highlights

The Board of Education recognizes the greatest financial support for educating students in the School District comes from its residents and strives to develop a budget that meets the needs of students while maintaining a sustainable tax environment.

The Schedule of Revenue, Expenditures, and Changes in Fund Balance in the required supplementary information section compares actual revenues and expenditures to the amount budgeted. See Table A-6.

GENERAL STATEMENT ON BUDGET REVENUE AND EXPENDITURES, PLANNING AND OUTCOMES

In the serious and important work inherent in the School District budgeting process, three stages, including development, management, and analysis require thoughtful discussion and judicious decision-making. The Cooperstown Central School District Board of Education insists on an inclusive and transparent atmosphere involving all stakeholders in the process. Input from the administrative team, our Board of Education members, staff, and taxpayers is represented and considered throughout the process.

We are mindful of the taxpayer burden, we monitor and adjust our spending behaviors, and frequently deliberate over choices that ultimately benefit the quality of education our students receive. Increased reliance on building relationships through communication, increasing rigor throughout our programs, and applying measurements of relevance in our decisions is a hallmark of our institution, as evidenced through the enduring goals created by our Board of Education.

Our enduring goals contain the reasons we make decisions and our aspirations for our School District. Goal #8, in particular, pertains to the responsibility of budgeting:

Address the needs of students and the concerns of taxpayers while
exploring alternative funding sources through a fiscally sound and responsible budget.

This narrative turns to an analysis of the audit with regard to General Support, Instruction and Transportation and Employee Benefits categories of the budget, which all demonstrate an overall consistent commitment to responsible fiscal development and management. A brief explanation for the positive balances that appear on Table A6-Results Versus Budget appear below:

I. General Support

- Reorganizing the administrative staff structure (reduction) and reassigning duties among employees;

- Less overtime paid to employees;
- Savings in operational costs (fuel, transportation, etc.)
- Increased interest earnings (higher interest yields from intentional decisions to take advantage of better investment options)

II. INSTRUCTION

- Newer faculty and staff due to retirements;
- Savings when hiring employees who did not receive health benefits;
- Deferred salaries for positions that employed teachers who that departed early in the school year
- and/or were hired later in the school year (psychologist, health/PE teacher, etc.), and filled with long-
- term substitutes;

  Savings in special education placements;

III. TRANSPORTATION

- Operating costs
- Savings from hiring newer staff due to retirements
- Decrease in students placed in special programs at significant distance from the school

Overall, we leverage both experiential knowledge and caution when estimating revenues and expenditures, which depend on variable factors that require consideration during the development of the budget. Our budget reflects numbers based on our expectations and needs known or anticipated at the time of development in any given year.

FINANCIAL ANALYSIS OF THE School District'S FUNDS

Table A-6 -Results Vs. Budget

	Original Budget	Final Budget	Actual	Encumb	Variance
Revenue:					
Real property taxes	$ 11,928,238	$ 11,928,238	$ 11,292,501	$ -	$ (635,737)
Other tax items	90,324	90,324	726,979	-	636,655
Charges for services	85,200	85,200	201,285	-	116,085
Use of money and property	18,500	18,500	99,350	-	80,850
Sale of property and compensa	20,000	20,000	32,728	-	12,728
Miscellaneous	207,594	243,199	357,632	-	114,433
State sources	6,106,087	6,106,087	6,120,688	-	14,601
Medicaid reimbursement	25,000	25,000	48,515	-	23,515
Transfers in	100,000	100,000	100,000	-	-
Total revenue	18,580,943	18,616,548	18,979,678	-	363,130
Expenditures:					
General Support	2,379,861	2,404,237	2,240,119	115,877	48,241
Instruction	9,388,711	9,438,532	8,914,009	13,111	511,412
Pupil transportation	848,177	848,177	775,783	318	72,076
Employee benefits	5,474,337	5,474,337	5,216,648	-	257,689
Debt service - principal	1,065,000	1,065,000	1,065,000	-	-
Debt service - interest	364,852	364,852	337,538	-	27,314
Transfers out	180,000	180,000	189,840	-	(9,840)
Total expenses	19,700,938	19,775,135	18,738,937	129,306	906,892
Net change in fund balance	(1,119,995)	(1,158,587)	240,741		
Fund balance - beginning of year	3,075,930	3,075,930	3,075,930		
Fund balance - end of year	$ 1,955,935	$ 1,917,343	$ 3,316,671		

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2019, the School District had $ 14.9 million invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers, and other educational equipment.

Capital Assets (Net of Depreciation)

	Fiscal Year 2019	Fiscal Year 2018
Land	$ 49,600	$ 49,600
Buildings and improvements	14,389,661	14,824,338
Equipment and furniture	473,617	597,121
Total capital assets	$ 14,912,878	$ 15,471,059

Long-Term Debt

As of June 30, 2019, the School District had $47,858,231 in general obligation bonds and other long-term liabilities outstanding. More detailed information about the School District's long-term debt is included in Note 10 of the financial statements.

CONTACTING THE School District'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Ms. Amy Kukenberger, Business Administrator
Cooperstown Central School District
39 Linden Avenue
Cooperstown, New York 13326

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2019

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 1,976,747
Cash and cash equivalents - restricted	2,101,363
Other receivables	25,817
Due from fiduciary fund	49,450
Due from other governments	175,131
State and federal aid receivable	291,297
Inventories	13,636
Total current assets	4,633,441
NONCURRENT ASSETS:	
Net pension asset-TRS	674,176
Capital assets, net	14,912,878
Total noncurrent assets	15,587,054
TOTAL ASSETS	20,220,495
DEFERRED OUTFLOWS	
Pension related-TRS	3,582,839
Pension related-ERS	421,099
Other postemployment benefits related	2,189,026
TOTAL DEFERRED OUTFLOWS	6,192,964
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	205,209
Due to other governments	2,262
Unearned revenue	1,160
Bond interest accrual	3,794
Due to Teachers' Retirement System	686,808
Due to Employees' Retirement System	83,169
Bonds and notes payable due within one year	970,000
Total current liabilities	1,952,402
NON-CURRENT LIABILITIES:	
Net pension liability-ERS	524,443
Bonds and notes payable, net of premium	8,164,361
Compensated absences	98,939
Other postemployment benefits payable	38,100,488
Total non-current liabilities	46,888,231
TOTAL LIABILITIES	48,840,633
DEFERRED INFLOWS	
Other postemployment benefits related	1,198,873
Pension related-ERS	191,030
Pension related-TRS	950,168
TOTAL DEFERRED INFLOWS	2,340,071
NET POSITION	
Net investment in capital assets	5,778,517
Restricted	2,101,623
Unrestricted	(32,647,385)
TOTAL NET POSITION	$ (24,767,245)

The accompanying notes are an integral part these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Statement of Activities
For the year ended June 30, 2019

GOVERNMENTAL ACTIVITIES	*Expenses*	**Program Revenue** *Charges for Services*	*Operating Grants*	*Net (Expense) Revenue and Changed in Net Position*
FUNCTIONS/PROGRAMS:				
General support	3,642,853	$ -	$ -	$ (3,642,853)
Instruction	14,523,045	201,285	466,278	(13,855,482)
Pupil transportation	1,471,462	-	-	(1,471,462)
Debt service - interest	336,950	-	-	(336,950)
School lunch program	506,167	244,236	152,528	(109,403)
TOTAL FUNCTIONS AND PROGRAMS	$ 20,480,477	$ 445,521	$ 618,806	(19,416,150)
GENERAL REVENUE:				
Real property taxes				11,292,501
Other tax items				726,979
Use of money and property				110,950
Sale of property and compensation for loss				32,728
State sources				6,120,688
Medicaid reimbursement				48,515
Miscellaneous				365,559
TOTAL GENERAL REVENUE				18,697,920
CHANGE IN NET POSITION				(718,230)
NET POSITION - beginning of year				(24,049,015)
NET POSITION - end of year				$ (24,767,245)

The accompanying notes are an integral part of these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2019

	Governmental Fund Types					Total
	General	*Special Aid*	*School Lunch*	*Debt Service*	*Capital Projects*	*Governmental Funds*
ASSETS						
Cash and cash equivalents - unrestricted	1,760,223	$ 16,656	$ 23,488	$ 154	$ 176,226	$ 1,976,747
Cash and cash equivalents - restricted	1,713,168	-	-	388,195	-	2,101,363
Due from other funds	519,436	19,575	-	106	4,069	543,186
Due from other governments	175,131	-	-	-	-	175,131
Other receivables	20,460	-	5,357	-	-	25,817
State and federal aid receivable	96,264	184,764	10,269	-	-	291,297
Inventories	-	-	13,636	-	-	13,636
TOTAL ASSETS	$ 4,284,682	$ 220,995	$ 52,750	$ 388,455	$ 180,295	$ 5,127,177
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable and accrued liabilities	$ 172,033	$ 9,714	$ 16,146	$ -	$ 7,316	$ 205,209
Due to other funds	23,644	211,281	258,705	-	106	493,736
Due to other governments	1,197	-	1,065	-	-	2,262
Due to Teachers' Retirement System	686,808	-	-	-	-	686,808
Due to Employees' Retirement System	83,169	-	-	-	-	83,169
Unearned revenue	1,160	-	-	-	-	1,160
TOTAL LIABILITIES	968,011	220,995	275,916	-	7,422	1,472,344
FUND BALANCE:						
Nonspendable						
Inventory	-	-	13,636	-	-	13,636
Restricted for:						
Unemployment insurance reserve	78,409	-	-	-	-	78,409
Retirement contributions reserve	912,013	-	-	-	-	912,013
Workers' compensation reserve	151,768	-	-	-	-	151,768
Tax certiorari reserve	125,717	-	-	-	-	125,717
Debt service reserve	-	-	-	388,455	-	388,455
Employee benefit accrued liabilities reserve	445,261	-	-	-	-	445,261
Capital reserve	-	-	-	-	-	-
Total restricted fund balance	1,713,168	-	-	388,455	-	2,101,623
Assigned						
Appropriated for subsequent years expenditures	650,000	-	-	-	172,873	822,873
Unappropriated	129,306	-	-	-	-	129,306
Total assigned fund balance	779,306	-	-	-	172,873	952,179
Unassigned	824,197	-	(236,802)	-	-	587,395
TOTAL FUND BALANCE	3,316,671	-	(223,166)	388,455	172,873	3,654,833
TOTAL LIABILITIES AND FUND BALANCE	$ 4,284,682	$ 220,995	$ 52,750	$ 388,455	$ 180,295	$ 5,127,177

The accompanying notes are an integral part of these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT
Reconciliation of Total Governmental Fund Balance to Government-Wide Net Position
June 30, 2019

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balance	$ 3,654,833
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	14,912,878
Deferred outflows/inflows of resources related to pensions are applicable to future periods and; therefore are not reported in the funds.	
Deferred outflows - ERS/TRS	4,003,938
Deferred inflows - ERS/TRS	(1,141,198)
Deferred outflows/inflows of resources related to other postemployment benefits are applicable to future periods and; therefore are not reported in the funds.	
Deferred outflows - OPEB	2,189,026
Deferred inflows - OPEB	(1,198,873)
Net pension obligations are not due and payable in the current period and; therefore are not reported in the funds.	
Net pension asset - TRS	674,176
Net pension liability - ERS	(524,443)
Long-term liabilities, such as bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(9,134,361)
Other postemployment benefits liability is recorded in the government-wide statements under full accrual accounting.	(38,100,488)
Compensated absences liability is recorded in the government-wide statements under full accrual accounting.	(98,939)
Interest payable is recorded in the government-wide statements under full accrual accounting.	(3,794)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (24,767,245)

The accompanying notes are an integral part of these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures, and Change
In Fund Balance - Governmental Funds
For the year ended June 30, 2019

	Governmental Fund Types					
	General	*Special Aid*	*School Lunch*	*Debt Service*	*Capital Projects*	*Total Governmental Funds*
REVENUE:						
Real property taxes	$ 11,292,501	$ -	$ -	$ -	$ -	$ 11,292,501
Other tax items	726,979	-	-	-	-	726,979
Charges for services	201,285	-	-	-	-	201,285
Use of money and property	99,350	-	6	11,594	-	110,950
Sale of property and compensation for loss	32,728	-	-	-	-	32,728
Miscellaneous	357,632	7,684	243	-	-	365,559
State sources	6,120,688	65,622	6,422	-	-	6,192,732
Medicaid reimbursement	48,515	-	-	-	-	48,515
Federal sources	-	400,656	146,106	-	-	546,762
Sales - school lunch	-	-	244,236	-	-	244,236
Total revenue	18,879,678	473,962	397,013	11,594	-	19,762,247
EXPENDITURES:						
General support	2,240,119	-	-	-	215,763	2,455,882
Instruction	8,914,009	500,525	-	-	-	9,414,534
Pupil transportation	775,783	-	-	-	-	775,783
Employee benefits	5,216,648	13,277	105,579	-	-	5,335,504
Debt service - principal	740,000	-	-	-	-	740,000
Debt service - BAN principal payment	325,000	-	-	-	-	325,000
Debt service - interest	337,538	-	-	-	-	337,538
Cost of sales	-	-	375,574	-	-	375,574
Capital outlay	-	-	-	-	22,104	22,104
Total expenditures	18,549,097	513,802	481,153	-	237,867	19,781,919
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	330,581	(39,840)	(84,140)	11,594	(237,867)	(19,672)
OTHER SOURCES AND (USES):						
BANs redeemed from appropriations	-	-	-	-	325,000	325,000
Proceeds from issuance of bonds	-	-	-	-	4,600,000	4,600,000
Premium on obligations	-	-	-	-	749,361	749,361
Operating transfers in	100,000	39,840	50,000	-	100,000	289,840
Operating transfers (out)	(189,840)	-	-	(100,000)	-	(289,840)
Total other sources (uses)	(89,840)	39,840	50,000	(100,000)	5,774,361	5,674,361
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	240,741	-	(34,140)	(88,406)	5,536,494	5,654,689
FUND BALANCE - beginning of year	3,075,930	-	(189,026)	476,861	(5,363,621)	(1,999,856)
FUND BALANCE - end of year	$ 3,316,671	$ -	$ (223,166)	$ 388,455	$ 172,873	$ 3,654,833

The accompanying notes are an integral part of these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenue, Expenditures, and Change in Fund Balance to the Statement of Activities For the year ended June 30, 2019

Net change in fund balance - Total governmental funds	$ 5,654,689
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position	59,390
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(617,571)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	740,000
Bond proceeds and premium on debt issuance are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities:	
Bond proceeds	(4,600,000)
Bond premium	(749,361)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	74,592
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Net pension liability/asset	(289,069)
Deferred outflows of resources	(340,497)
Deferred inflows of resources	581,443
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Net pension liability/asset	404,656
Deferred outflows of resources	(56,168)
Deferred inflows of resources	(209,951)
Other postemployment benefits (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, pension related (liabilities)/assets that are long-term in nature and therefore not reported in the funds.	
Other postemployment benefits liability	(3,828,549)
Deferred outflows of resources	2,189,026
Deferred inflows of resources	268,552
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	
Change in accrued interest	588
Change in net position - Governmental activities	$ (718,230)

The accompanying notes are an integral part of these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Statement of Net Position - Fiduciary Funds
June 30, 2019

	Private Purpose Trusts	*Agency*
ASSETS:		
Cash - restricted	$ 27,767	$ 133,522
Investment	599,678	-
Total assets	627,445	133,522
LIABILITIES:		
Due to other funds	-	49,450
Accounts payable	-	2,249
Extraclassroom activity balances	-	81,823
Total liabilities	-	$ 133,522
NET POSITION:		
Restricted for scholarships	$ 627,445	

The accompanying notes are an integral part of these statements

COOPERSTOWN CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Private Purpose Trusts
ADDITIONS:	
Gifts and contributions	$ 96,716
Investment earnings	13,868
Total additions	110,584
DEDUCTIONS:	
Scholarships and awards	95,941
CHANGE IN NET POSITION	14,643
NET POSITION - beginning of year	612,802
NET POSITION - end of year	$ 627,445

The accompanying notes are an integral part of these statements

1. NATURE OF OPERATIONS

Cooperstown Central School District (the School District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity
The School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE) consisting of 7 members. The President of the Board serves as 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 School District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

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

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

Joint Venture
The School District is a component school district in the Otsego Northern Catskills Board of Cooperative Education Services (BOCES). 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.

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 the New York State Education Law, §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

During the year, the School District was billed $1,629,009 for BOCES administrative and program costs. the School District's share of BOCES aid amounted to $375,719.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

Certain significant accounting principles and policies utilized by the School District are described below:

Basis of Presentation
The School District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

District-Wide Statements
The statement of net position and the statement of activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, 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 direct expenses and program revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

The fund statements provide information about the School District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of 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 School District reports the following major governmental funds:

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

School Lunch Fund - This fund is used to account for the School District's transactions of lunch and breakfast programs.

Special Revenue 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 and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

- Special Aid Fund: Used to account for proceeds from State and Federal grants that are restricted for specific educational programs.
- School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.
- Miscellaneous Special Revenue: Used to account for and report those revenues that are restricted and committed to expenditures for specified purposes

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

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

Fiduciary Funds

These funds are used to account for fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the School District-wide financial statements because their resources do not belong to the School 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 are used to fund annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the School 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 School District solely as an agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The School District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place

Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.
On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Cash and Cash Equivalents

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

Investments are stated at fair value.

Restricted Cash

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets include amounts required by statute to be reserved for various purposes.

Accounts Receivable

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

Property Taxes

Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31. Taxes not collected by October 31 are turned over to the County who assumes all responsibility for collection. Uncollected real property taxes are subsequently enforced by the County(ies) in which the School District is located. The County(ies) pay an amount representing uncollected real property taxes transmitted to the County(ies) for enforcement to the School District no later than the following April 1.

Inventory and Prepaid Items

Inventory of food in the school lunch fund is 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 inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the School 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.

Interfund Transactions

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. the School 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 School District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

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

Capital Assets

In the School 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 estimated fair 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 is used to report capital assets and the range of estimated useful lives by type of assets is as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 20,000	SL	30 - 50 years
Furniture and equipment	$ 1,000	SL	5 years
Buses	$ 10,000	SL	8 years

Vested Employee Benefits - Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

School 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.

The liability has been calculated using the vesting/termination method and an accrual for that liability is included in the School District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

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

Other Postemployment Benefits
In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially, all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. the School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid. The financial disclosures relating to the School District's other postemployment benefits are reflected in Note 9.

Deferred Outflows and Inflows of Resources
In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The 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 separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Unearned Revenue
The School 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 School 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.

Short Term Debt

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

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

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the School 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 and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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 School 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.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the School 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.

District-wide Statements - Equity Classifications

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

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

Restricted net position - reports net position when constraints placed on the assets 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.

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

Governmental Fund Financial Statements - Equity classifications

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

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.

Restricted fund balance - 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. The School District has available the following restricted fund balances:

Capital Reserve

According to Education Law §3651, this reserve 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.

Reserve for Debt Service

According to General Municipal Law §6-l, 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, this reserve 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.

Tax Certiorari

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

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the General Fund.

Workers' Compensation

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

Unemployment Insurance Reserve

This reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the School District 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 School District elects to convert to the tax (contribution) basis, excess resources in the fund may be transferred to any other reserve fund. The reserve is accounted for in the General fund under restricted fund balance.

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 the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

General Fund:	
Unemployment insurance	$ 78,409
Retirement contributions	912,013
Workers' compensation	151,768
Tax certiorari reserve	125,717
Employee benefit accrued	445,261
Total General Fund	$ 1,713,168
Debt Service Fund	$ 388,455

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision making authority, the BOE. The School District has no committed fund balances as of June 30, 2019.

Assigned fund balance - Includes amounts that are constrained by the School 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 in the General fund. Encumbrances represent purchase commitments made by the School District's purchasing agent through their authorization of a purchase order prior to year-end. The School District assignment is based on the functional level of expenditures.

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.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year's budget and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

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

Use of Estimates

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

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities
Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities
Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

- Long Term Revenue and Expense Differences
  Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

- Capital Related Differences
  Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

- Long Term Debt Transaction Differences
  Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Budgets
the School District administration prepares a proposed budget for approval by the Board Of Education for the General Fund.

The voters of the School District approved the proposed appropriation budget.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the BOE 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 that exists which was not determined at the time the budget was adopted. There were no supplemental appropriations during the year.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June, 30, 2019

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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.

The School Lunch Fund has a deficit fund balance that will be eliminated by ongoing transfers from the General Fund

Fund Balance
The School District's unrestricted fund balance in its General fund was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming school year.

Portions of the fund balances are restricted and are not available for current expenditures or expenses, as reported in the governmental funds balance sheet.

5. CASH

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

The School District's aggregate bank balances of $733,926 not covered by depository insurance at year-end, were fully collateralized.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,101,363 within the governmental funds and $161,289 in the fiduciary funds.

6. INVESTMENT POOL

The District participates in the New York State Liquid Asset Fund (NYS LAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2019, the District held $3,978,364 in investments consisting of various investments in securities issued by the United States and its agencies. NYS LAF is rated 'AAAm' from Standard & Poor's. The investments are highly liquid and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. There are no limitations or restrictions on withdrawals in the NYS LAF. Additional information concerning NYS LAF, including the annual report, can be found on its website as https://www.nylaf.org/. The investments are considered cash equivalents.

7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 49,600	$ -	$ -	$ 49,600
Total nondepreciable cost	49,600	-	-	49,600
Capital assets that are depreciated:				
Buildings and improvements	22,069,755	-	-	22,069,755
Furniture and equipment	3,018,038	59,390	(29,951)	3,047,477
Total depreciable historical cost	25,087,793	59,390	(29,951)	25,117,232
Less accumulated depreciation:				
Buildings and improvements	(7,245,417)	(434,677)	-	(7,680,094)
Furniture and equipment	(2,420,917)	(182,894)	29,951	(2,573,860)
Total accumulated depreciation	(9,666,334)	(617,571)	29,951	(10,253,954)
Total depreciable cost - net	15,421,459	(558,181)	-	14,863,278
Total capital assets, net	$ 15,471,059	$ (558,181)	$ -	$ 14,912,878

Depreciation expense for the year ended June 30, 2019, was allocated to specific functions as follows:

General support	$ 382,894
Instruction	80,284
Pupil transportation	154,393
Total depreciation	$ 617,571

8. SHORT-TERM DEBT

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

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/29/2019	2.75%	$ 5,560,000	$ -	$ (5,560,000)	$ -

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

Total interest on short-term debt	$ 152,900

9. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General	$ 519,436	$ 23,644	$ 100,000	$ 189,840
Special Aid	19,575	211,281	39,840	-
School Lunch	-	258,705	50,000	-
Debt service	106		-	100,000
Capital Projects	4,069	106	100,000	-
Fiduciary	-	49,450	-	-
Total	$ 543,186	$ 543,186	$ 289,840	$ 289,840

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position. The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

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

10. LONG-TERM OBLIGATIONS

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

	Beginning Balance	Additions	Deletions {a}	Ending Balance	Due Within One Year
Bonds:					
Renovations 2006	$ 810,000	$ -	$ (260,000)	$ 550,000	$ 270,000
Capital Improvement Bond	3,715,000	-	(480,000)	3,235,000	505,000
2019A Bond	-	4,600,000	-	4,600,000	195,000
Bond premium	-	749,361	-	749,361	-
Total Bonds, Net of Premium	$ 4,525,000	$ 5,349,361	$ (740,000)	$ 9,134,361	$ 970,000
Other liabilities:					
Compensated absences	$ 173,531	$ -	$ (74,592)	$ 98,939	$ -

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately

Interest on all debt for the year was composed of:

Interest paid	$ 337,538
Less: Interest accrued in the prior year	(4,382)
Plus: Interest accrued in the current year	3,794
Total interest expense	$ 336,950

Issue dates, maturities, and interest rates on outstanding debt are as follows:

Bond Issue	Issued	Maturity	Interest Rate	6/30/19 Balance
Renovations 2006	2006	2021	3.875 - 4.00%	$ 550,000
Capital Improvement Bond	2011	2025	2.00 - 5.00%	3,235,000
2019A Bond	2019	2033	3.00 - 5.00%	4,600,000
Total bond issue				$ 8,385,000

The following is a summary of the maturity of long-term indebtedness as of June 30, 2019:

	Principal	Interest	Total
2020	$ 970,000	$ 450,189	$ 1,420,189
2021	1,075,000	343,788	1,418,788
2022	830,000	294,088	1,124,088
2023	860,000	261,538	1,121,538
2024	895,000	227,788	1,122,788
2025-2029	2,260,000	632,524	2,892,524
2030-2033	1,495,000	137,150	1,632,150
Totals	$ 8,385,000	$ 2,347,065	$ 10,732,065

11. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. the School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% 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 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2019	$ 331,028
2018	$ 308,582
2017	$ 347,763

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

At June 30, 2019 the School District reported a net pension liability of $524,443 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019, the School District's proportionate share was .037283% percent, which was an increase of .0003713% from its proportionate share measured at June 30, 2018

For the year ended June 30, 2019, the School District recognized pension expense of $379,294At June 30, 2019, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 103,274	$ 35,205
Changes of assumptions	131,824	-
Net difference between projected and actual earnings on pension plan	-	134,601
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	102,832	21,224
Contributions subsequent to the measurement date	83,169	-
Total	$ 421,099	$ 191,030

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

Plan's Year Ended June 30:

2020	$ 143,252
2021	(78,411)
2022	1,966
2023	80,093
	$ 146,900

The School District recognized $83,169 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2018 which will be recognized on a reduction of the net pension liability in the year ended June 30 2019.

Actuarial Assumptions

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36.0	4.55
International Equity	14.0	6.35
Private Equity	10.0	7.50
Real Estate	10.0	5.55
Absolute Return	2.0	3.75
Opportunistic Portfolio	3.0	5.68
Real Asset	3.0	5.29
Bonds, Cash & Mortgages	17.0	1.31
Cash	1.0	-0.25
Inflation Indexed Bonds	4.0	1.25
	100%	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using

	1% Lower 6.00%	Current Discount 7.00%	1% Higher 8.00%
Proportionate Share of Net Pension liability (asset)	$ 2,292,951	$ 524,443	$ (961,228)

Pension Plan Fiduciary Net Position (000's)

Total pension liability	$ 189,803,429
Net position	182,718,124
Net pension liability (asset)	$ 7,085,305
ERS net position as a percentage of total pension liability	96.27%

New York State Teachers' Retirement System

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

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. the School District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	TRS
2019	$ 638,452
2018	$ 986,491
2017	$ 1,072,975

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

At June 30, 2019, the School District reported net pension asset of $674,176 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2017. the School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2019 the School District's proportionate share was 0.037283%, which was a decrease of 0.017598% from its proportionate share measured at June 30, 2018.

For the year ended June 30, 2019the School District recognized pension expense of $511,414. At June 30, 2019 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 503,806	$ 91,259
Changes of assumptions	2,356,686	-
Net difference between projected and actual earnings on pension plan investments	-	748,386
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	35,539	110,523
Contributions subsequent to the measurement date	686,808	-
Total	$ 3,582,839	$ 950,168

The School District recognized $686,808 as a deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date June 30, 2018 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/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2019	$ 663,938
2020	446,983
2021	36,573
2022	445,394
2023	299,160
Thereafter	53,815
	$ 1,945,863

Actuarial Assumptions

The total pension liability at the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. These actuarial valuations used the following actuarial assumptions:

Inflation	2.50%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs	1.5% compounded annually
Investment Rate of Return	7.25% compounded annually, net of pension plan investment expense,

Annuitant morality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of July 1, 2009 to June 30, 2014.

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

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Type	Target Allocations in %	Long-term expected real rate of return in %
Domestic Equity	33.0	5.8
International Equity	16.0	7.3
Global Equity	4.0	6.7
Real Estate	11.0	4.9
Private equities	8.0	8.9
Domestic fixed income securities	16.0	1.3
Global Fixed Income Securities	2.0	0.9
Private debt	1.0	6.8
Real estate debt	7.0	2.8
High-yield fixed income securities	1.0	3.5
Short-term	1.0	0.3
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 7.25 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.25 percent) or 1% higher (8.25 percent) than the current rate:

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Proportionate Share of Net Pension Liability (asset)	$ 4,631,696	$ (674,176)	$ (5,119,022)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers as of June 30, 2019, were as follows:

Total pension liability	$ 118,107,253
Net position	119,915,518
Net pension liability (asset)	$ (1,808,265)
NYSTRS net position as a percentage of total pension liability	101.53%

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare 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 School District offices and are available upon request

Employees Covered by Benefit Terms

At July 1, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently	161
Active employees	127
Total participants	288

Total OPEB Liability

the School District's total OPEB liability of $38,100,488 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, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20 percent per year
Payroll Growth	Varies by years of service and retirement system
Discount Rate	3.87 percent as of June 30, 2018; 3.51 percent as of June 30, 2019
Healthcare Cost Trend Rates	
Medical	5.50 percent for 2018 decreasing to an ultimate rate of 3.84 percent by 2075
Part B Reimbursement	1.12 percent for 2018 increasing to an ultimate rate of 3.84 percent by 2075.
Cost Method	Entry Age Normal Level % of Salary method

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

Mortality rates were calculated using PUB-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2018.

Changes in the Total OPEB Liability

Balance at June 30, 2018	$ 34,271,939
Changes for the Year-	
Service cost	839,178
Interest	1,341,437
Differences between expected and actual experience	298,401
Changes in assumptions or other inputs	2,255,463
Benefit payments	(905,930)
Net changes	3,828,549
Balance at June 30, 2019	$ 38,100,488

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2018 to 3.51% in 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51%) or 1 percentage point higher (4.51%) than the current discount rate:

	1% Decrease 2.51%	Current Discount 3.51%	1% Increase 4.51%
Total OPEB Liability	$ 47,593,247	$ 38,100,488	$ 33,930,970

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.50%) or 1 percentage point higher (6.50%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease 4.50%	Current Discount 5.50%	1% Increase 6.50%
Total OPEB Liability	$ 32,806,994	$ 38,100,488	$ 49,330,876

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

For the year ended June 30, 2019 the School District recognized OPEB expense of $2,276,901. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 255,772	$ -
Changes of assumptions	1,933,254	1,198,873
Total	$ 2,189,026	$ 1,198,873

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

Fiscal Year Ending June	Amount
2020	$ 96,286
2021	96,286
2022	96,286
2023	96,286
2024	240,173
Thereafter	364,836
	$ 990,153

13. OPERATING LEASES

The School District leases buses and other equipment under the term of various non-cancelable operating leases that expire at various dates through fiscal year 2023. Future minimum lease payments under the terms of these agreements are as follows for the years ending June 30:

Year	Amount
2020	$ 313,624
2021	108,874
2022	173,710
2023	110,628
	$ 706,836

14. RISK MANAGEMENT

General

The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, 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.

Worker's Compensation

Otsego Northern Catskill BOCES administers the Catskill Area Workers' Compensation Plan (CASWCP) consisting of several school districts, including Cooperstown Central School District, for workers' compensation insurance coverage. Entities joining the Plan must remain members for a minimum of one year; a member may withdraw from the Plan effective July 1st but must submit a notice of withdrawal no later than April 1st of the previous year (15 months in advance). Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

Health Insurance

The School District provides health insurance to its eligible employees and participates in the NY44 Health Trust. The Trust is controlled by Trustees who are employees of Erie One BOCES. The Health Trust offers various premium based plans and administers all aspects of the health insurance offered by the School District. There is no risk retained by the School District for health costs.

17. CONTINGENCIES AND COMMITMENTS

Litigation

There is no litigation pending against the School District as of the balance sheet date.

Grants

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

REQUIRED SUPPLEMENTAL FINANCIAL INFORMATION (UNAUDITED)

COOPERSTOWN CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	*Final Budget*	*Actual (Budgetary Basis)*	*Encumbrances*	*Final Budget Variance with Budgetary Actual*
REVENUE					
Local sources:					
Real property taxes	$ 11,928,238	$ 11,928,238	$ 11,292,501	$ -	$ (635,737)
Other tax items	90,324	90,324	726,979	-	636,655
Charges for services	85,200	85,200	201,285	-	116,085
Use of money and property	18,500	18,500	99,350	-	80,850
Sale of property and compensation for loss	20,000	20,000	32,728	-	12,728
Miscellaneous	207,594	243,199	357,632	-	114,433
Total local sources	12,349,856	12,385,461	12,710,475	-	325,014
State sources	6,106,087	6,106,087	6,120,688	-	14,601
Medicaid reimbursement	25,000	25,000	48,515	-	23,515
Total revenue	$ 18,480,943	$ 18,516,548	$ 18,879,678	$ -	$ 363,130

COOPERSTOWN CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	*Final Budget*	*Actual (Budgetary Basis)*	*Encumbrances*	*Variance with Budgetary Actual and Encumbrances*
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	$ 21,268	$ 21,268	$ 13,259	$ 60	$ 7,949
Central administration	208,915	208,915	202,129	-	6,786
Finance	297,885	316,884	286,213	20,000	10,671
Staff	93,403	93,403	70,967	3,334	19,102
Central services	1,341,512	1,346,889	1,253,222	92,483	1,184
Special items	416,878	416,878	414,329	-	2,549
Total general support	2,379,861	2,404,237	2,240,119	115,877	48,241
INSTRUCTION:					
Instruction, administration, and improvement	546,616	539,864	507,788	2,358	29,718
Teaching - regular school	4,602,777	4,646,260	4,449,162	1,449	195,649
Programs for children with handicapping conditions	1,962,448	1,972,288	1,839,556	-	132,732
Teaching - special school	28,100	28,100	22,088	-	6,012
Occupational education	393,364	393,364	393,363	-	1
Instructional media	612,431	613,681	544,855	-	68,826
Pupil services	1,242,975	1,244,975	1,157,197	9,304	78,474
Total instruction	9,388,711	9,438,532	8,914,009	13,111	511,412
Pupil transportation	848,177	848,177	775,783	318	72,076
Employee benefits	5,474,337	5,474,337	5,216,648	-	257,689
Debt service - principal and BAN payment	1,065,000	1,065,000	1,065,000	-	-
Debt service - interest	364,852	364,852	337,538	-	27,314
Total expenditures	19,520,938	19,595,135	18,549,097	129,306	916,732
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	100,000	100,000	100,000	-	-
Transfers (to) other funds	(180,000)	(180,000)	(189,840)	-	(9,840)
Total other financing sources (uses)	(80,000)	(80,000)	(89,840)	-	(9,840)
Total expenditures and other financing sources (uses)	19,600,938	19,675,135	18,638,937	129,306	906,892
NET CHANGE IN FUND BALANCE	(1,119,995)	(1,158,587)	240,741	(129,306)	1,270,022
FUND BALANCE - beginning of year	3,075,930	3,075,930	3,075,930	-	-
FUND BALANCE - end of year	$ 1,955,935	$ 1,917,343	$ 3,316,671	$ (129,306)	$ 1,270,022

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule Of Changes In Total OPEB Liability And Related Ratios (Unaudited)
For the year ended June 30, 2019

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total OPEB Liability										
Service cost	$ 839,178	$ 874,666								
Interest	1,341,437	1,228,377								
Differences between expected and actual experience	298,401	-								
Changes in assumptions	2,255,463	(1,735,977)								
Benefit payments	(905,930)	(814,670)								
Total change in total OPEB liability	3,828,549	(447,604)								
Total OPEB liability - beginning	34,271,939	34,719,543								
Total OPEB liability - ending	$ 38,100,488	$ 34,271,939								
Covered-employee payroll	7,365,047	7,724,361								
Total OPEB liability as a percentage of covered-employee payroll	517.3%	443.7%								

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions: Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.
The following reflects the discount rate used each period:

	2019	2018
Discount rate	3.51%	3.87%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan assets **:** No assets are accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4 to pay benefits.

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule Of Proportionate Share Of Net Pension Liability (Asset) (Unaudited)
For the year ended June 30, 2019

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion of the net pension liability (asset)	0.0074018%	0.0072929%	0.0079360%	0.0071925%	0.0070382%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Proportionate share of the net pension liability (asset)	$ 524	$ 235	$ 746	$ 1,154	$ 237					
Covered-employee payroll	$ 2,356	$ 2,311	$ 2,355	$ 2,169	$ 2,116					
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	22.24%	10.17%	31.68%	53.22%	11.20%					
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.27%	98.24%	94.70%	90.70%	97.90%					

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion of the net pension liability (asset)	0.037238%	0.035458%	0.036126%	0.036141%	0.036188%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Proportionate share of the net pension liability (asset)	$ (404)	$ (270)	$ 387	$ (3,754)	$ (4,031)					
Covered-employee payroll	$ 6,467	$ 5,619	$ 5,619	$ 5,575	$ 5,429					
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-6.25%	-4.81%	6.89%	-37.34%	-74.25%					
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	100.66%	99.01%	-110.45%	-111.48%					

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule Of Contributions - Pension Plans (Unaudited)
For the year ended June 30, 2019

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 331	$ 335	$ 323	$ 323	$ 350	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Contributions in relation to the contractually required contribution	331	335	323	323	350					
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -					
Covered-employee payroll	$ 2,356	$ 2,311	$ 2,355	$ 2,169	$ 2,116					
Contributions as a percentage of covered-employee payroll	14.05%	14.50%	13.72%	14.87%	16.54%					

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 595	$ 691	$ 657	$ 737	$ 869	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Contributions in relation to the contractually required contribution	595	691	657	737	869					
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -					
Covered-employee payroll	$ 6,467	$ 5,619	$ 5,619	$ 5,575	$ 5,429					
Contributions as a percentage of covered-employee payroll	9.20%	12.30%	11.69%	13.22%	16.01%					

SUPPLEMENTAL FINANCIAL INFORMATION (UNAUDITED)

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Other Information
Schedule of Change from Original Budget to Revised Budget and Section 1318 of the Real Property Tax Law Limit Calculation

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 19,600,938.00
Add: Prior year's encumbrances	38,592.00
Original budget	19,639,530
Budget revisions	35,605
Final budget	$ 19,675,135

SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION

2019-2020 voter-approved expenditure budget	$ 19,804,875
Maximum allowed	$ 792,195
General fund, fund balance subject to section 1318 of real property tax law:	
Total fund balance	$ 3,316,671
Less:	
Appropriated fund balance	650,000
Encumbrances included in assigned fund balance	129,306
Restricted fund balance	1,713,168
Total adjustments	$ 2,492,474
General fund, fund balance subject to section 1318 of real property tax law	$ 824,197
Actual percentage	4.16%

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Other Information
Schedule Of Project Expenditures - Capital Projects Fund (Unaudited)
For the year ended June 30, 2019

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	*Original Appropriation*	*Revised Appropriation*	*Prior Years*	*Current Year*	*Total*	*Unexpended Balance*	*Proceeds of Obligations*	*State Aid*	*Local Sources*	*Total*	*Balance June 30, 2019*
Improvements CI 2014	$ 5,959,000	$ 5,959,000	$ 5,724,727	$ 135,834	$ 5,860,561	$ 98,439	$ 5,674,361	$ -	$ 399,000	$ 6,073,361	$ 212,800
Improvements CO 2018	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-
Improvements CO 2019	100,000	100,000	-	1,891	1,891	98,109	-	-	-	-	(1,891)
Smart Schools	496,437	496,437	37,894	142	38,036	458,401	-	-	-	-	(38,036)
Total	$ 6,655,437	$ 6,655,437	$ 5,762,621	$ 237,867	$ 6,000,488	$ 654,949	$ 5,674,361	$ -	$ 499,000	$ 6,173,361	$ 172,873

COOPERSTOWN CENTRAL SCHOOL DISTRICT

Other Information
Schedule Of Net Investment In Capital Assets (Unaudited)
For the year ended June 30, 2019

Capital assets, net	$ 14,912,878
Deduct:	
Short-term portion of bonds payable	970,000
Long-term portion of bonds payable	8,164,361
	9,134,361
Net investment in capital assets	$ 5,778,517

REQUIRED REPORT

Bonadio & Co., LLP
Certified Public Accountants

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

October 2, 2019

To the Board of Directors of
Cooperstown Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cooperstown Central School District (School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 2, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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