PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **SERIAL BONDS**

In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel, assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is not included in the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Bonds is not an "item of tax preference" for purposes of the alternative minimum tax imposed on individuals by the Code. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision therein (including The City of New York). See "TAX MATTERS" herein for discussion of certain Federal taxes applicable to corporate owners of the Bonds.

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$1,125,000

CITY SCHOOL DISTRICT OF THE CITY OF OSWEGO

OSWEGO AND CAYUGA COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 688715

$1,125,000 School District (Serial) Bonds, 2021

(the "Bonds")

Dated and Delivered: November 2, 2021 **Due: October 1, 2022-2026**

MATURITIES

Year	Amount	Rate	Yield	CSP
2022	$ 215,000	%	%	
2023	225,000			
2024	225,000			
2025	230,000			
2026	230,000			

The Bonds are general obligations of the City School District of the City of Oswego, Oswego and Cayuga Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon without limitation as to rate or amount. See "TAX INFORMATION – Tax Cap Law" herein.

The Bonds are not subject to redemption prior to maturity.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 1, 2022 and semi-annually thereafter on April 1 and October 1 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be denominations of $5,000 or any integral multiple and the District will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than $1,125,000 and accrued interest, if any, on the total principal amount of the Bonds A good faith deposit will not be required.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the respective approving legal opinion as to the validity of the Bonds of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery at the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about November 2, 2021.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on October 19, 2021 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

October 13, 2021

THIS OFFICIAL STATEMENT IS "DEEMED FINAL" BY THE DISTRICT FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, 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, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED.

CITY SCHOOL DISTRICT OF THE CITY OF OSWEGO
OSWEGO AND CAYUGA COUNTIES, NEW YORK

2021-2022 BOARD OF EDUCATION

HEATHER DELCONTE
President

TOM CIAPPA
Vice President

DR. JAMES MACKENZIE
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Executive Director of Secondary Education & Personnel

CARRIE PLASSE
Executive Director of Elementary Education and Accountability

NANCY M. SQUAIRS
Executive Director of Business and Finance

KAREN K. CANALE
School District Clerk

JESSICA PAPPALARDO
School District Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

BOND SCHOENECK & KING
Bond Counsel

No person has been authorized by the City School District of the City of Oswego 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 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City School District of the City of Oswego.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

OF THE

CITY SCHOOL DISTRICT OF THE CITY OF OSWEGO
OSWEGO AND CAYUGA COUNTIES, NEW YORK

RELATING TO

$1,125,000 School District (Serial) Bonds, 2021

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Oswego, Oswego and Cayuga Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $1,125,000 principal amount of School District (Serial) Bonds, 2021 (the "Bonds").

The factors affecting the District's financial condition and the Bonds 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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

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 "MARKET AND RISK FACTORS – COVID-19" herein.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "TAX INFORMATION – Tax Cap Law" herein.

The Bonds will be dated November 2, 2021 and will mature in the principal amounts as set forth on the inside cover page. The Bonds are not subject to redemption prior to maturity as described herein under the heading "No Optional Redemption" hereunder. The "Record Date" of the Bonds will be the fifteenth day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 1, 2022 and semi-annually thereafter on April 1 and October 1 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof and the District will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

Purpose of Issue

The Bonds are 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 adopted by the Board of Education on March 16, 2021 authorizing the issuance of $1,125,000 serial bonds for the purchase transportation vehicles

The proceeds of the Bonds will provide $1,125,000 new monies for the purchase of transportation vehicles.

Nature of the Obligation

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

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

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds 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.

BOOK-ENTRY-ONLY SYSTEM

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

DTC 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 3.6 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond and Note documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bonds 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 School 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 School 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 School 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 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

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

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST; (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 BONDS.

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on October 1, 2022 and semi-annually thereafter on April 1 and October 1 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the fifteenth day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

THE SCHOOL DISTRICT

General Information

The District was established on July 1, 1951 and has a land area of approximately 65 square miles. The District includes all of the City of Oswego as well as portions of the Towns of Minetto, Oswego, Scriba and Volney in Oswego County and the Town of Sterling in Cayuga County.

The City of Syracuse is located 35 miles southeast, the City of Rochester, 70 miles west and the City of Watertown, 45 miles northeast. The District is situated on the southern shore of Lake Ontario at the mouth of the Oswego River and at the northern terminus of the New York State Barge Canal.

In 1955, the New York State Legislature created the Port of Oswego Authority for the purpose of developing, operating and promoting port facilities in the Port District, which includes the City of Oswego and part of the Town of Scriba. Today, the harbor at Oswego is a modern port containing all the facilities and personnel necessary to handle bulk commodities and general cargo. Imports include grain, cement, wood pulp, petroleum and general cargo. An 850-acre industrial site is located at the Port with all facilities and utilities provided.

As the easternmost port on Lake Ontario, the Port of Oswego is the first Great Lakes port within the United States for inbound overseas shipments. It is the Lake Ontario terminus of the New York State Barge Canal System which provides a controlling depth of 12 feet to inland ports such as Buffalo, Syracuse, Ithaca, Watkins Glen and Whitehall. It is also the Great Lakes terminus of the Great Lakes-Hudson River Waterway, which provides a controlling depth of 13 feet to the Cities of Utica, Schenectady, Albany, New York City and all ports along the Eastern Seaboard and the Intercoastal Waterway.

The County of Oswego is served by one private hospital: Oswego Hospital, with approximately 132 beds. There are also six private nursing homes. Mental health facilities are provided by the Oswego and Cayuga Counties Mental Health Services and various smaller, part-time clinics located throughout the County of Oswego.

The State University of New York at Oswego, with an enrollment of approximately 8,000, offers undergraduate and graduate programs leading to B.A., B.S., M.A. and M.S. degrees; Certificates of Advanced Study are also awarded. The 1,000-acre campus includes one mile of shoreline on Lake Ontario. The College, organized in 1861, became a charter member of the State University system in 1948.

Banking services are available within the District at JPMorgan Chase Bank, N.A., First Niagara, N.A., Pathfinder Bank, and NBT Bank, N.A.

In October 2013, Novelis Inc. completed a $200 million expansion project which has added more than 100 jobs to its aluminum manufacturing plant in Oswego. The expansion added 182,000 sq. ft. to the 1.4 million sq. ft. plant and is the largest Novelis factory in North America.

On November 2, 2015, Entergy Corp. announced plans to close the FitzPatrick Nuclear Plant in Oswego County. Barring any unexpected intervention by State officials, the 850-megawatt facility was scheduled to shut down in late 2016 or early 2017. In August 2016, Gov. Andrew Cuomo announced the transition of the FitzPatrick Nuclear plant to Exelon Generation saving hundreds of jobs. On April 1, 2017, Exelon assumed ownership and operation of the plant.

The City of Oswego received a $10 million Downtown Revitalization Grant and is making significant improvements throughout the City.

Source: District officials.

Population

The 2019 estimated population of the District is 31,960 (Source: 2019 U.S. Census Bureau estimate).

Major Employers

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

Name of Employer	Type of Business	Employees
Oswego State University	University	1,745
Exelon	Utility	1,360
Oswego Health	Hospital/Human Services	1,226
Novelis Corporation	Aluminum Products	1,150
County of Oswego	Government	1,114
City School District of the City of Oswego	Education	705
Walmart	Retail	433
St. Luke Health Services	Human Services	320
City of Oswego	Government	320
Arise	Human Services	189

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
City of:						
Oswego	$ 16,558	$ 20,621	$ 28,304	$ 41,613	$ 56,636	$ 54,659
Towns of:						
Minetto	23,404	34,893	35,958	61,094	74,107	90,893
Oswego	14,835	14,609	23,224	61,648	71,818	86,959
Scriba	17,939	47,475	36,363	44,304	67,824	85,167
Sterling	15,912	19,569	32,250	38,125	47,448	57,063
Volney	19,029	23,546	28,402	46,408	56,989	70,338
Counties of:						
Oswego	16,853	21,604	28,587	43,821	56,364	67,269
Cayuga	18,003	22,959	30,509	44,973	58,761	71.907
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

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

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 5-Year American Community Survey data.

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 Oswego and Cayuga. The information set forth below with respect to the Counties is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Counties are necessarily representative of the District, or vice versa.

Annual Averages

	2014	2015	2016	2017	2018	2019	2020
Oswego County	8.1%	7.2%	6.6%	6.4%	5.5%	5.2%	8.9%
Cayuga County	6.0%	5.4%	5.1%	5.0%	4.5%	4.1%	7.9%
New York State	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	10.0%

2021 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct
Oswego County	8.0%	8.2%	7.4%	6.1%	5.5%	5.9%	6.1%	5.8%	N/A	N/A
Cayuga County	6.9%	7.1%	6.5%	5.3%	4.7%	4.9%	5.1%	5.1%	N/A	N/A
New York State	9.4%	9.7%	8.4%	7.7%	7.0%	7.2%	7.4%	7.1%	N/A	N/A

Note: Unemployment rates for September and October 2021 are unavailable as of the date of this Official Statement. Unemployment drastically increased starting in mid-March of 2020 due to the COVID-19 global pandemic, although it has since begun to decrease.

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

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain financial management functions of the District are the responsibility of the Superintendent of Schools.

Form of School Government

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the School District, and any special laws applicable to the District. Under such laws, there is no authority for the School District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education of the School District (the "Board" or the “Board of Education”). Each year an election is held within the District to elect one or more members to the Board. The Board consists of seven members with overlapping three-year terms. Therefore, as nearly as practicable, an equal number of members are elected to the Board each year.

During the first week in July of each year the Board meets for the purpose of reorganization. At that time an election is held by the Board to elect a President and Vice President and to appoint other School District officials including the Superintendent of Schools and the School District Clerk, if necessary.

Budgetary Procedures

Pursuant to the Education Law, the Board annually prepares or causes to be prepared a tentative budget of the District for the ensuing fiscal year. The Board causes to be printed or otherwise reproduced at least one hundred copies of the tentative budget. The tentative budget, together with copies thereof, is filed with the Clerk of the Board at least thirty days prior to the beginning of the ensuing fiscal year.

The Education Law requires certain city school districts, including the District, to submit the proposed annual budget for each school year for approval by the voters of the District at the annual District meeting. The Education Law precludes the District from incurring any liability in excess of the amount approved by the voters at such District meeting unless otherwise authorized to do so by law. The Education Law authorizes boards of education of certain school districts including the School District, to levy and collect a bond, and to expend same, for ordinary and contingent expenses of such school districts and for teachers' salaries, if the voters fail to vote a sum for same.

Pursuant to the Tax Cap Law (as defined herein), beginning with the 2012 – 2013 fiscal year, a simple majority vote is needed to approve the proposed budget that does not exceed the tax levy limit. The maximum allowable tax levy is a multi-step formula that each school district must use to calculate its individual "tax levy limit." In particular, the calculation adjusts a school district's tax levy to reflect growth in the local tax base (if any) and the rate of inflation or 2 percent (whichever is lower). If the Board of Education adopts a proposed budget which requires a tax levy that is higher than the tax levy limit, then a supermajority (60 percent or more) of the votes will be necessary to pass the budget.

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

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

Recent Budget Votes

The budget for the 2020-21 fiscal year was adopted by qualified voters on June 9, 2020 with a vote of 2,594 to 1,380. The budget included a tax levy increase of 60%, which was equal to the District's maximum allowable tax levy increase of 60% for the 2020-2021 fiscal year. The tax cap is due to a finalized PILOT agreement, resulting in an associated change in the District's tax rolls.

The budget for the 2021-22 fiscal year was adopted by qualified voters on May 18, 2021 with a vote of 1,098 to 580. The budget includes no change in the tax levy, which is below the District's maximum allowable tax levy increase of 4.99% for the 2021-2022 fiscal year.

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) obligations of the State of New York; (2) obligations of the United States Government, or any obligations for which principle and interest are fully guaranteed by the United States Government; (3) time deposits placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law (Banking Law section 237(2) prohibits a savings bank from accepting a deposit from a local government. This also applies to savings and loan associations); (4) transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law; (5) certificates of deposits placed in a commercial bank authorized to do business in the State of New York providing the certificates are collateralized as required by law; (6) securities purchased pursuant to a repurchase agreement whereby one party purchases securities from a second party and the second party agrees to repurchase those same securities on a specific future date at an agreed rate of return (the interest rate).

The District is not authorized to invest in repurchase agreements or similar derivative type commitments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2021-22 fiscal year, approximately 41.45% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal aid received by the State.

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-22 preliminary building aid ratios, the District expects to receive State building aid of approximately 88.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

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

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

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

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. But see "School District Fiscal Year (2021-2022)" herein.

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 81,418,458	$ 23,732,700	29.15%
2017-2018	78,713,348	24,801,850	31.51
2018-2019	85,259,144	30,254,195	35.48
2019-2020	85,456,223	31,583,705	36.96
2020-2021 (Unaudited)	89,177,950	32,735,972	36.71
2021-2022 (Budgeted)	91,159,811	37,789,292	41.45

Source: 2016-2017 through 2019-2020 audited financial statements, 2020-2021 unaudited results, and 2021-2022 adopted budgets of the District. This table is not audited.

District Facilities

Name	Grades	Capacity
Charles E. Riley Elementary School	K-6	700
Fitzhugh Park Elementary School	K-6	640
Fredrick Leighton Elementary School	K-6	500
Kingsford Park Elementary School	K-6	640
Minetto Elementary School	K-6	600
Oswego Middle School	7-8	900
Oswego High School	9-12	1,433

Note: The District sold the Education Center building for $1.8 million. The Education Center housed the District Offices. The District Offices have been relocated to the Fredrick Leighton Elementary School.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2017-18	3,657	2022-23	3,594
2018-19	3,711	2023-24	3,571
2019-20	3,626	2024-25	3,605
2020-21	3,555	2025-26	3,583
2021-22	3,610		

Source: District officials.

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are presented in the table below.

Number of Employees	Bargaining Unit	Contract Expiration Date
375	Oswego Classroom Teachers' Association (OCTA)	June 30, 2024
17	Association of Administrative Personnel (AAP)	June 30, 2023
255	Civil Service Employees' Association (CSEA)	June 30, 2025
322	Oswego Per Diem Substitute Teachers (OCTA II)	June 30, 2022
3	Central Office Administrators/Supervisors Association	June 30, 2023
5	Non-Affiliated Employees	N/A

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

Year	ERS	TRS
2016-2017	$ 1,050,891	$ 2,916,679
2017-2018	1,004,018	2,637.563
2018-2019	943,498	2,984,807
2019-2020	804,383	2,725,427
2020-2021	855,895	2,950,383
2021-2022 (Budgeted)	1,273,971	3,264,355

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 (2018 to 2022) is shown below:

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

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

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

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

Stable Rate Pension Contribution Option. The 2013-14 Enacted State Budget includes a provision that would provide local governments and school districts, including the School 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 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District is not participating in the Stable Rate Pension Contribution Option, and does not intend to do so in the foreseeable future.

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS reserve fund and has contributed a total of $550,000 to the fund as of June 30, 2021.

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 Armory Associates, LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

Balance beginning at:	June 30, 2019	June 30, 2020
	$ 252,655,942	$ 250,191,509
Changes for the year:		
Service cost	6,597,898	7,747,532
Interest	9,889,694	8,892,509
Changes of Benefit Terms	(454,016)	(179,187)
Differences between expected and actual experience	(15,196,329)	-
Changes in assumptions or other inputs	4,110,745	60,746,616
Benefit payments	(7,412,425)	(7,734,747)
Net Changes	$ (2,464,433)	$ 69,472,723
Balance ending at:	June 30, 2020	June 30, 2021
	$ 250,191,509	**$ 319,664,232**

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

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

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

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

Other Information

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

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

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

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	13.3
2019	No Designation	13.3
2018	No Designation	6.7
2017	No Designation	13.3
2016	No Designation	20.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

New York State Comptroller Report of Examination

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

The most recent such audit report dated September 16, 2016 reviewed the District's financial condition and nonresident tuition for foster students for the period July 1, 2014 through December 31, 2015.

Key Findings:

- The Board does not have a multiyear financial plan.
- The District does not have an effective process to identify all nonresident foster students receiving educational services and bill their school districts for those services.
- The District did not bill and collect about $237,000 in reimbursement for students.

Key Recommendations:

- Develop and adopt a multiyear financial operating plan to provide a framework for future budgets and to facilitate the District's management of financial operations.
- Develop and communicate procedures to ensure that nonresident foster students are properly identified and that accurate bills are prepared and submitted to school districts of origin in a timely manner.
- Bill or rebill the appropriate school districts for services provided in past years to nonresident foster students. District officials should contact the State Education Department to determine if there is any limitation on previous years that can be billed.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The Office of the State Comptroller is currently conducting an audit of the District as of the date of this Official Statement. The audit and associated report are not yet finalized, and are anticipated to be available on the website of the Office of the State Comptroller upon release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

Financial Statements

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

The School District complies with the Uniform System of Accounts as prescribed for School Districts in New York State 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, 2004, the School District issued 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.

Mengel Metzger Barr & Co. LLP, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Mengel Metzger Barr & Co. LLP also has not performed any procedures relating to this Official Statement.

Unaudited Results for the Fiscal Year Ending June 30, 2021

The District expects to end the fiscal year ending June 30, 2021 with a cumulative unappropriated unreserved fund balance of $3,646,392.

Summary unaudited information for the General Fund for the period ending June 30, 2021 is as follows:

Revenues:	$ 88,986,568
Expenditures:	83,340,004
Excess (Deficit) Revenues Over Expenditures:	$ 5,646,564
Total Fund Balance:	$ 22,772,741

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

The District's audited financial statements for the fiscal year ending June 30, 2021 are expected to be available on or about October 30, 2021.

Source: District officials.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Taxable Assessed Value	$1,394,504,630	$1,421,125,851	$1,426,016,625	$1,446,338,720	$ 1,479,147,106
Taxable Full Valuation (1)	1,446,081,969	1,429,792,503	1,458,929,673	1,487,277,635	1,532,651,731
Taxable Full Valuation (2)	1,443,488,718	1,477,093,228	1,481,883,305	1,493,937,264	N/A

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

(2) Full Valuation computed using regular Special State equalization ratios. Special State equalization ratios are used solely for purposes of computing the District's constitutional debt limit. See "APPENDIX - C" for the computation of full valuation using regular and special State equalization ratios, respectively.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
City of : Oswego	$ 20.45	$ 20.46	$ 20.19	$ 17.91	$ 17.38
Towns of : Minetto	20.45	20.46	20.82	17.91	17.38
Oswego	21.30	21.31	21.03	18.86	18.90
Scriba	23.72	20.46	21.64	19.67	19.32
Sterling	20.45	20.46	20.19	18.47	20.70
Volney	20.45	20.46	20.82	19.06	18.79

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy (1)	$ 29,590,912	$ 29,253,414	$ 29,458,867	$ 26,643,448	$ 26,643,448
Amount Uncollected	1,713,768	1,705,189	1,768,796	1,542,731	N/A
% Uncollected	5.79%	5.83%	6.00%	5.79%	N/A

(1) Gross tax levy prior to adjustments (tax roll additions, shortages, cancellations and refunds).

Tax Collection Procedure

The District's taxes are payable in two equal installments to an appointed tax collector for the District. School taxes levied are collected by the District. The first tax installment is payable during the month of October without penalty. If paid after October 31, a penalty of 2% is imposed from October 1, increasing by 1% each month and capped at 5% through the end of February. The second tax installment is payable during the month of February without penalty. If paid after February 28, a penalty of 1% is imposed from February 1. All unpaid taxes and penalties are turned over to the City and Oswego and Cayuga Counties and additional penalties are added.

Uncollected District taxes in the towns are returned to the respective Counties who reimburse the District in full in the same fiscal year in which the taxes were levied. Uncollected School taxes in the City are returned to the City for collection under Section 1332 of the Real Property Tax Law. The District also includes a tax overlay in its budget.

PILOT Agreement

The District settled a five year Intermunicipal agreement with the County of Oswego, Town of Scriba and Nine Mile I and II. The chart below represents the District's share of the PILOT (Payment In Lieu of Tax) agreement over the life of the PILOT.

Yr 1	2020-2021		$ 20,550,000
Yr 2	2021-2022		20,892,500
Yr 3	2022-2023		20,892,500
Yr 4	2023-2024		20,892,500
Yr 5	2024-2025		20,892,500
		Total	$104,120,000

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Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$81,418,458	$54,337,129	66.74%
2017-2018	78,713,348	50,556,019	64.23
2018-2019	85,259,144	50,486,632	59.22
2019-2020	85,456,223	50,065,044	58.59
2020-2021 (Unaudited)	83,804,808	51,665,314	61.65
2021-2022 (Budgeted)	91,059,811	52,019,990	57.06

Source: 2016-2017 through 2019-2020 Audited Financial Statements, unaudited results for the 2020-2021 fiscal year, and 2021-2022 adopted budgets of the District. This table is not audited.

Larger Taxpayers 2021 for 2021-2022 Tax Roll

Name	Type	Estimated Taxable Full Valuation
Niagara Mohawk	Utility	$ 110,209,861
Oswego Harbor Power	Utility	107,700,987
Novelis Corp	Manufacturing	14,625,600
Erie Blvd Hydropower	Utility	10,829,000
Oswego Development	Real Estate	10,750,000
Wal Mart	Retail	8,400,000
Lowe’s Home Improvement	Retail	5,800,000
DKR Oswego LLC	Commercial	5,600,000
CSX Transportation Inc.	Railway	4,701,217
Eastpointe Apartments LLC	Real Estate	4,130,000

The ten largest taxpayers listed above have a total full valuation of $282,746,665, which represents 19.16% of the 2021-2022 base of the School District.

The District has pending tax certioraris with a total potential liability of $135,729 (excluding interest). The District has a $1,034,491 reserve established for Tax Certioraris.

Source: District officials.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities (“STAR Adjusted Gross Income”) of $90,550 or less for 2021 benefits, increased annually according to a Cost-of-Living adjustment, are eligible for an “enhanced” exemption. Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a “basic” 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 2020-21 Executive Budget withheld STAR benefits to taxpayers who are delinquent in the payment of their school taxes and lowered the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts that will apply to the 2020-21 school district tax roll for the municipalities applicable to the District:

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
City of:			
Oswego	$ 70,700	$ 30,000	4/9/2021
Towns of:			
Minetto	70,700	30,000	4/9/2021
Oswego	67,170	28,500	4/9/2021
Scriba	64,340	27,300	4/9/2021
Sterling	68,580	29,100	4/9/2021
Volney	66,460	28,200	4/9/2021

$3,629,596 of the District's $26,643,448 school tax levy for the 2020-2021 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2021.

$3,418,920 of the District's $26,643,448 school tax levy for the 2021-2022 fiscal year is expected to be exempted by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2022.

Source: State of New York Department of Taxation and Finance website and District records.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-65%; Commercial-25%; Utilities-5%; and Manufacturing-5%.

The estimated total annual property tax bill of an $80,000 market value residential property located in the District is approximately $3,421 including City, Counties and School District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 of New York State was signed into law by the Governor (the "Tax Cap Law"). The Tax Cap Law applies to virtually all local governments, including school districts (with the exception of New York City and the counties comprising New York City, and the District in New York City, Buffalo, Rochester, Syracuse and Yonkers).

Prior to the enactment of the Tax Cap 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 Cap Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Cap Law, the tax levy of a municipality 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 would be 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 municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Cap 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, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such 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 Cap 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 in the Tax Cap Law 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 cash flow 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 under the Tax Cap Law is an exclusion from the tax levy limitation.

See "THE SCHOOL DISTRICT – Budgetary Procedures and Recent Budget Vote Results" 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 annual debt service is authorized and 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.

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.

Bond resolutions adopted by the Board of Education, authorizing the issuance of bonds, and notes in anticipation of the bonds, must be submitted for approval by the qualified electors of the District. No down payment is required in connection with the issuance of District obligations.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the 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 bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30th:	2017	2018	2019	2020	2021
Bonds	$ 48,940,000	$ 43,230,000	$ 38,497,000	$ 33,971,000	$ 26,680,000
Bond Anticipation Notes	0	0	0	0	26,000,000
Energy Performance Contract [1]	1,025,495	500,282	0	0	0
Total Debt Outstanding	$ 49,965,495	$ 43,730,285	$ 38,497,000	$ 33,971,000	$ 52,680,000

[1] In 2005, the District issued an Energy Performance Contract to finance energy improvements in the amount of $5,463,738. The District fully paid off the Energy Performance Contract in June of 2019.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of October 13, 2021.

Type of Indebtedness	Maturity	Amount
Bonds	2021-2030	$ 27,495,000
Bond Anticipation Notes:		
Capital Project	July 22, 2022	35,000,000
	Total Indebtedness	$ 62,495,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 13, 2021:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios
Five-year Average Full Valuation of Taxable Real Property.....	$ 1,470,946,702	$ 1,462,362,107
Debt Limit - 5% thereof	73,547,335	73,118,105
Inclusions:		
Bonds..	$ 27,495,000	$ 27,495,000
Bond Anticipation Notes..	35,000,000	35,000,000
Total Inclusions..	$ 62,495,000	$ 62,495,000
Exclusions:		
Appropriations...	$ 4,310,000	$ 4,310,000
Total Exclusions..	$ 4,310,000	$ 4,310,000
Total Net Indebtedness [1][2] …………………………………….	$ 58,185,000	$ 58,185,000
Ner Debt-Contracting Margin [3]………………………………..	$ 15,362,335	$ 14,933,105
The percent of debt contracting power exhausted is...............	79.11%	79.58%

(1) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Article 12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(2) Based on preliminary 2021-2022 building aid ratios, the District anticipates State building aid of approximately 88.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding serial bonds. However, due to the current calculated Debt Limit, the District will not exceed its Debt Limit with this authorization and existing applicable debt.

(3) Tax anticipation notes and revenue anticipation notes are not included in the computation of the constitutional debt limit of the District.

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.

In accordance with Section 104.00 of the New York State Local Finance Law, the New York State Board of Regents and the Office of the State Comptroller have consented to the District's issuance of its obligations in excess of the Constitutional debt limit, in the principle amount not to exceed $57,200,000, to finance the capital project. The District received consent to exceed its debt limit from the Board of Regents on April 9, 2019 and the Office of the State Comptroller.

Bonded Debt Service

A schedule of bonded debt service, including the principal of the Bonds, may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District has not issued tax anticipation notes since the 2007-2008 fiscal year, and does not expect to issue such notes in the current fiscal year. The District, historically, does not issue revenue anticipation notes, and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On December 18, 2018, District voters approved a capital improvement project in the amount of $63.1 million. The project will be funded with Capital Reserve Funds of $5.9 million and the issuance of $57.2 million bond anticipation notes and/or serial bonds.

During the capital construction project noted above, soil contamination was found in the fields adjacent to the Frederick Leighton School. This remediation is being completed through an Emergency Project, approved by New York State Facilities Planning and will be eligible for aid in 2022-23 fiscal year.

The District typically issues serial bonds annually for the purchase of buses.

There are no other capital projects authorized or contemplated by the District.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Cayuga	12/31/2019	$ 53,016,258	$ 28,140,467	$ 24,875,791	0.07%	$ 17,413
Oswego	12/31/2019	5,002,581	667,581	4,335,000	23.71%	1,027,829
City of:						
Oswego	12/31/2019	50,499,953	40,054,836	10,445,117	100.00%	10,445,117
Town of:						
Minetto	12/31/2019	-	-	-	95.74%	-
Oswego	12/31/2019	1,036,931	133,431	903,500	85.13%	769,150
Scriba	12/31/2019	9,917,191	9,917,191	-	81.90%	-
Sterling	12/31/2019	2,438,000	2,438,000	-	1.45%	-
Volney	12/31/2019	12,592,849	11,407,849	1,185,000	4.48%	53,088
					Total:	$ 12,312,596

Notes:

(1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and/or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

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

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Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of October 13, 2021:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 58,185,000	$ 1,820.56	3.80%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	70,497,596	2,205.81	4.60%

(a) The 2019 estimated population of the District is 31,960. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for 2021-2022 using regular equalization rates is $1,532,651,731. (See "TAX INFORMATION – Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $12,312,596 (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

The Federal Bankruptcy Code allows public bodies 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to Districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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."

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

MARKET AND RISK FACTORS

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

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

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

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

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds 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 Bonds 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 Bonds, or the tax status of interest on the Bonds. 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 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 some businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District. (See “THE SCHOOL DISTRICT – State Aid” herein.)

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Bonds and other amounts and require that certain earnings be rebated to the federal government. The District will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Bonds. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Bonds is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Bonds.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Bonds is not included in 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. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Bonds. Any such future legislation would have an adverse effect on the market value of the Bonds.

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

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds 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 Bonds and interest thereon, without limitation as to rate or amounts (ii) interest on the Bonds 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 Bonds 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 Bonds 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 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. It is to be understood that the rights of the holders of the Bonds 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.

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 Bonds, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

LITIGATION

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

There are currently tax certiorari claims requesting reduction of assessments pending. The outcome of the tax certiorari claims is undeterminable at this time.

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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds 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 warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Bonds.

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 Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

BOND RATING

The Bonds are not rated. Subject to the approval of the District, the purchaser(s) of the Bonds 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 may result in a material event notification to be posted to EMMA which is required by the District.

Moody's Investors Service ("Moody's") has assigned their rating of "A1" Enhanced and "A1" Underlying to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, and any explanation of the significance of such rating may be obtained from Moody's Investors Service, Inc., World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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

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 Bonds.

Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, 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 Bonds, 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 Bonds 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 SEC.

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

The District contact information is as follows: Nancy M. Squairs, Executive Director of Business and Finance, 120 East First Street, Oswego, New York 13126, Phone: (315) 341-2044 Fax: (315) 341-2912, Email: nsquairs@oswego.org

The School District's Bond Counsel contact information is as follows: Paul W. Reichel, Esq., Bond, Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York 13202, Phone: (315) 218-8135, Fax: (315) 218-8100, E-Mail: preichel@bsk.com.

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 and www.fiscaladvisorsauction.com

CITY SCHOOL DISTRICT OF THE CITY OF OSWEGO

Dated: October 13, 2021

HEATHER DELCONTE
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
ASSETS					
Cash and cash equivalents	$ 13,926,435	$ 16,992,412	$ 17,171,749	$ 13,535,218	$ 16,211,689
Restricted Cash	-	-	-	-	-
Accounts Receivable	4,838,585	4,440,403	4,915,056	5,537,063	5,669,933
Due from other funds	2,228,475	2,931,054	2,507,871	2,808,283	3,159,217
Prepaid expense-health	-	-	-	-	-
TOTAL ASSETS	$ 20,993,495	$ 24,363,869	$ 24,594,676	$ 21,880,564	$ 25,040,839
LIABILITES AND FUND EQUITY					
Accounts Payable	$ 491,732	$ 379,472	$ 431,289	$ 281,446	$ 1,384,103
Accrued Liabilities	1,525,483	1,351,398	1,523,250	1,892,412	1,371,908
Due to Other Funds	126,084	240,341	-	281,674	243,427
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	4,099,961	3,343,060	3,075,297	3,498,692	3,092,010
Due to Employees' Retirement System	272,175	262,218	250,888	258,921	260,677
Compensated Absences	84,444	84,444	84,444	84,444	152,457
Deferred Revenues	1,200,022	914,152	1,181,287	1,011,969	1,377,936
TOTAL LIABILITIES	$ 7,799,901	$ 6,575,085	$ 6,546,455	$ 7,309,558	$ 7,882,518
FUND EQUITY					
Nonspendable	$ 584,152	$ 505,690	$ 508,494	$ 417,901	$ 295,758
Restricted	7,887,326	12,517,924	11,967,297	10,471,605	11,682,451
Assigned	57,299	1,451,606	2,207,827	240,129	1,639,894
Unassigned	4,664,817	3,313,564	3,364,603	3,441,371	3,540,218
TOTAL FUND EQUITY	$ 13,193,594	$ 17,788,784	$ 18,048,221	$ 14,571,006	$ 17,158,321
TOTAL LIABILITES and FUND EQUITY	$ 20,993,495	$ 24,363,869	$ 24,594,676	$ 21,880,564	$ 25,040,839

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:	2015	2016	2017	2018	2019
REVENUES					
Real Property Taxes	$ 45,977,296	$ 23,352,908 [1]	$ 24,428,272	$ 24,691,465	$ 24,965,267
Real Property Tax Items	8,895,206	32,817,453 [1]	29,908,857	25,864,554	25,521,365
Charges for Services	37,562	151,906	196,762	157,432	72,784
Use of Money & Property	108,069	125,025	150,478	216,326	202,518
Sale of Property and			-		
Compensation for Loss	48,116	103,875	83,975	75,179	1,445,347
Miscellaneous	2,613,567	1,974,997	2,504,921	2,435,653	2,221,149
Interfund Revenues	32,032	55,965	55,602	49,681	49,624
Revenues from State Sources	20,008,783	20,726,632	23,732,700	24,801,850	30,254,195
Revenues from Federal Sources	101,641	322,783	356,891	321,208	345,134
Total Revenues	$ 77,822,272	$ 79,631,544	$ 81,418,458	$ 78,613,348	$ 85,077,383
Other Sources:					
Interfund Transfers	100,000	500,000	-	100,000	181,761
Total Revenues and Other Sources	$ 77,922,272	$ 80,131,544	$ 81,418,458	$ 78,713,348	$ 85,259,144
EXPENDITURES					
General Support	$ 8,510,401	$ 8,722,715	$ 8,259,424	$ 8,955,461	$ 8,941,528
Instruction	36,239,010	34,752,240	34,430,249	36,001,604	39,388,524
Pupil Transportation	2,700,251	5,441,173	2,617,395	2,783,216	3,006,455
Employee Benefits	25,341,991	21,785,635	21,966,303	22,088,365	23,638,723
Debt Service	7,471,602	8,200,354	8,670,312	8,525,265	7,749,629
Total Expenditures	$ 80,263,255	$ 78,902,117	$ 75,943,683	$ 78,353,911	$ 82,724,859
Other Uses:					
Interfund Transfers	100,000	107,941	879,585	100,000	6,011,500
Total Expenditures and Other Uses	$ 80,363,255	$ 79,010,058	$ 76,823,268	$ 78,453,911	$ 88,736,359
Excess (Deficit) Revenues Over Expenditures	(2,440,983)	1,121,486	4,595,190	259,437	(3,477,215)
FUND BALANCE					
Fund Balance - Beginning of Year	14,513,091	12,072,108	13,193,594	17,788,784	18,048,221
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 12,072,108	$ 13,193,594	$ 17,788,784	$ 18,048,221	$ 14,571,006

[1] Significant change from prior year due to PILOT agreement with Constellation Energy Nuclear Group, LLC.
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:	2020			2021	2022
	Adopted Budget	Amended Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 29,458,867	$ 25,295,919	$ 24,907,401	$ 47,193,448 [(1)]	$ 51,904,990
Real Property Tax items	21,081,249	25,244,197	25,157,643	4,522,492	115,000
Non-property taxes	75,000	75,000	-	-	-
Charges for Services	7,250	7,250	27,519	80,750	32,700
Use of Money & Property	105,000	105,000	127,775	154,500	12,000
Sale of Property and Compensation for Loss	264,000	264,000	90,567	244,000	25,829
Miscellaneous	1,685,000	1,685,000	2,794,573	1,644,249	940,000
Interfund Revenues	40,000	40,000	54,285	40,000	40,000
Revenues from State Sources	32,917,908	32,917,908	31,583,705	33,488,205	37,789,292
Revenues from Federal Sources	300,000	300,000	612,755	200,000	200,000
Total Revenues	$ 85,934,274	$ 85,934,274	$ 85,356,223	$ 87,567,644	$ 91,059,811
Other Sources:					
Appropriated Reserves	$ -	$ -	$ -	$ -	$ -
Appropriated Fund Balance	-	-	-	837,811	-
Prior Year Encumbrances	240,129	240,129	-	-	-
Interfund Transfers	100,000	100,000	100,000	100,000	100,000
Total Revenues and Other Sources	$ 86,274,403	$ 86,274,403	$ 85,456,223	$ 88,505,455	$ 91,159,811
EXPENDITURES					
General Support	$ 9,828,087	$ 9,877,072	$ 9,118,938	$ 9,995,803	$ 10,058,920
Instruction	42,444,788	42,633,879	40,748,920	43,313,904	45,377,880
Pupil Transportation	3,255,503	3,346,090	2,898,454	3,347,247	3,198,686
Employee Benefits	23,363,919	23,047,786	22,768,023	24,611,575	25,251,746
Debt Service	7,282,106	7,167,106	7,132,103	7,136,925	7,122,579
Total Expenditures	$ 86,174,403	$ 86,071,933	$ 82,666,438	$ 88,405,455	$ 91,009,811
Other Uses:					
Interfund Transfers	100,000	202,470	202,470	100,000	150,000
Total Expenditures and Other Uses	$ 86,274,403	$ 86,274,403	$ 82,868,908	$ 88,505,455	$ 91,159,811
Excess (Deficit) Revenues Over Expenditures	-	-	2,587,315	$ -	$ -
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	14,571,006	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 17,158,321	$ -	$ -

[(1)] Significant increase from prior year due to the addition of the Constellation Energy Nuclear Group, LLC to the District's tax rolls.

Source: 2020 Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Excluding the Bonds to be Issued			Principal of the Bonds	Total Principal All Bonds
	Principal	Interest	Total		
2022	$ 5,495,000	$ 1,238,659.59	$ 6,733,659.59	$ -	$ 5,495,000
2023	5,525,000	1,017,493.13	6,542,493.13	215,000	5,740,000
2024	5,645,000	772,731.25	6,417,731.25	225,000	5,870,000
2025	4,350,000	528,847.50	4,878,847.50	225,000	4,575,000
2026	1,585,000	330,595.00	1,915,595.00	230,000	1,815,000
2027	1,600,000	273,325.00	1,873,325.00	230,000	1,830,000
2028	1,670,000	203,625.00	1,873,625.00	-	1,670,000
2029	1,650,000	130,962.50	1,780,962.50	-	1,650,000
2030	1,160,000	58,000.00	1,218,000.00	-	1,160,000
TOTALS	$ 28,680,000	$ 4,554,238.96	$ 33,234,238.96	$ 1,125,000	$ 29,805,000

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Capital Project Principal	Interest	Total
2022	$ 525,000	$ 69,625	$ 594,625
2023	550,000	42,750	592,750
2024	580,000	14,500	594,500
TOTALS	$ 1,655,000	$ 126,875	$ 1,781,875

Fiscal Year Ending June 30th	2013 Capital Project Principal	Interest	Total	2014 BOCES Capital Project Principal	Interest	Total
2022	$ 65,000	$ 26,350	$ 91,350	$ 450,000	$ 113,525	$ 563,525
2023	70,000	23,100	93,100	465,000	103,963	568,963
2024	75,000	19,600	94,600	475,000	92,338	567,338
2025	80,000	15,850	95,850	485,000	79,275	564,275
2026	80,000	11,850	91,850	500,000	64,725	564,725
2027	85,000	7,850	92,850	515,000	49,725	564,725
2028	90,000	3,600	93,600	530,000	34,275	564,275
2029	-	-	-	545,000	17,713	562,713
TOTALS	$ 545,000	$ 108,200	$ 653,200	$ 3,965,000	$ 555,538	$ 4,520,538

Fiscal Year Ending June 30th	2016 Capital Project - DASNY Principal	Interest	Total	2020 Bus Acquisition Principal	Interest	Total
2022	$ 790,000	$ 424,250	$ 1,214,250	$ 40,000	$ 3,683	$ 43,683
2023	830,000	384,750	1,214,750	45,000	1,890	46,890
2024	875,000	343,250	1,218,250	45,000	1,350	46,350
2025	915,000	299,500	1,214,500	45,000	810	45,810
2026	960,000	253,750	1,213,750	45,000	270	45,270
2027	1,000,000	215,750	1,215,750	-	-	-
2028	1,050,000	165,750	1,215,750	-	-	-
2029	1,105,000	113,250	1,218,250	-	-	-
2030	1,160,000	58,000	1,218,000	-	-	-
TOTALS	$ 8,685,000	$ 2,258,250	$ 10,943,250	$ 220,000	$ 8,003	$ 228,003

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2016 Bus Principal		2016 Bus Interest		2016 Bus Total	
2022	$	200,000	$	1,520	$	201,520
TOTALS	$	200,000	$	1,520	$	201,520

Fiscal Year Ending June 30th	2017 Buses Principal		2017 Buses Interest		2017 Buses Total		2017 DASNY Refunding Principal		2017 DASNY Refunding Interest		2017 DASNY Refunding Total	
2022	$	125,000	$	3,672	$	128,672	$	3,005,000	$	576,600	$	3,581,600
2023		125,000		1,250		126,250		3,135,000		446,700		3,581,700
2024		-		-		-		3,285,000		295,100		3,580,100
2025		-		-		-		2,635,000		131,750		2,766,750
TOTALS	$	250,000	$	4,922	$	254,922	$	12,060,000	$	1,450,150	$	13,510,150

Fiscal Year Ending June 30th	2018 Buses Principal		2018 Buses Interest		2018 Buses Total		2019 Buses Principal		2019 Buses Interest		2019 Buses Total	
2022	$	115,000	$	8,553	$	123,553	$	180,000	$	10,881	$	190,881
2023		120,000		5,175		125,175		185,000		7,916		192,916
2024		120,000		1,725		121,725		190,000		4,869		194,869
2025		-		-		-		190,000		1,663		191,663
TOTALS	$	355,000	$	15,453	$	370,453	$	745,000	$	25,328	$	770,328

COMPUTATION OF FULL VALUATION

Using Regular State Equalization Rates

For Fiscal Year Ending June 30:		2018	2019	2020	2021	2022
Taxable Assessed Valuation						
City of:	Oswego	$ 807,017,869	$ 812,725,666	$ 814,247,319	$ 830,545,700	$ 853,265,158
Towns of:	Minetto	96,490,002	97,230,871	96,869,814	97,123,525	97,465,918
	Oswego	206,938,878	207,999,652	208,543,405	208,734,432	211,139,720
	Scriba	268,312,405	287,349,873	290,066,367	293,333,939	300,580,553
	Sterling	3,265,752	3,265,160	3,430,598	3,580,415	3,593,399
	Volney	12,479,724	12,554,629	12,859,122	13,020,709	13,102,358
Total Assessed Valuation		$ 1,394,504,630	$ 1,421,125,851	$ 1,426,016,625	$ 1,446,338,720	$ 1,479,147,106
State Equalization Rates						
City of:	Oswego	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:	Minetto	100.00%	100.00%	97.00%	100.00%	100.00%
	Oswego	96.00%	96.00%	96.00%	95.00%	92.00%
	Scriba	86.20%	100.00%	93.30%	91.00%	90.00%
	Sterling	100.00%	100.00%	100.00%	97.00%	84.00%
	Volney	100.00%	100.00%	97.00%	94.00%	92.50%
Taxable Full Valuation						
City of:	Oswego	$ 807,017,869	$ 812,725,666	$ 814,247,319	$ 830,545,700	$ 853,265,158
Towns of:	Minetto	96,490,002	97,230,871	99,865,788	97,123,525	97,465,918
	Oswego	215,561,331	216,666,304	217,232,714	219,720,455	229,499,696
	Scriba	311,267,291	287,349,873	310,896,428	322,344,988	333,978,392
	Sterling	3,265,752	3,265,160	3,430,598	3,691,149	4,277,856
	Volney	12,479,724	12,554,629	13,256,827	13,851,818	14,164,711
Total Full Valuation		$ 1,446,081,969	$ 1,429,792,503	$ 1,458,929,673	$ 1,487,277,635	$ 1,532,651,731

Using Special State Equalization Ratios

Year of Assessment Roll		2017	2018	2019	2020	2021
For Fiscal Year Ending June 30:		2018	2019	2020	2021	2022
Special Equalization Ratios						
City of:	Oswego	99.30%	98.40%	98.69%	99.76%	N/A
Towns of:	Minetto	96.70%	100.13%	99.56%	99.20%	N/A
	Oswego	96.07%	95.19%	94.64%	94.09%	N/A
	Scriba	89.61%	90.17%	90.17%	90.61%	N/A
	Sterling	99.36%	96.15%	94.89%	93.65%	N/A
	Volney	96.85%	93.23%	92.70%	92.44%	N/A
Taxable Full Valuation						
City of:	Oswego	$ 812,706,817	$ 825,940,717	$ 825,055,547	$ 832,543,805	N/A
Towns of:	Minetto	99,782,836	97,104,635	97,297,925	97,906,779	N/A
	Oswego	215,404,266	218,509,982	220,354,401	221,845,501	N/A
	Scriba	299,422,391	318,675,694	321,688,330	323,732,413	N/A
	Sterling	3,286,787	3,395,902	3,615,342	3,823,187	N/A
	Volney	12,885,621	13,466,297	13,871,761	14,085,579	N/A
Total Full Valuation		$ 1,443,488,718	$ 1,477,093,228	$ 1,481,883,305	$ 1,493,937,264	N/A

Note: The District's constitutional debt limit has been computed using special equalization ratios established by the Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by said State Board, and are used for all other purposes.

Special Equalization Ratios for the 2021 Assessment Roll (2021-2022 School District Tax Roll) are not available as of the date of this Official Statement.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided,

(i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated October 13, 2021 of the District relating to the Bonds under the headings "THE DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendices D, & E, and other than any Appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2021, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2021; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(a) principal and interest payment delinquencies

(b) non-payment related defaults; if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of Bondholders; if material

(h) bond calls, if material, and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Bonds; if material

(k) rating changes

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

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

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

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

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

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

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

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for 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.

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

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

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

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

A “Continuing Disclosure Undertaking Certificate” to this effect shall be provided to the purchaser at closing.

CITY SCHOOL DISTRICT OF THE CITY OF OSWEGO

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2020

Such Audited Financial Statement and opinion 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.

OSWEGO CITY SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2020

MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

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MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Oswego City School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Oswego City School District, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oswego City School District, New York, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–14 and 51–55 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 Oswego City School District, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020 on our consideration of the Oswego City School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oswego City School District, New York's internal control over financial reporting and compliance.

Rochester, New York
October 19, 2020

Mengel, Metzger, Barr & Co. LLP

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Oswego City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2020

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2020. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded its total assets plus deferred outflows (what the district owns) by $213,015,357 (net position) an increase of $9,143,348 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of $16,771,798, a decrease of $4,226,943 in comparison with the prior year.

General revenues which include Federal and State Aid and Real Property Taxes accounted for $85,690,677 or 94% of all revenues. Program specific revenues in the form of Charges for services and Operating Grants and Contributions accounted for $5,295,855 or 6% of total revenues.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

> The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
>
> The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Government-Wide Statements

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

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

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

Financial Analysis of the School District As A Whole

Net Position

The District's combined net position on June 30, 2020 totaled a deficit of $213,015,357 which is $9,143,348 lower than the prior year.

	Governmental Activities 2020	Governmental Activities 2019	Total Variance
ASSETS:			
Current and Other Assets	$ 32,078,287	$ 31,320,027	$ 758,260
Capital Assets	83,538,392	79,074,643	4,463,749
Total Assets	**$ 115,616,679**	**$ 110,394,670**	**$ 5,222,009**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows of Resources	**$ 35,424,656**	**$ 32,010,664**	**$ 3,413,992**
LIABILITIES:			
Long-Term Debt Obligations	$ 293,007,294	$ 295,367,789	$ (2,360,495)
Other Liabilities	9,347,853	6,351,560	2,996,293
Total Liabilities	**$ 302,355,147**	**$ 301,719,349**	**$ 635,798**
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of Resources	**$ 61,701,545**	**$ 62,844,690**	**$ (1,143,145)**
NET POSITION:			
Net Investment in Capital Assets	$ 48,668,984	$ 40,585,165	$ 8,083,819
Restricted For,			
Employment Retirement System	2,526,774	2,526,774	-
Capital Projects	-	6,221,875	(6,221,875)
Unemployment Insurance Reserve	3,374,665	2,163,819	1,210,846
Accrued benefit liability reserve	2,195,240	2,195,240	-
Other Purposes	4,394,079	4,139,502	254,577
Unrestricted	(274,175,099)	(279,991,080)	5,815,981
Total Net Position	**$ (213,015,357)**	**$ (222,158,705)**	**$ 9,143,348**

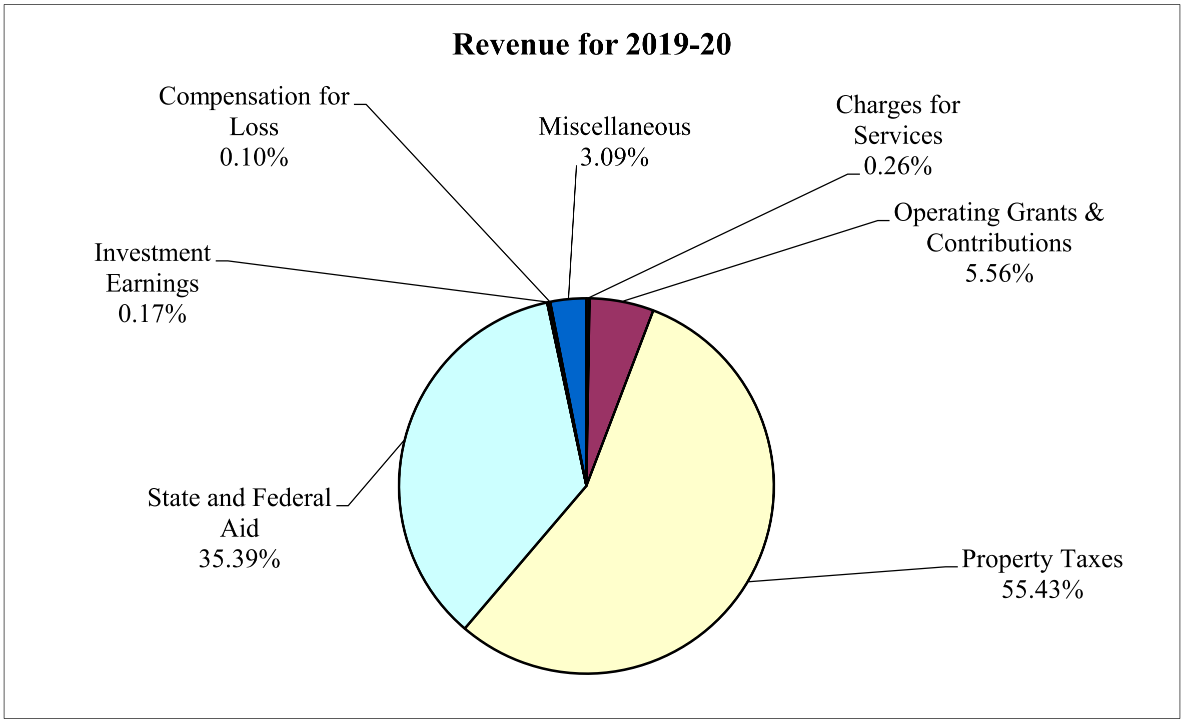
By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District reports deficit unrestricted net position and total net position as a result of the recognition of the OPEB obligation which decreased $2,464,433 in the current year and included in long-term debt obligations. Current and Other Assets increased as a result of increases in the TRS net pension asset and receivables.

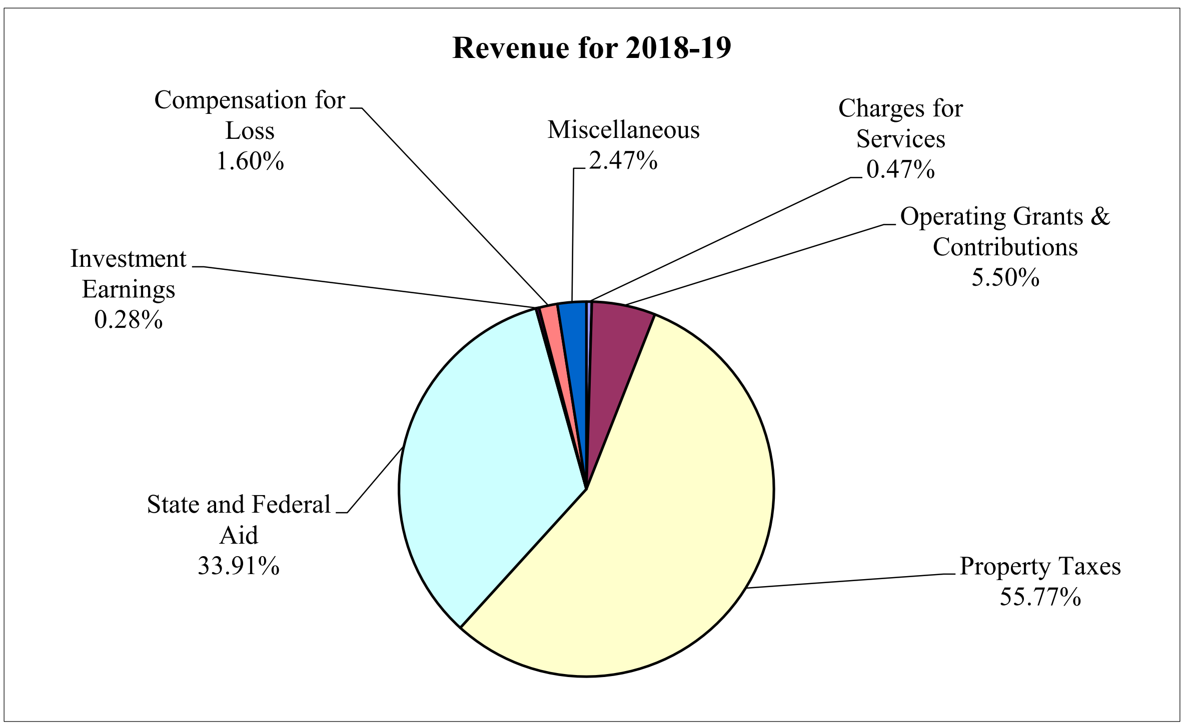
Changes in Net Position

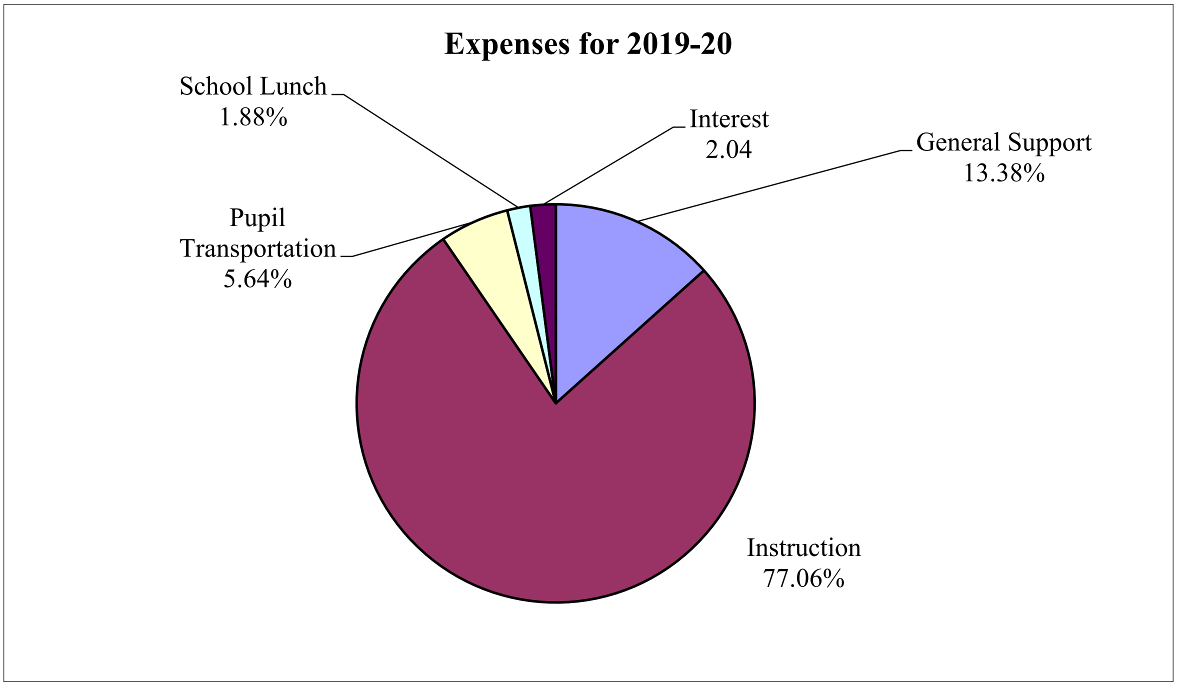
The District's total revenue increased 1% to $90,986,532. State and federal aid 35% and property taxes 55% accounted for most of the District's revenue. The remaining 10% of the revenue comes from charges for services, operating grants, investment earnings, compensation for loss, and miscellaneous revenues.

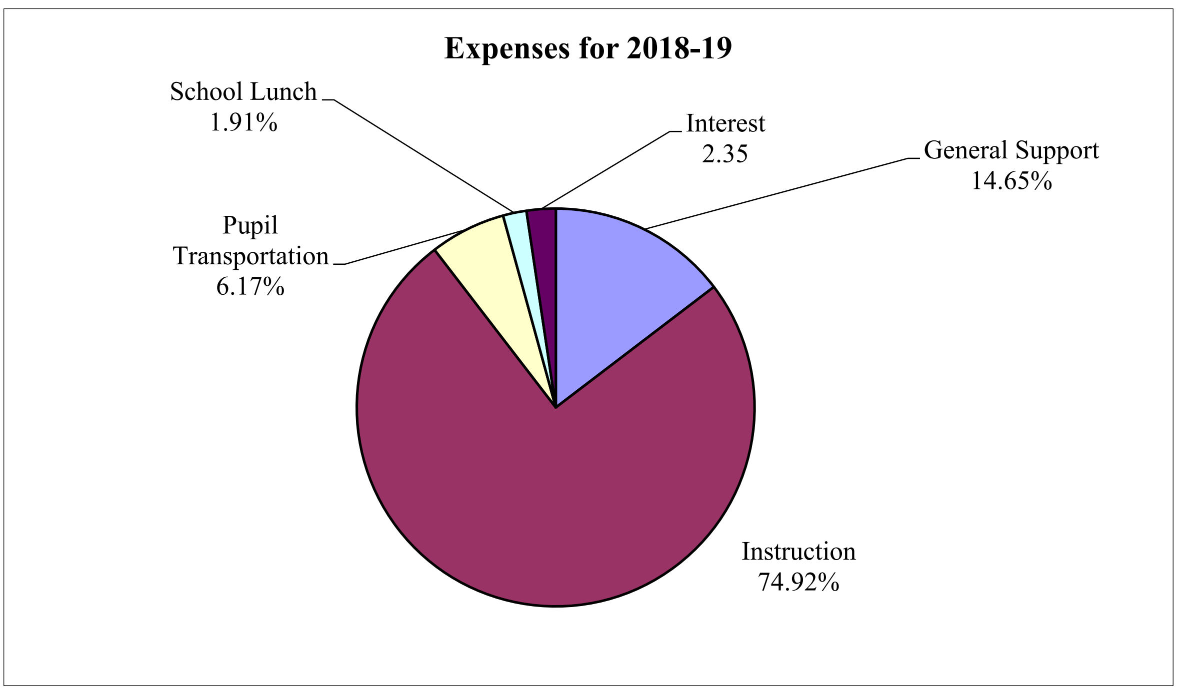
The total cost of all the programs and services increased 2% to $81,843,184. The District's expenses are predominately related to education and caring for the students (Instruction) 77%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 13% of the total costs. See table below:

	Governmental Activities 2020	Governmental Activities 2019	Total Variance
REVENUES:			
Program -			
Charges for Service	$ 238,026	$ 422,786	$ (184,760)
Operating Grants & Contributions	5,057,829	4,964,435	93,394
Total Program	$ 5,295,855	$ 5,387,221	$ (91,366)
General -			
Property Taxes	$ 50,431,011	$ 50,317,314	$ 113,697
State and Federal Aid	32,196,460	30,599,329	1,597,131
Investment Earnings	157,435	249,315	(91,880)
Compensation for Loss	90,567	1,445,347	(1,354,780)
Miscellaneous	2,815,204	2,229,922	585,282
Total General	$ 85,690,677	$ 84,841,227	$ 849,450
TOTAL REVENUES	**$ 90,986,532**	**$ 90,228,448**	**$ 758,084**
EXPENSES:			
General Support	$ 10,948,053	$ 11,772,920	$ (824,867)
Instruction	63,072,023	60,223,072	2,848,951
Pupil Transportation	4,614,016	4,957,900	(343,884)
School Lunch	1,536,840	1,531,784	5,056
Interest	1,672,252	1,896,208	(223,956)
TOTAL EXPENSES	**$ 81,843,184**	**$ 80,381,884**	**$ 1,461,300**
INCREASE IN NET POSITION	**$ 9,143,348**	**$ 9,846,564**	
NET POSITION, BEGINNING OF YEAR	(222,158,705)	(232,005,269)	
NET POSITION, END OF YEAR	**$ (213,015,357)**	**$ (222,158,705)**	


Revenue for 2019-20
Compensation for Loss 0.10%
Miscellaneous 3.09%
Charges for Services 0.26%
Operating Grants & Contributions 5.56%
Investment Earnings 0.17%
State and Federal Aid 35.39%
Property Taxes 55.43%


Revenue for 2018-19
Compensation for Loss 1.60%
Miscellaneous 2.47%
Charges for Services 0.47%
Operating Grants & Contributions 5.50%
Investment Earnings 0.28%
State and Federal Aid 33.91%
Property Taxes 55.77%


Expenses for 2019-20
School Lunch
1.88%
Interest
2.04
General Support
13.38%
Pupil
Transportation
5.64%
Instruction
77.06%


Expenses for 2018-19
School Lunch
1.91%
Interest
2.35
General Support
14.65%
Pupil
Transportation
6.17%
Instruction
74.92%

Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of $16,771,798 which is less than last year's ending fund balance of $20,998,741.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was $17,158,321. Fund balance for the General Fund increased by $2,587,315 compared with the prior year. See table below:

General Fund Balances:	2020	2019	Total Variance
Nonspendable	$ 295,758	$ 417,901	$ (122,143)
Restricted	11,682,451	10,471,605	1,210,846
Assigned	1,639,894	240,129	1,399,765
Unassigned	3,540,218	3,441,371	98,847
Total General Fund Balances	**$ 17,158,321**	**$ 14,571,006**	**$ 2,587,315**

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $240,129 which is attributable to $240,129 of carryover encumbrances from the 2018-19 school year.

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

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Miscellaneous	$1,109,573	Stop Loss Insurance refunds; Larger BOCES refund than expected
State Sources	($1,334,203)	20% reduction in June State Aid June payments
Expenditures Items:	**Budget Variance Amended Vs. Actual**	**Explanation for Budget Variance**
Teaching-Regular School	$1,006,186	Lower costs incurred due to the closing of schools for the COVID 19 Pandemic

Capital Asset and Debt Administration

Capital Assets

By the end of the 2019-20 fiscal year, the District had invested $83,538,392 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	2020	2019
Land	$ 1,020,361	$ 1,020,361
Work in Progress	8,952,793	2,148,516
Buildings and Improvements	69,046,438	71,479,612
Machinery and Equipment	4,518,800	4,426,154
Total Capital Assets	**$ 83,538,392**	**$ 79,074,643**

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

Long-Term Debt

At year end, the District had $293,007,294 in general obligation bonds and other long-term debt outstanding as follows:

Type	2020	2019
Serial Bonds	$ 33,971,000	$ 38,497,000
Workers' Comp Claims	150,162	212,113
OPEB	250,191,509	252,655,942
Net Pension Liability	6,155,911	1,611,341
BOCES Obligation	337,128	337,128
Compensated Absences	2,201,584	2,054,265
Total Long-Term Obligations	**$ 293,007,294**	**$ 295,367,789**

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

Factors Bearing on the District's Future

Property Tax Cap:
During 2011 the Governor signed Chapter 97 of the Laws of 2011, Part A- Property Tax Cap, affecting all local governments and establishing a property tax cap. The tax cap went into effect for the District's 2012-13 budget and under this law the growth in the property tax levy, the total amount to be raised through property taxes charged on the District's taxable assessed value of property, is capped at two percent or the rate of inflation, whichever is less, with some exceptions. Additionally, the district will have debt falling off that also affects the district ability to raise taxes. A 63.1 M capital project was approved by the voters and although tiered over five phases should help to mitigate the debt fall off.

Tax Freeze Legislation:
Chapter 59 of the Laws of 2014 (Part FF) established a property tax freeze. This legislation generally provides that certain taxpayers who reside within a freeze compliant taxing jurisdiction will receive a credit. To be considered freeze compliant, a taxing jurisdiction must certify to the State Comptroller, the Commissioner of Taxation and Finance and the Commissioner of the State Education Department that the adopted budget is within the State Property Tax Cap.

PILOT Agreements:
The District's has settled a five year Intermunicipal agreement with the County of Oswego, Town of Scriba and Nine Mile I and II. The chart below represents the district's share of the PILOT agreement over the life of the PILOT. Where the last PILOT was deescalating, this PILOT agreement stabilizes the district revenue.

Fiscal Year	Payment	Decrease
2020-2021	20,550,000	
2021-2022	20,892,500	342,000
2022-2023	20,892,500	0
2023-2024	20,892,500	0
2024-2025	20,892,500	0
Total	104,120,000	

Post-Employment Health Benefits:
In fiscal year 2009, the District was required to report more accurately post-employment benefit costs. An actuarial study to calculate the total post-employment benefit liability was performed. The District has elected to recognize these costs of $250 million over thirty years.

Retirement System Contributions:
The Districts' pension contribution for the Employees' Retirement System is tiered. The district is anticipating that both ERS and TRS rates will increase for the 2021-22 school year. We are anticipating increased costs due to the COVID-19 Pandemic with more people retiring and the decreased rate of return from the stock market.

Employee Contract Negotiations:
The CSEA bargaining unit contract has settled and expires in 6/2021. The OCTA Teachers contract was settled for a one year rollover on prior negotiated items from the last negotiation. We are scheduling negotiations with all 4 bargaining groups including AAP, Administrators and COOSA, Support Administrators.

Annual Professional Performance Review (APPR):
APPR regulations from the NY State Department of Education require school districts and BOCES to annually evaluate the performance of probationary and tenured teachers providing instructional and pupil personnel services. The procedures for evaluating teachers are a mandatory subject of collective bargaining and have resulted in additional mandated costs for the District.

Common Core Learning Standards:
As part of the Regents Reform Agenda, New York State has embarked on a comprehensive reform initiative to ensure that schools prepare students with the knowledge and skills they need to succeed in college and in their careers. The Board of Regents adopted the Common Core State Standards for English Language Arts & Literacy and Mathematics creating Common Core Learning Standards (CCLS) in 2011.

The NYS Board of Regents adopted the newly revised ELA and Mathematics Learning Standards on September 11, 2017. The implementation timeline projected over the coming years includes awareness during the 2017-2018 school year and capacity building for the school years of 2018-2019 and 2019-2020 with the full implementation to take place September of 2020. This will have a direct impact on the professional development required during the next several years as well as additional costs.

Next Generation Learning Standards:
The Board of Regents adopted the newly revised English Language Arts and Mathematics Learning Standards on September 11, 2017. The new standards have been the result of over two years of collaborative work to ensure New York State has the best learning standards for our students. Over 130 educators and parents worked together to make recommendations and revise the standards, resulting in a new set of revised English Language Arts and Mathematics Learning Standards. New standards will also be rolled out in the future for Science and Social Studies.

Online Computer Based Testing:
The New York State Education Department continues to transition to computer-based testing (CBT) as part of its commitment to both meeting the needs of 21st century learners and improving test delivery, test integrity, scoring validity, and turn-around time on testing results.
Beginning with 2016, New York State started administering some statewide assessments on computer. Grades 3-8 computer based testing is expected to be fully implemented in 2020. This will also add additional costs to the district.

Lead & Carbon Monoxide Testing
New York State has adopted a rule that amends the Uniform Fire Prevention and Building Code by adding provisions requiring the installation of carbon monoxide detection in all new and existing commercial buildings that have appliances, devices or systems that may emit carbon monoxide, effective on June 27, 2015. Carbon Monoxide detectors with 10 year batteries have been installed at all locations where necessary.

In September 2016, legislation was passed requiring all school districts and Boces in NYS to test potable water systems for lead contamination and take responsive actions. The district did test all potable sources and implemented short term measures to correct these issues.

While these efforts keep the school district in compliance, long term corrections need to be put in place and included as part of any new capital project.

COVID -19
The District Elementary schools are open in a hybrid model with half of the students going two days a week on Mon/Tues and the other half attending on Thurs/Fri. There are some elementary students that are remote as well. Per the guidance from the Governor, the district created a plan to social distance students in the classroom and on buses. Middle school and High school students are fully remote. The district has technology costs, as we have gone to one to one devices for all students and incurred costs for PPE and additional cleaning. This with the potential of a state takeback of aid has the district poised for potential cuts.

<u>Contacting the School District's Financial Management</u>

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

Oswego City School District
Education Center
120 East First Street
Oswego, New York 13126

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2020

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	19,077,505
Accounts receivable		8,284,359
Inventories		71,372
Net pension asset		4,645,051
Capital Assets:		
Land		1,020,361
Work in progress		8,952,793
Other capital assets (net of depreciation)		73,565,238
TOTAL ASSETS	**$**	**115,616,679**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	**$**	**35,424,656**
LIABILITIES		
Accounts payable	$	4,309,996
Accrued liabilities		1,627,589
Unearned revenues		56,940
Due to other governments		641
Due to teachers' retirement system		3,092,010
Due to employees' retirement system		260,677
Long-Term Obligations:		
Due in one year		5,664,070
Due in more than one year		287,343,224
TOTAL LIABILITIES	**$**	**302,355,147**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	**$**	**61,701,545**
NET POSITION		
Net investment in capital assets	$	48,668,984
Restricted For:		
Reserve for employee retirement system		2,526,774
Unemployment insurance reserve		3,374,665
Accrued benefit liability reserve		2,195,240
Other purposes		4,394,079
Unrestricted		(274,175,099)
TOTAL NET POSITION	**$**	**(213,015,357)**

(See accompanying notes to financial statements)

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Statement of Activities

For Year Ended June 30, 2020

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**
Primary Government -				
General support	$ 10,997,153	$ -	$ -	$ (10,997,153)
Instruction	63,022,923	27,519	3,742,369	(59,253,035)
Pupil transportation	4,614,016	-	-	(4,614,016)
School lunch	1,536,840	210,507	1,315,460	(10,873)
Interest	1,672,252	-	-	(1,672,252)
Total Primary Government	**$ 81,843,184**	**$ 238,026**	**$ 5,057,829**	**$ (76,547,329)**
General Revenues:				
Property taxes				$ 50,431,011
State and federal aid				32,196,460
Investment earnings				157,435
Compensation for loss				90,567
Miscellaneous				2,815,204
Total General Revenues				**$ 85,690,677**
Changes in Net Position				$ 9,143,348
Net Position, Beginning of Year				(222,158,705)
Net Position, End of Year				**$ (213,015,357)**

(See accompanying notes to financial statements)

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2020

ASSETS	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 16,211,689	$ 89,252	$ 2,438,107	$ 338,457	$ 19,077,505
Receivables	5,669,933	2,012,310	-	602,116	8,284,359
Inventories	-	-	-	71,372	71,372
Due from other funds	3,159,217	252,993	-	205,870	3,618,080
TOTAL ASSETS	**$ 25,040,839**	**$ 2,354,555**	**$ 2,438,107**	**$ 1,217,815**	**$ 31,051,316**
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	$ 1,384,103	$ 34,682	$ 2,805,728	$ 85,483	$ 4,309,996
Accrued liabilities	1,371,908	21,524	-	16,736	1,410,168
Due to other funds	243,427	2,271,180	205,870	897,603	3,618,080
Due to other governments	-	561	-	80	641
Due to TRS	3,092,010	-	-	-	3,092,010
Due to ERS	260,677	-	-	-	260,677
Compensated absences	152,457	-	-	613	153,070
Unearned revenue	-	27,272	-	29,668	56,940
TOTAL LIABILITIES	**$ 6,504,582**	**$ 2,355,219**	**$ 3,011,598**	**$ 1,030,183**	**$ 12,901,582**
Deferred Inflows -					
Deferred inflows of resources	**$ 1,377,936**	**$ -**	**$ -**	**$ -**	**$ 1,377,936**
Fund Balances -					
Nonspendable	$ 295,758	$ -	$ -	$ 71,372	$ 367,130
Restricted	11,682,451	-	341,350	483,390	12,507,191
Assigned	1,639,894	-	-	-	1,639,894
Unassigned	3,540,218	(664)	(914,841)	(367,130)	2,257,583
TOTAL FUND BALANCE	**$ 17,158,321**	**$ (664)**	**$ (573,491)**	**$ 187,632**	**$ 16,771,798**
TOTAL LIABILITIES AND FUND BALANCES	**$ 25,040,839**	**$ 2,354,555**	**$ 2,438,107**	**$ 1,217,815**	

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	83,538,392
Taxes receivable is deferred for those amounts collected after ninety (90) days on fund basis, while those amounts are recorded as revenue on the full accrual basis.	1,377,936
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(217,421)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(33,971,000)
OPEB	(250,191,509)
Compensated absences	(2,048,514)
Workers' compensation claims	(150,162)
BOCES obligations	(337,128)
Net pension asset	4,645,051
Deferred outflow - pension	20,094,510
Deferred outflow - OPEB	15,330,146
Net pension liability	(6,155,911)
Deferred inflow - pension	(7,125,559)
Deferred inflow - OPEB	(54,575,986)
Net Position of Governmental Activities	**$ (213,015,357)**

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2020

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	$ 50,065,044	$ -	$ -	$ -	$ 50,065,044
Charges for services	27,519	-	-	-	27,519
Use of money and property	127,775	-	-	29,660	157,435
Sale of property and compensation for loss	90,567	-	-	-	90,567
Miscellaneous	2,794,573	31,142	-	20,631	2,846,346
Interfund revenues	54,285	-	-	-	54,285
State sources	31,583,705	967,143	-	41,931	32,592,779
Federal sources	612,755	2,744,084	-	1,273,529	4,630,368
Sales	-	-	-	210,507	210,507
TOTAL REVENUES	**$ 85,356,223**	**$ 3,742,369**	**$ -**	**$ 1,576,258**	**$ 90,674,850**
EXPENDITURES					
General support	$ 9,118,938	$ -	$ -	$ -	$ 9,118,938
Instruction	40,748,920	3,359,883	-	-	44,108,803
Pupil transportation	2,898,454	24,925	902,089	-	3,825,468
Employee benefits	22,768,023	560,031	-	230,423	23,558,477
Debt service - principal	5,437,000	-	-	-	5,437,000
Debt service - interest	1,695,103	-	-	-	1,695,103
Cost of sales	-	-	-	599,575	599,575
Other expenses	-	-	-	665,152	665,152
Capital outlay	-	-	6,804,277	-	6,804,277
TOTAL EXPENDITURES	**$ 82,666,438**	**$ 3,944,839**	**$ 7,706,366**	**$ 1,495,150**	**$ 95,812,793**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 2,689,785	$ (202,470)	$ (7,706,366)	$ 81,108	$ (5,137,943)
OTHER FINANCING SOURCES (USES)					
Transfers - in	$ 100,000	$ 202,470	$ -	$ -	$ 302,470
Transfers - out	(202,470)	-	-	(100,000)	(302,470)
Proceeds from obligations	-	-	911,000	-	911,000
TOTAL OTHER FINANCING SOURCES (USES)	**$ (102,470)**	**$ 202,470**	**$ 911,000**	**$ (100,000)**	**$ 911,000**
NET CHANGE IN FUND BALANCE	**$ 2,587,315**	**$ -**	**$ (6,795,366)**	**$ (18,892)**	**$ (4,226,943)**
FUND BALANCE, BEGINNING OF YEAR	14,571,006	(664)	6,221,875	206,524	20,998,741
FUND BALANCE, END OF YEAR	**$ 17,158,321**	**$ (664)**	**$ (573,491)**	**$ 187,632**	**$ 16,771,798**

(See accompanying notes to financial statements)

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities

For Year Ended June 30, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			$ (4,226,943)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets lower than depreciation in the current period:			
	Capital Outlay	$ 6,804,277	
	Additions to Assets, Net	1,075,121	
	Depreciation	(3,415,649)	
			4,463,748
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:			
	Debt Repayments	$ 5,437,000	
	Proceeds from Bond Issuance	(911,000)	
			4,526,000
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			22,851
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.			365,967
The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.			8,326,725
(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds			
	Teachers' Retirement System		(3,174,215)
	Employees' Retirement System		(1,143,430)
In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:			
	Compensated Absences	$ (79,306)	
	Workers' Compensation Claims	61,951	
			(17,355)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			**$ 9,143,348**

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2020

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	$ 381,812	$ 1,969,488
TOTAL ASSETS	**$ 381,812**	**$ 1,969,488**
LIABILITIES		
Accounts payable	$ -	$ 1,603,905
Extraclassroom activity balances	-	135,676
Other liabilities	-	229,907
TOTAL LIABILITIES	**$ -**	**$ 1,969,488**
NET POSITION		
Restricted for scholarships	$ 381,812	
TOTAL NET POSITION	**$ 381,812**	

Statement of Changes in Fiduciary Net Position

For Year Ended June 30, 2020

	Private Purpose Trust
ADDITIONS	
Contributions	$ 32,108
Investment earnings	377
TOTAL ADDITIONS	**$ 32,485**
DEDUCTIONS	
Other expenses	$ 34,004
TOTAL DEDUCTIONS	**$ 34,004**
CHANGE IN NET POSITION	$ (1,519)
NET POSITION, BEGINNING OF YEAR	383,331
NET POSITION, END OF YEAR	**$ 381,812**

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

1. Extraclassroom Activity Funds

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

B. Joint Venture

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

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

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

During the year, the District was billed $9,689,427 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $3,642,312.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

2. Fund Statements

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

The District reports the following governmental funds:

a. Major Governmental Funds

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

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

Capital Projects Fund - Used to account for the acquisition construction or major repair of capital facilities and bus purchases.

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

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

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

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

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 17, 2019. Taxes are collected during the period October 1, 2019 to March 2, 2020.

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

F. Restricted Resources

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

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

J. Receivables

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

An allowance for uncollectible accounts has been provided for certain amounts that may not be collectible.

K. Inventory and Prepaid Items

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

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

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

L. Capital Assets

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

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

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

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

(I.) (Continued)

M. Unearned Revenue

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

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The District may have three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

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

O. Vested Employee Benefits

1. Compensated Absences

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

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

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

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

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

P. Other Benefits

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

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

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

Q. Accrued Liabilities and Long-Term Obligations

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

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

R. Equity Classifications

1. District-Wide Statements

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

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

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

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

	Total
Workers' Compensation	$ 355,401
TRS Reserve	550,000
Capital Reserve	75,042
Capital Projects	324,917
Tax Certiorari	1,034,491
Debt	483,390
Liability	1,570,838
Total Net Position - Restricted for Other Purposes	**$ 4,394,079**

c. Unrestricted Net Position - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of $274,175,099 at year end is the result of full implantation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. Fund Statements

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

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

	Total
Inventory in School Lunch	$ 71,372
Noncurrent Receivables	295,758
Total Nonspendable Fund Balance	**$ 367,130**

(I.) (Continued)

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

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

Name of Reserve	Maximum Funding	Total Funding Provided	Total Year to Date Balance
2020 Capital Reserve	$ 10,000,000	$ 75,042	$ 75,042

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

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

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater.

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

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

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

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

<u>Workers' Compensation Reserve</u> - 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.

<u>Nuclear Facility Stabilization Fund</u> - Chapter 202 of the New York State Laws of 2001 authorizes the establishment of a nuclear facility stabilization fund by school districts in which a nuclear-powered electric generating facility is located. The Board of Education created this reserve fund on October 25, 2014, however, no funding has been set aside.

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

(I.) (Continued)

Restricted fund balances include the following:

		Total
General Fund -		
Workers' Compensation	$	355,401
Unemployment Costs		3,374,665
Employee Retirement Contribution		2,526,774
TRS Reserve		550,000
Tax Certiorari		1,034,491
Capital Reserve		75,042
Liability		1,570,838
Employee Benefit Accrued Liability		2,195,240
Capital Fund -		
Capital Projects		341,350
Debt Service Fund -		
Debt Service		483,390
Total Restricted Fund Balance	**$**	**12,507,191**

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

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

Management has determined significant encumbrances for the General Fund to be $112,000, Special Aid Fund to be $8,000, and the Capital Projects Fund to be $15,000. The General Fund did not report any significant encumbrances. The District reports the following significant encumbrances:

Capital Projects Fund -		
Capital Outlay	**$**	**21,873,047**
Special Aid Fund -		
Instructional	**$**	**67,755**

(I.) (Continued)

Assigned fund balances include the following:

		Total
General Fund - Encumbrances	$	52,083
General Fund - Appropriated for Taxes		1,587,811
Total Assigned Fund Balance	**$**	**1,639,894**

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

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

3. Order of Use of Fund Balance

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

S. New Accounting Standards

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

GASB has issued Statement 92, *Omnibus 2020, Paragraphs 1-11a, and 12*.

GASB has issued Statement No. 95, *Postponement of the Effective Dates for Certain Authoritative Guidance*.

T. Future Changes in Accounting Standards

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

(I.) (Continued)

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

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2020.

GASB has issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2019.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 92, *Omnibus 2020, Paragraphs 6, 7, 8, 9, 10, 12*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 1-11a, and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 11b*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which will be effective for reporting periods beginning after June 15, 2022.

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

II. Stewardship, Compliance and Accountability

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

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

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

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

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

B. Encumbrances

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

C. Deficit Fund Balances

1. School Lunch Fund

As indicated in the financial statements, the District's School Lunch program had a net operating gain of $51,448, which reduced the deficit unassigned fund balance to $367,130 at June 30, 2020. This deficit is a result of prior year expenditures increasing at a higher rate than revenues.

2. Capital Projects Fund

The Capital Projects Fund had a deficit fund balance of $573,491 at June 30, 2020, which is a result of expenses incurred by the HCIP 18-19 project before receiving financing.

D. Deficit Net Position

The District-wide net position reported a deficit at June 30, 2020 totaling $213,015,357. The deficit is a result of unfunded liabilities, such as compensated absences, net pension obligations, and other postemployment benefits. New York State does not allow for a funding mechanism relating to other postemployment benefits or pension obligations.

III. Cash and Cash Equivalents

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

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

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

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

Uncollateralized	$ -
Collateralized within Trust Department or Agent	21,211,055
Total	**$ 21,211,055**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes $12,507,191 within the governmental funds and $381,812 in the fiduciary funds.

IV. Receivables

Receivables at June 30, 2020 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
Description	**General Fund**	**Special Aid Fund**	**School Lunch Fund**	**Total**
Accounts Receivable	$ 3,478,159	$ 1,685	$ 26,621	$ 3,506,465
Due From State and Federal	2,181,451	2,010,625	601,527	4,793,603
Due From Other Governments	10,323	-	-	10,323
Allowance for Uncollectible Accounts	-	-	(26,032)	(26,032)
Total Receivables	**$ 5,669,933**	**$ 2,012,310**	**$ 602,116**	**$ 8,284,359**

V. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2020 were as follows:

	Interfund			
	Receivables	Payables	Revenues	Expenditures
General Fund	$ 3,159,217	$ 243,427	$ 100,000	$ 202,470
Special Aid Fund	252,993	2,271,180	202,470	-
School Lunch Fund	-	897,603	-	-
Debt Service Fund	205,870	-	-	100,000
Capital Projects Fund	-	205,870	-	-
Total	**$ 3,618,080**	**$ 3,618,080**	**$ 302,470**	**$ 302,470**

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

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

VI. Capital Assets

Capital asset balances and activity were as follows:

Type	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Governmental Activities:				
Capital Assets that are not Depreciated -				
Land	$ 1,020,361	$ -	$ -	$ 1,020,361
Work in progress	2,148,516	6,804,277	-	8,952,793
Total Nondepreciable	$ 3,168,877	$ 6,804,277	$ -	$ 9,973,154
Capital Assets that are Depreciated -				
Buildings and Improvements	$ 131,450,975	$ -	$ -	$ 131,450,975
Machinery and equipment	10,723,600	1,075,121	1,111,864	10,686,857
Total Depreciated Assets	$ 142,174,575	$ 1,075,121	$ 1,111,864	$ 142,137,832
Less Accumulated Depreciation -				
Buildings and Improvements	$ 59,971,363	$ 2,433,174	$ -	$ 62,404,537
Machinery and equipment	6,297,446	982,475	1,111,864	6,168,057
Total Accumulated Depreciation	$ 66,268,809	$ 3,415,649	$ 1,111,864	$ 68,572,594
Total Capital Assets Depreciated, Net of Accumulated Depreciation	$ 75,905,766	$ (2,340,528)	$ -	$ 73,565,238
Total Capital Assets	**$ 79,074,643**	**$ 4,463,749**	**$ -**	**$ 83,538,392**

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

Governmental Activities:	
General Government Support	$ 122,880
Instruction	2,428,995
Pupil Transportation	767,388
School Lunch	96,386
Total Depreciation Expense	**$ 3,415,649**

VII. Long-Term Debt Obligations

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

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable -					
Serial Bonds	$ 38,497,000	$ 911,000	$ 5,437,000	$ 33,971,000	$ 5,511,000
Other Liabilities -					
Net Pension Liability	1,611,341	4,544,570	-	6,155,911	-
OPEB	252,655,942	-	2,464,433	250,191,509	-
BOCES Obligations	337,128	-	-	337,128	-
Workers' Compensation Claims	212,113	-	61,951	150,162	-
Compensated Absences	2,054,265	147,319	-	2,201,584	153,070
Total Other Liabilities	$ 256,870,789	$ 4,691,889	$ 2,526,384	$ 259,036,294	$ 153,070
Total Long-Term Obligations	**$ 295,367,789**	**$ 5,602,889**	**$ 7,963,384**	**$ 293,007,294**	**$ 5,664,070**

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

Existing serial and statutory bond obligations:

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2020
Reconstruction	$ 35,750,000	2011	2021	3%-5%	$ 2,930,000
Reconstruction	$ 5,450,000	2012	2024	2%-5%	2,155,000
Reconstruction	$ 985,000	2013	2028	2%-5%	610,000
BOCES Capital Project	$ 6,853,601	2014	2029	2.00%-3.25%	4,405,000
Buses	$ 999,500	2016	2021	1.500%-1.625%	215,000
DASNY	$ 11,985,000	2016	2030	2%-5%	9,440,000
Buses	$ 950,000	2017	2022	1.52%	400,000
Buses	$ 600,000	2018	2023	1.75%-2.00%	370,000
Refunding	$ 12,080,000	2018	2025	2%-5%	12,065,000
Buses	$ 577,000	2019	2024	2.75%-2.875%	470,000
Buses	$ 911,000	2019	2025	1.625-1.75%	911,000
Total Serial Bonds					**$ 33,971,000**

The following is a summary of debt service requirements:

	Serial Bonds	
Year	**Principal**	**Interest**
2021	$ 5,511,000	$ 1,475,923
2022	5,455,000	1,234,976
2023	5,480,000	1,015,603
2024	5,600,000	771,381
2025	4,305,000	528,038
2026-30	7,620,000	996,238
Total	**$ 33,971,000**	**$ 6,022,159**

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $15,205,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2020 was composed of:

Interest Paid	$ 1,695,103
Less: Interest Accrued in the Prior Year	(240,272)
Plus: Interest Accrued in the Current Year	217,421
Total Long-Term Interest Expense	**$ 1,672,252**

VIII. Deferred Inflows/Outflows of Resources

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

	Deferred Outflows	Deferred Inflows
Pension	$ 20,094,510	$ 7,125,559
OPEB	15,330,146	54,575,986
Total	**$ 35,424,656**	**$ 61,701,545**

IX. Pension Plans

A. General Information

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

B. Provisions and Administration

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

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

C. Funding Policies

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

Contributions for the current year were equal to 100 percent of the contributions required, and were as follows:

Contributions	ERS	TRS
2020	$ 1,063,005	$ 3,092,010

D. <u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions</u>

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

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Net pension assets/(liability)	$ (6,155,911)	$ 4,645,051
District's portion of the Plan's total net pension asset/(liability)	0.0232469%	0.178793%

For the year ended June 30, 2020, the District recognized pension expenses of $2,208,267 for ERS and $5,904,571 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 362,300	$ 3,147,832	$ -	$ 345,415
Changes of assumptions	123,951	8,775,122	107,030	2,139,623
Net difference between projected and actual earnings on pension plan investments	3,155,819	-	-	3,725,091
Changes in proportion and differences between the District's contributions and proportionate share of contributions	351,216	1,139,401	72,242	736,158
Subtotal	$ 3,993,286	$ 13,062,355	$ 179,272	$ 6,946,287
District's contributions subsequent to the measurement date	260,677	2,778,192	-	-
Grand Total	**$ 4,253,963**	**$ 15,840,547**	**$ 179,272**	**$ 6,946,287**

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	ERS	TRS
2020	$ -	$ 2,261,653
2021	690,771	293,511
2022	967,732	2,254,036
2023	1,201,087	1,474,557
2024	954,424	63,852
Thereafter	-	(231,541)
Total	**$ 3,814,014**	**$ 6,116,068**

E. Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.80%	7.10%
Salary scale	4.20%	4.72%-1.90%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.20%
COLA's	1.30%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2018.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized as follows:

Long Term Expected Rate of Return		
	ERS	**TRS**
Measurement date	March 31, 2020	June 30, 2019
Asset Type -		
Domestic equity	4.05%	6.30%
International equity	6.15%	7.80%
Global equity	0.00%	7.20%
Private equity	6.75%	9.90%
Real estate	4.95%	4.60%
Absolute return strategies *	3.25%	0.00%
Opportunistic portfolios	4.65%	0.00%
Real assets	5.95%	0.00%
Bonds and mortgages	0.75%	0.00%
Cash	0.00%	0.00%
Inflation-indexed bonds	0.50%	0.00%
Private debt	0.00%	6.50%
Real estate debt	0.00%	2.90%
High-yield fixed income securities	0.00%	3.60%
Domestic fixed income securities	0.00%	1.30%
Global fixed income securities	0.00%	0.90%
Short-term	0.00%	0.30%

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

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

F. Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.80% for ERS and 6.10% for TRS) or 1-percentage-point higher (7.80% for ERS and 8.10% for TRS) than the current assumption :

ERS	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
Employer's proportionate share of the net pension asset (liability)	$ (11,297,834)	$ (6,155,911)	$ (1,420,177)

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	$ (20,967,274)	$ 4,645,051	$ 26,130,901

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Employers' total pension liability	$ 194,596,261	$ 119,879,474
Plan net position	168,115,682	122,477,481
Employers' net pension asset/(liability)	$ (26,480,579)	$ 2,598,007
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%	102.20%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $260,677.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to $3,092,010.

X. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

Employees Covered by Benefit Terms – At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	608
Active Employees	605
Total	**1,213**

B. Total OPEB Liability

The District's total OPEB liability of $250,191,509 was measured as of July 1, 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, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary Increases	3 percent, average, including inflation
Discount Rate	3.5 percent
Healthcare Cost Trend Rates	Initial rate of 7.50 percent decreasing to an ultimate rate of 3.94 percent for 2088 and later years
Retirees' Share of Benefit-Related Costs	Varies between 4% and 15% depending on contract

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond index.

Mortality rates were based on RPH-2014 Mortality Table for employees, health annuitants, sex distinct, with generation mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.

C. Changes in the Total OPEB Liability

Balance at June 30, 2019	$ 252,655,942
Changes for the Year -	
Service cost	$ 6,597,898
Interest	9,889,694
Changes of benefit terms	(454,016)
Differences between expected and actual experience	(15,196,329)
Changes in assumptions or other inputs	4,110,745
Benefit payments	(7,412,425)
Net Changes	$ (2,464,433)
Balance at June 30, 2020	**$ 250,191,509**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent on July 1, 2018 to 3.50% percent on July 1, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	$ 294,413,530	$ 250,191,509	$ 214,909,084

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

	1% Decrease (6.50% Decreasing to 2.94%)	Healthcare Cost Trend Rates (7.50% Decreasing to 3.94%)	1% Increase (8.50% Decreasing to 4.94%)
Total OPEB Liability	$ 211,807,312	$ 250,191,509	$ 299,868,614

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

For the year ended June 30, 2020, the District recognized OPEB expense of $7,734,747. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,233,424	$ 12,428,327
Changes of assumptions	3,361,975	42,147,659
Contributions after measurement date	7,734,747	-
Total	**$ 15,330,146**	**$ 54,575,986**

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

Year	
2021	$ (16,142,873)
2022	(16,142,873)
2023	(10,584,484)
2024	(3,120,933)
2025	(989,424)
Total	**$ (46,980,587)**

XI. Risk Management

A. General Information

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

B. Self-Funded Medical Plan

The District participates in a self-funded medical plan administered by POMCO. The Plan is referred to as a premium credit plan. The District pays actual claim expenses and administrative charges. The District also, has stop-loss insurance coverage on specific claims in excess of $250,000.

Liabilities are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

The incurred but not reported claims (IBNR's) are fully funded and reported in the General Fund as part of the accrued liabilities balances at June 30, 2020.

A reconciliation of the claims recorded for 2020 and 2019 are as follows:

	2020	2019
Beginning Liabilities	$ 1,184,383	$ 1,123,440
Incurred Claims	16,934,037	11,323,248
Claims Payments	(17,152,837)	(11,262,305)
Ending Liabilities	**$ 965,583**	**$ 1,184,383**

The following statistical information is presented:

Year	Contribution Revenue	Incurred Claim Expense
2020	$ 16,934,037	$ 17,152,837
2019	$ 11,323,248	$ 11,262,305
2018	$ 11,722,388	$ 11,723,670
2017	$ 12,523,082	$ 12,566,710
2016	$ 9,112,055	$ 9,254,985
2015	$ 10,332,190	$ 10,072,620
2014	$ 11,971,396	$ 12,182,636

Contribution revenues consist of the expenditures charged to the funds plus the employee's payroll withholding plus the retiree's contribution. There are additional revenues which offset the claim expense such as rebates and refunds which are not included in contribution revenues.

The Plan has funded the incurred but not yet reported claims liability. The funding of this liability indicates that the plan's self funded insurance program is fully funded.

C. Workers' Compensation

The District has elected to self-fund for workers' compensation claims in the 2019-20 fiscal year. As of June 30, 2020 there are no open claims. In addition, the District purchases stop-loss insurance to cover individual claims over $500,000.

Liabilities of the Plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for considering the effects of inflation, recent claim settlement trends including frequency and amount of payout, and other economic and social factors. Changes in the balances of claims liabilities related to workers' compensation for the current and prior fiscal years are as follows:

	2020	2019
Beginning Liabilities	$ 212,113	$ 189,990
Incurred Claims	222,470	243,670
Claims Payments	(284,421)	(221,547)
Ending Liabilities	**$ 150,162**	**$ 212,113**

The following statistical information is presented:

Year		Contribution Revenue		Incurred Claim Expense
2020	$	222,470	$	284,421
2019	$	243,670	$	221,547
2018	$	232,153	$	175,893
2017	$	167,572	$	177,544

At the end of the year there are no open claims which are self-funded. All claims incurred prior to the District becoming self-funded will be paid by the BOCES plan.

D. Dental Coverage

The District self insures for dental coverage for its non-instructional employees. The District uses a third party administrator who is responsible for processing claims and estimating liabilities. The District does not carry excess insurance coverage relative to this Plan. The District records expenditures as claims are presented for payment. The annual maximum benefit per employee and dependent is $1,500 per year. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The expenditures of this program totaled $278,676 for the 2019-20 fiscal year. At year end the District is not aware of any loss contingencies or incurred but not reported claims.

E. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2019-20 fiscal year totaled $151,513. The balance of the fund at June 30, 2020 was $3,374,665 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2020, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XII. Commitments and Contingencies

A. Litigation

The District has several pending tax certcori claim filed as of the date of this report in which the district has established a tax cercori reserve to help offset any potential liablity.

B. Grants

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

XIII. Rental of District Property

The District rents space on an annual basis with rental income totaling $47,884 for the 2019-20 fiscal year.

XIV. Tax Abatement

The County of Oswego IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced $27,231,608. The District received payment in lieu of tax (PILOT) payment totaling $20,876,378 to help offset the property tax reduction.

XV. Subsequent Events

A. On August 13, 2020, the Division of the Budget (DOB) issued the FY 2021 First Quarterly State Budget Financial Plan Update which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June, which includes 3609-a General Aid, , 3609-b Excess Cost Aid, 3609-d BOCES Aid payments, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any.

DOB's Updated Financial Plan includes $8.2 billion in recurring local aid reductions, and states that the earliest DOB expects to transmit a detailed aid-to-localities reduction plan to the Legislature is late in the second quarter of the State's FY 2021, and that, in the absence of unrestricted Federal Aid, the DOB will continue to withhold a range of payments through the second quarter of FY 2021.

B. On July 24, 2020 the District issued a bond anticipation note for capital improvements in the amount of $26,000,000 at an interest rate of 1.50% which matures on July 23, 2021.

C. On October 6, 2020, the Oswego City School District Board of Education amended the 20-21 school budget for unanticipated costs for the safely reopening of schools. As a result the 20-21 appropriations budget increased $750,000 and appropriated fund balance increased $750,000 which is reflected in these financial statements.

XVI. COVID-19

On January 30,2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The outbreak and continuing effects of the COVID-19 health crisis in the State has had and is expected to have a significantly adverse effect on the State's financial condition. On April 25, 2020 the New York State Division of the Budget announced that the FY 2021 Enacted State Budget Financial Plan (the "Financial Plan") projects a $13.3 billion shortfall, or 14%, in revenue from the Executive Budget Forecast released in January and estimates a $61 billion decline through FY 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. The $10.1 billion in spending reductions from the levels proposed in the Executive Budget include a $8.2 billion reduction in "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 the State's not-for-profit partners. The dramatic decline in the State General Fund receipts is not a one-year problem. The Division of the Budget expects the reduced receipts to carry through each subsequent year of the four year Financial Plan, creating a total loss of $60.5 billion through FY 2024 compared to the Executive Budget. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

Required Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Schedule of Changes in District's Total OPEB Liability and Related Ratio

(Unaudited)

For Year Ended June 30, 2020

TOTAL OPEB LIABILITY

	2020	2019	2018
Service cost	$ 6,597,898	$ 7,535,004	$ 11,038,711
Interest	9,889,694	9,321,250	9,425,013
Changes in benefit terms	(454,016)	(821,409)	(15,098,360)
Differences between expected and actual experiences	(15,196,329)	-	9,233,530
Changes of assumptions or other inputs	4,110,745	(11,302,626)	(76,175,877)
Benefit payments	(7,412,425)	(6,929,745)	(6,466,146)
Net Change in Total OPEB Liability	**$ (2,464,433)**	**$ (2,197,526)**	**$ (68,043,129)**
Total OPEB Liability - Beginning	**$ 252,655,942**	**$ 254,853,468**	**$ 322,896,597**
Total OPEB Liability - Ending	**$ 250,191,509**	**$ 252,655,942**	**$ 254,853,468**
Covered Employee Payroll	$ 39,513,332	$ 37,135,900	$ 32,947,562
Total OPEB Liability as a Percentage of Covered Employee Payroll	633.18%	680.35%	773.51%

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

Required Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability

(Unaudited)

For Year Ended June 30, 2020

NYSERS Pension Plan

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.023247%	0.022742%	0.023079%	0.025089%	0.027176%	0.027666%
Proportionate share of the net pension liability (assets)	$ 6,155,911	$ 1,611,341	$ 744,871	$ 2,357,408	$ 4,361,882	$ 934,624
Covered-employee payroll	$ 7,425,885	$ 7,114,966	$ 6,901,264	$ 7,576,412	$ 7,591,556	$ 7,966,217
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	82.898%	22.647%	10.793%	31.115%	57.457%	11.732%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.178793%	0.172153%	0.167682%	0.187688%	0.197922%	0.191938%
Proportionate share of the net pension liability (assets)	$ (4,645,051)	$ 3,112,972	$ (1,274,547)	$ 2,010,214	$ (20,557,757)	$ (21,380,687)
Covered-employee payroll	$ 31,356,569	$ 30,327,464	$ 28,576,655	$ 27,050,459	$ 28,962,100	$ 30,217,447
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-14.814%	10.265%	-4.460%	7.431%	-70.982%	-70.756%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

Required Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Schedule of District Contributions

(Unaudited)

For Year Ended June 30, 2020

NYSERS Pension Plan

	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 1,063,084	$ 1,032,640	$ 1,117,639	$ 1,157,543	$ 1,296,816	$ 1,607,339
Contributions in relation to the contractually required contribution	(1,063,084)	(1,032,640)	(1,117,639)	(1,157,543)	(1,296,816)	(1,607,339)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 7,425,885	$ 7,114,966	$ 6,901,264	$ 7,576,412	$ 7,591,556	$ 7,966,217
Contributions as a percentage of covered-employee payroll	14.32%	14.51%	16.19%	15.28%	17.08%	20.18%

NYSTRS Pension Plan

	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 3,092,010	$ 3,498,692	$ 3,075,297	$ 3,343,060	$ 4,099,961	$ 5,545,606
Contributions in relation to the contractually required contribution	(3,092,010)	(3,498,692)	(3,075,297)	(3,343,060)	(4,099,961)	(5,545,606)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 31,356,569	$ 30,327,464	$ 28,576,655	$ 27,050,459	$ 28,962,100	$ 30,217,447
Contributions as a percentage of covered-employee payroll	9.86%	11.54%	10.90%	12.36%	14.16%	18.35%

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

Required Supplementary Information
OSWEGO CITY SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
(Unaudited)
For Year Ended June 30, 2020

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	$ 29,458,867	$ 25,295,919	$ 24,907,401	$ (388,518)
Real property tax items	21,081,249	25,244,197	25,157,643	(86,554)
Non-property taxes	75,000	75,000	-	(75,000)
Charges for services	7,250	7,250	27,519	20,269
Use of money and property	105,000	105,000	127,775	22,775
Sale of property and compensation for loss	264,000	264,000	90,567	(173,433)
Miscellaneous	1,685,000	1,685,000	2,794,573	1,109,573
Interfund revenues	40,000	40,000	54,285	14,285
State Sources -				
Basic formula	27,844,333	27,844,333	21,186,623	(6,657,710)
Lottery aid	-	-	6,299,413	6,299,413
BOCES	4,621,874	4,621,874	3,642,312	(979,562)
Textbooks	228,161	228,161	169,179	(58,982)
All Other Aid -				
Computer software	58,946	58,946	132,659	73,713
Library loan	24,594	24,594	24,612	18
Other aid	140,000	140,000	128,907	(11,093)
Federal Sources	300,000	300,000	612,755	312,755
TOTAL REVENUES	$ 85,934,274	$ 85,934,274	$ 85,356,223	$ (578,051)
Other Sources -				
Transfer - in	$ 100,000	$ 100,000	$ 100,000	$ -
TOTAL REVENUES AND OTHER SOURCES	$ 86,034,274	$ 86,034,274	$ 85,456,223	$ (578,051)
Prior year encumbrances	$ 240,129	$ 240,129		
TOTAL REVENUES AND FUND BALANCE	**$ 86,274,403**	**$ 86,274,403**		

Required Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Basis) and Actual - General Fund

(Unaudited)

For Year Ended June 30, 2020

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support -					
Board of education	$ 28,100	$ 25,400	$ 13,210	$ -	$ 12,190
Central administration	306,142	315,965	311,823	-	4,142
Finance	713,990	742,929	618,668	22,076	102,185
Staff	578,797	702,767	623,670	600	78,497
Central services	6,125,413	6,006,172	5,569,409	15,460	421,303
Special items	2,075,645	2,083,839	1,982,158	-	101,681
Instructional -					
Instruction, administration and improvement	2,900,519	3,069,225	2,887,466	1,300	180,459
Teaching - regular school	21,439,784	21,668,977	20,591,428	6,557	1,070,992
Programs for children with handicapping conditions	9,899,068	9,462,499	9,317,242	50	145,207
Occupational education	1,356,300	1,356,300	1,326,665	-	29,635
Teaching - special schools	1,727,939	1,870,360	1,870,359	-	1
Instructional media	1,809,957	1,863,668	1,748,870	435	114,363
Pupil services	3,311,221	3,342,850	3,006,890	5,605	330,355
Pupil Transportation	3,255,503	3,346,090	2,898,454	-	447,636
Employee Benefits	23,363,919	23,047,786	22,768,023	-	279,763
Debt service - principal	5,437,000	5,437,000	5,437,000	-	-
Debt service - interest	1,845,106	1,730,106	1,695,103	-	35,003
TOTAL EXPENDITURES	$ 86,174,403	$ 86,071,933	$ 82,666,438	$ 52,083	$ 3,353,412
Other Uses -					
Transfers - out	$ 100,000	$ 202,470	$ 202,470	$ -	$ -
TOTAL EXPENDITURES AND OTHER USES	$ 86,274,403	$ 86,274,403	$ 82,868,908	$ 52,083	$ 3,353,412
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**$ 2,587,315**		
FUND BALANCE, BEGINNING OF YEAR	14,571,006	14,571,006	14,571,006		
FUND BALANCE, END OF YEAR	**$ 14,571,006**	**$ 14,571,006**	**$ 17,158,321**		

Note to Required Supplementary Information:

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

Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Schedule of Change From Adopted Budget To Final Budget And The Real Property Tax Limit

For Year Ended June 30, 2020

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		$ 86,034,274
Prior year's encumbrances		240,129
FINAL BUDGET		**$ 86,274,403**

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2020-21 voter approved expenditure budget		$ 88,505,455
Unrestricted fund balance:		
Assigned fund balance	$ 1,639,894	
Unassigned fund balance	3,540,218	
Total Unrestricted fund balance	$ 5,180,112	
Less adjustments:		
Appropriated fund balance	1,587,811	
Encumbrances included in assigned fund balance	$ 52,083	
Total adjustments	$ 1,639,894	
General fund fund balance subject to Section 1318 of Real Property Tax Law		3,540,218
ACTUAL PERCENTAGE		**4.00%**

Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

Schedule of Project Expenditures

For Year Ended June 30, 2020

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Obligations	Local Sources	Transfers	Total	Fund Balance
2016-17 Renovations	$ 750,000	$ 1,814,996	$ 1,489,159	$ 920	$ 1,490,079	$ 324,917	$ -	$ 750,000	$ 1,064,996	$ 1,814,996	$ 324,917
2017-18 Bus Purchase	600,000	600,000	594,930	-	594,930	5,070	600,000	-	-	600,000	5,070
2018-19 Bus Purchase	681,106	681,106	574,548	-	574,548	106,558	577,000	-	-	577,000	2,452
2019-20 Bus Purchase	911,000	911,000	-	902,089	902,089	8,911	911,000	-	-	911,000	8,911
HCIP 18-19	63,100,000	63,100,000	11,484	6,803,357	6,814,841	56,285,159	-	5,900,000	-	5,900,000	(914,841)
TOTAL	**$ 66,042,106**	**$ 67,107,102**	**$ 2,670,121**	**$ 7,706,366**	**$ 10,376,487**	**$ 56,730,615**	**$ 2,088,000**	**$ 6,650,000**	**$ 1,064,996**	**$ 9,802,996**	**$ (573,491)**

Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Fund		
	School Lunch Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 60,937	$ 277,520	$ 338,457
Receivables	602,116	-	602,116
Inventories	71,372	-	71,372
Due from other funds	-	205,870	205,870
TOTAL ASSETS	**$ 734,425**	**$ 483,390**	**$ 1,217,815**
LIABILITIES AND FUND BALANCES			
Liabilities -			
Accounts payable	$ 85,483	$ -	$ 85,483
Accrued liabilities	16,736	-	16,736
Due to other funds	897,603	-	897,603
Due to other governments	80	-	80
Compensated Absences	613	-	613
Unearned revenue	29,668	-	29,668
TOTAL LIABILITIES	**$ 1,030,183**	**$ -**	**$ 1,030,183**
Fund Balances -			
Nonspendable	$ 71,372	$ -	$ 71,372
Restricted	-	483,390	483,390
Unassigned	(367,130)	-	(367,130)
TOTAL FUND BALANCE	**$ (295,758)**	**$ 483,390**	**$ 187,632**
TOTAL LIABILITIES AND FUND BALANCES	**$ 734,425**	**$ 483,390**	**$ 1,217,815**

Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For Year Ended June 30, 2020

	Special Revenue Fund		
	School Lunch Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Use of money and property	$ -	$ 29,660	$ 29,660
Miscellaneous	20,631	-	20,631
State sources	41,931	-	41,931
Federal sources	1,273,529	-	1,273,529
Sales	210,507	-	210,507
TOTAL REVENUES	**$ 1,546,598**	**$ 29,660**	**$ 1,576,258**
EXPENDITURES			
Employee benefits	$ 230,423	-	$ 230,423
Cost of sales	599,575	-	599,575
Other expenses	665,152	-	665,152
TOTAL EXPENDITURES	**$ 1,495,150**	**$ -**	**$ 1,495,150**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 51,448	$ 29,660	$ 81,108
OTHER FINANCING SOURCES (USES)			
Transfers - out	$ -	$ (100,000)	$ (100,000)
TOTAL OTHER FINANCING SOURCES (USES)	**$ -**	**$ (100,000)**	**$ (100,000)**
NET CHANGE IN FUND BALANCE	**$ 51,448**	**$ (70,340)**	**$ (18,892)**
FUND BALANCE, BEGINNING OF YEAR	(347,206)	553,730	206,524
FUND BALANCE, END OF YEAR	**$ (295,758)**	**$ 483,390**	**$ 187,632**

Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Net Investment in Capital Assets

For Year Ended June 30, 2020

Capital assets, net		$ 83,538,392
Add:		
Unspent bond proceeds	$ 16,433	
		16,433
Deduct:		
Short-term portion of bonds payable	$ 5,437,000	
Long-term portion of bonds payable	28,534,000	
Assets purchased with short-term financing	914,841	
		34,885,841
Net Investment in Capital Assets		**$ 48,668,984**

Supplementary Information

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Year Ended June 30, 2020

Grantor / Pass - Through Agency Federal Award Cluster / Program	CFDA Number	Grantor Number	Pass-Through Agency Number		Total Expenditures
U.S. Department of Education:					
Indirect Programs:					
Passed Through NYS Education Department -					
Special Education Cluster IDEA -					
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-20-0715	$	918,247
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-20-0715		41,003
Total Special Education Cluster IDEA				$	959,250
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-19-2355		42
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-20-2355		176,858
Title I - School Improvements	84.010	N/A	0011-20-2156		199,705
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-19-2355		90,022
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-20-2355		1,159,108
Title I - D Neglected and Delinquent	84.010	N/A	0016-19-2355		3,432
Title I - D Neglected and Delinquent	84.010	N/A	0016-20-2355		28
Title III - ELL	84.365	N/A	0293-19-2355		4,706
Title III - ELL	84.365	N/A	0293-20-2355		1,618
Title IV - SSAE Allocation	84.424	N/A	0204-19-2355		20,806
Title IV - SSAE Allocation	84.424	N/A	0204-20-2355		67,413
Title V - Rural and Low Income Schools	84.358	N/A	0006-19-2355		9,830
Title V - Developing Hispanic-Serving Institutions Program	84.358	N/A	0006-20-2355		2,800
Education of Homeless Children & Youth	84.196	N/A	0212-20-3020		48,465
Total U.S. Department of Education				**$**	**2,744,083**
U.S. Department of Agriculture:					
Indirect Programs:					
Passed Through NYS Education Department -					
Child Nutrition Cluster -					
National School Lunch Program	10.555	N/A	N/A	$	537,889
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	N/A		103,282
Summer Food Service Program (SFSP) - COVID	10.559	N/A	N/A		478,183
National School Breakfast Program	10.553	N/A	N/A		154,175
Total Child Nutrition Cluster				$	1,273,529
Total U.S. Department of Agriculture				**$**	**1,273,529**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$**	**4,017,612**

MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

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

<u>Independent Auditors' Report</u>

To the Board of Education
Oswego City School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oswego City School District, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Oswego City School District, New York's basic financial statements, and have issued our report thereon dated October 19, 2020.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 19, 2020