

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 Notes is not includable in the gross income of the owners therefore for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not an "item of tax preference" for purposes of the alternative minimum tax imposed by the Code on individuals. Interest on the Notes 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 Notes.

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

\$12,100,000

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT ONONDAGA COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$12,100,000 Bond Anticipation Notes, 2019 (the "Notes")

Dated: September 26, 2019

Due: September 26, 2020

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

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the School District. The Notes will be issued in denominations of \$5,000 or multiples thereof. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about September 26, 2019.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on September 17, 2019 by no later than 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

September __, 2019

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

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President



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Vice President

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* * * * *

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Superintendent of Schools

TIMOTHY DECKER
School Business Administrator

JEAN CARTER
School District Treasurer

BOND, SCHOENECK & KING, PLLC
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK

Relating To
\$12,100,000 Bond Anticipation Notes, 2019

This Official Statement, which includes the cover page, has been prepared by the Jamesville-Dewitt Central School District, Onondaga County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$12,100,000 principal amount of Bond Anticipation Notes, 2019 (the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated September 26, 2019 and will mature September 26, 2020. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and bond resolution adopted by the Board of Education on August 27, 2018 authorizing the issuance of \$12,100,000 obligations to finance the renovation and reconstruction of the Tecumseh Elementary School, Moses Dewitt Elementary School, Jamesville Elementary School, Jamesville Dewitt Middle School, Jamesville Dewitt High School and District Bus Garage at a maximum estimated cost not to exceed \$12,100,000.

The proceeds of the Notes will renew \$9,500,000 bond anticipation notes outstanding and maturing September 27, 2019 and will provide \$2,600,000 in new money for the aforementioned purpose.

Nature of the Obligation

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 redemption proceeds, 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The School District, with a land area of approximately 15 square miles, is located in Central New York. Situated in Onondaga County, it is adjacent to, and east of, the City of Syracuse.

The School District is primarily residential and commercial in character. The School District has enjoyed strong residential development due to its close proximity to the City of Syracuse. Commercial banking institutions serving the School District include NBT Bank, N.A., JPMorgan Chase Bank, N.A., KeyBank, N.A., HSBC Bank USA, N.A. Local, County and State police agencies serve the School District residents. Fire protection is afforded by various volunteer fire districts.

Although primarily residential in nature, larger employers located within the area of the School District include: Onondaga Correctional Facility in Jamesville and Town and County offices.

Many of the School District residents are employed in the various industries, service companies or commercial establishments that constitute the diverse economic base of the Syracuse metropolitan area in and surrounding the School District.

Source: District officials

District Population

The 2017 estimated population of the District is 18,517 (Source: 2017 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>
Towns of:						
Dewitt	\$ 29,198	36,542	\$ 36,393	\$ 60,325	80,299	\$ 85,755
Pompey	27,970	37,053	52,589	64,442	96,731	114,007
Onondaga	25,522	30,751	37,931	63,674	80,264	99,619
Lafayette	24,591	28,304	33,651	60,523	70,333	79,267
Manlius	31,825	38,170	44,864	70,655	88,386	101,371
County of:						
Onondaga	21,336	27,037	31,436	51,876	65,929	74,968
State of:						
New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 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 2013-2017 American Community Survey data.

Larger Employers

Listed below are the larger employers in the County where residents of the District's find work and the number of employees:

<u>Rank</u>	<u>Name</u>	<u>Employees</u>
1.	Upstate University Health	9,000-9,500
2.	St. Joseph's Hospital Health Center	4,500-5,000
3.	Walmart	4,000-4,500
4.	Syracuse University	4,000-4,500
5.	Lockheed Martin	4,000-4,500
6.	Price Chopper Markets	3,500-4,000
7.	Crouse Health Center	3,000-3,500
8.	Welch Allyn	2,500-3,000
9.	National Grid	2,000-2,500
10.	Tops Friendly Markets	2,000-2,500
11.	Spectrum (formerly Time Warner)	1,500-2,000
12.	Wegmans Food Markets	1,000-1,500
13.	Loretto Health Group	1,000-1,500
14.	Byrne Dairy, Inc.	1,000-1,500
15.	Excellus BlueCross BlueShield	1,000-1,500
16.	Verizon Communications	1,000-1,500
17.	Carrier Corp.	1,000-1,500
18.	Eaton Corp.	1,000-1,500
19.	Syracuse Research Company	500-1,000
20.	AXA Equitable Life Insurance	500-1,000
21.	L.J. Stickley	500-1,000

Source: Center State CEO Community Guide (2016) and Syracuse, New York Fact Sheet - October 2017, and the New York State Department of Labor – 2018 Trends.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Onondaga County	7.9%	6.8%	5.6%	4.9%	4.5%	4.7%	4.0%
New York State	8.5%	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%

	<u>2018-19 Monthly Figures</u>											
	<u>2018</u>				<u>2019</u>							
	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Onondaga County	3.5%	3.3%	3.4%	3.8%	4.2%	4.1%	3.9%	3.4%	3.4%	3.4%	3.8%	N/A
New York State	3.6%	3.6%	3.5%	3.9%	4.6%	4.4%	4.1%	3.6%	3.8%	3.8%	4.2%	N/A

Note: Unemployment rates for the month of August 2019 is unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other district offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

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

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote.

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

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

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

Recent Budget Votes

The budget for the 2018-19 fiscal year was approved by the qualified voters on May 15, 2018 by a vote of 967 to 169. The budget called for a total tax levy increase of 2.05% which was equal to the District’s Tax Cap of 2.05% for the 2018-19 fiscal year.

The budget for the 2019-20 fiscal year was approved by the qualified voters on May 21, 2019 by a vote of 1024 to 162. The budget called for a total tax levy increase of 3.66% which was equal to the District’s Tax Cap of 3.66% for the 2019-20 fiscal year.

The State’s 2018-19 Enacted Budget included a school building-based budget approval review process. Beginning with the 2018-19 school year, any school district with at least four schools that receives at least 50% percent of its total revenue through State aid will be required to annually report its budgeted support for individual schools within the school district. The report must follow a format, to be developed by the State Division of Budget (“DOB”) in consultation with SED. In 2019-20, this requirement will expand to all school districts with at least four schools, regardless of State aid. In 2020-21, the requirement will apply to all school districts in the State. This report will be due to the State by the beginning of the school year, and the State will have 30 days to respond. While DOB or SED will not formally approve a school district’s school-based budget, DOB and SED will have authority to determine whether the information was provided in a timely and sufficient manner. The reporting must include demographic data, per pupil funding, source of funds and uniform decision rules regarding allocation of centralized spending to individual schools from all funding sources. Should either DOB or SED determine that a school district did not meet this requirement, the school district’s State aid increase can be withheld for the applicable year until compliance is determined by DOB and SED. If either DOB or SED determines that a school district has not properly complied, the school district will have 30 days to “cure” the problem. In the event the problem is not cured in 30 days, the city comptroller or chief financial officer, and in the event a school district located outside a city, the chief financial officer in the municipality where the school district is most located, will be authorized, at his or her discretion, to gather information and submit on behalf of the school district. Under this newly enacted legislation, the School District will be required to annually report its budgeted support for individual schools beginning with the 2020-21 fiscal year.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the State of New York, (3) obligations of the United States of America and 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, and (4) repurchase agreements involving the purchase and resale of obligations of the United States of America or obligations of agencies of the federal government, if principal and interest is guaranteed by the United States of America and the securities are registered in the name of the School District and held by a custodial bank in accordance with the policies established by the New York State Comptroller.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-20 fiscal year, approximately 24.4% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

Potential reductions in Federal aid received by the State.

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

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

The Federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Budget continues authorization for a process by which the State would manage significant reductions in Federal aid during fiscal year 2019-2020 and fiscal year 2020-2021 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the Federal government (i) reduces Federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces Federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-20 preliminary building aid ratios, the District expects to receive State building aid of approximately 75.0% 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 (2015-2016): The 2015-2016 State budget included a partial reduction in the Gap Elimination Adjustment with \$603 million in GEA cuts being restored, and provided an additional \$428 million in foundation aid and \$268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

School district fiscal year (2016-2017): The 2016-17 State budget included a school aid increase of \$991 million over 2015-16, \$863 million of which 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.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called “Deficit Reduction Assessment”) as a way to help close the State’s then \$10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. Since its inception, the total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately \$8.19 million. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget 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’s 2018-19 Enacted Budget includes 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’s 2018-19 Enacted Budget includes an increase of \$618 million in Foundation Aid for school districts. Foundation Aid now totals nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase will be distributed using a one year, off formula methodology. The State’s 2018-19 Enacted Budget guarantees that all school districts receive an increase in Foundation Aid over their 2017-18 levels. \$50 million of the Foundation Aid increase will be “set aside” for certain school districts to fund community schools. The State’s 2018-19 Enacted Budget fully funds 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 are less than what was expected.

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

State Aid Litigation

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

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

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years as well as unaudited preliminary figures for 2018-19 and budgeted figures for the 2019-20 fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2013-14	\$ 48,722,624	\$ 11,534,610	23.67%
2014-15	49,426,659	11,185,522	22.63
2015-16	51,548,182	12,316,385	23.89
2016-17	56,351,116	13,164,094	23.36
2017-18	53,539,762	13,468,009	25.16
2018-19 (Unaudited)	55,916,549	14,127,097	25.26
2019-20 (Budgeted)	57,711,751	14,060,239	24.36

Source: 2013-14 through 2017-18 audited financial statements, 2018-19 unaudited estimates and 2019-20 adopted budget of the District. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions and Reconstruction</u>
Jamesville-Dewitt High School	9-12	1,400	1953, '58, '61, '71, '80, '07
Jamesville-Dewitt Middle School	5-8	1,100	1966, '68, '80, '07
Moses Dewitt Elementary School	K-4	450	1931, '51, '53, '80, '07, '11
Jamesville Elementary School	K-4	450	1954, '62, '80, '07, '11
Tecumseh Elementary School	K-4	450	1962, '69, '82, '07, '11

Source: School District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2015-16	2,930	2020-21	2,700
2016-17	2,900	2021-22	2,650
2017-18	2,802	2022-23	2,600
2018-19	2,806	2023-24	2,600
2019-20	2,687	2023-24	2,600

Source: School District officials.

Employees

The School District employs approximately 411 full-time and 71 part-time employees exclusive of substitute staff. The number of employees represented by the various collective bargaining units and the expiration dates of the collective bargaining agreements are as follows:

<u># of Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
313	Jamesville-Dewitt Faculty Association	June 30, 2020
4	Jamesville-Dewitt Maintenance Association	June 30, 2020
32	Jamesville-Dewitt Bus Drivers' Association	June 30, 2020
79	Jamesville-Dewitt Clerical Association	June 30, 2020
23	Jamesville-Dewitt Cafeteria Association	June 30, 2020
25	Jamesville-Dewitt Custodial Association	June 30, 2020
12	Jamesville-Dewitt Administrators Association	June 30, 2020
4	Jamesville-Dewitt Mechanics Association	June 30, 2020

Source: School District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the School 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 System 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 (other than those in Tier V and VI, as described below) 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 law became effective for new ERS and TRS hires on January 1, 2010. 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 a 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%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2019-20 fiscal years are as follows:

<u>Fiscal Year</u>	<u>TRS</u>	<u>ERS</u>
2014-15	\$ 3,339,795	\$ 934,244
2015-16	3,566,596	811,651
2016-17	2,780,893	827,788
2017-18	2,098,365	709,803
2018-19	2,334,285	745,049
2019-20 (Budgeted)	2,600,000	740,000

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

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 (2014-15 to 2019-20) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2014-15	20.1%	17.53%
2015-16	18.2	13.26
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 Adopted State Budget included a provision that authorized local governments, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District at its August 26, 2019 Board meeting established this fund and funded the reserve at \$480,000.

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

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

Other Post-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.

Summary of Changes from the Last Valuation. The District contracted with an actuarial firm to calculate its first actuarial valuation under GASB 75 for the fiscal year ending June 30, 2018. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

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

Balance at June 30, 2017:	<u>\$ 111,133,047</u>
<u>Changes for the year:</u>	
Service cost	4,049,605
Interest	3,417,371
Differences between expected and actual experience	(204,910)
Changes of benefit terms	0
Changes in assumptions	0
Benefit payments	<u>(2,559,454)</u>
Net Changes	<u>4,702,612</u>
Balance at June 30, 2018:	<u>\$ 115,835,659</u>

Source: 2018 Audited financial statements of the District. The above tables are not audited. For additional information see "APPENDIX - C" attached hereto.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

The District has contracted with an actuarial firm to assist in the determination of the costs and liabilities associated with the District's OPEB plan (the "Plan"). This analysis has been completed in accordance with GASB Statement No. 45; Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions. Based on the most recent actuarial valuation dated July 1, 2016, the following tables shows the components of the District's annual OPEB cost, the amount actuarially contributed to the plan, changes in the District's net OPEB obligation and funding status as of June 30, 2016 and 2017.

<i>Annual OPEB Cost and Net OPEB Obligation:</i>	<u>2016</u>	<u>2017</u>
Annual required contribution (ARC)	\$ 4,027,780	\$ 4,336,303
Interest on net OPEB obligation	608,334	732,782
Adjustment to ARC	<u>(984,288)</u>	<u>(1,218,933)</u>
Annual OPEB cost (expense)	3,651,826	3,850,152
Contributions made	<u>(540,629)</u>	<u>(598,794)</u>
Increase in net OPEB obligation	3,111,197	3,251,358
Net OPEB obligation - beginning of year	<u>15,208,342</u>	<u>18,319,539</u>
Net OPEB obligation - end of year	<u>\$ 18,319,539</u>	<u>\$ 21,570,897</u>
Percentage of annual OPEB cost contributed	14.8%	15.6%

Funding Status:

	<u>2016</u>	<u>2017</u>
Actuarial Accrued Liability (AAL)	\$ 34,874,791	\$ 37,409,544
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 34,874,791</u>	<u>\$ 37,409,544</u>
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 3,850,152	14.8%	\$ 21,570,897
2016	3,651,826	14.8%	18,319,539
2015	3,286,315	15.5%	15,208,342
2014	3,116,060	16.6%	12,430,400
2013	3,227,832	16.3%	9,830,799

Source: 2016 and 2017 Audited financial statements of the District. The above tables are not audited.

The aforementioned liability and ARC were recognized and disclosed in accordance with GASB 45 standards in the District's past audited financial statements.

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.

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2018 and is attached hereto as "APPENDIX – D". The audit report for fiscal year ending June 30, 2019 is not complete as of the date of this Official Statement. 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.

Unaudited Results for Fiscal Year Ending June 30, 2019:

Summary unaudited information for the General Fund for the period ending June 30, 2019 is as follows:

Projected Revenues:	\$ 55,916,549
Projected Expenditures:	<u>54,376,955</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 1,539,594</u>
Total General Fund Balance at June 30, 2018:	\$ 13,968,255
Total Projected General Fund Balance at June 30, 2019:	\$ 15,476,973

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

Source: District Officials

State Comptroller Reports of Examination

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

The most recent State Comptroller audit report of the District dated November 10, 2016 was to examine the District's purchasing practices for the period July 1, 2014 through December 31, 2015.

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

There are no State Comptrollers audits of the District currently in progress or pending release at this time.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The classification of the District for the 2014 through 2018 fiscal years are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2018	No Designation	0.0%
2017	No Designation	6.7%
2016	No Designation	6.7%
2015	No Designation	20.0%
2014	No Designation	6.7%

The Fiscal Score for fiscal year ending June 30, 2019 has not been calculated as of the date of this Official Statement.

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

Other Information

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

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

No principal or interest upon any obligation of the District is past due. The District was late in making an interest payment in the amount of \$36,900 due on March 1, 2018. Due to a clerical error, the payment was not made until March 8, 2018.

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.

TAX INFORMATION

Taxable Assessed Valuations

<u>Year of District Tax Roll:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Towns of:					
Dewitt	\$ 1,401,017,760	\$ 1,420,191,044	\$ 1,435,190,364	\$ 1,453,304,423	\$ 1,477,001,345
Pompey	47,197,856	47,476,980	48,234,652	48,937,257	49,395,362
Onondaga	107,030,200	108,794,372	111,022,824	112,725,749	122,927,582
La Fayette	55,497,969	56,484,104	56,924,653	57,747,446	58,403,327
Manlius	<u>4,706,102</u>	<u>4,707,302</u>	<u>4,715,902</u>	<u>4,665,802</u>	<u>4,626,300</u>
Totals	<u>\$ 1,615,449,833</u>	<u>\$ 1,637,653,802</u>	<u>\$ 1,656,088,395</u>	<u>\$ 1,677,380,677</u>	<u>\$ 1,712,353,916</u>

State Equalization Rate

Towns of:					
Dewitt	100.00%	100.00%	100.00%	100.00%	100.00%
Pompey	100.00%	100.00%	99.00%	96.50%	94.00%
Onondaga	100.00%	98.50%	100.00%	95.00%	94.50%
La Fayette	93.00%	93.00%	93.00%	93.00%	93.00%
Manlius	100.00%	100.00%	100.00%	100.00%	100.00%
Taxable Full Valuation	\$ 1,619,627,153	\$ 1,643,562,061	\$ 1,660,860,265	\$ 1,689,435,120	\$ 1,727,057,276

Source: District officials.

Tax Rates Per \$1,000 (Assessed)

<u>Year of District Tax Roll:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Towns of:					
Dewitt	\$ 23.37	\$ 23.03	\$ 23.26	\$ 23.32	\$ 23.65
Pompey	23.37	23.03	23.48	24.17	25.16
Onondaga	23.37	23.38	23.25	24.55	25.02
La Fayette	25.13	24.77	25.00	25.08	25.43
Manlius	23.37	23.03	23.25	23.32	23.65

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first 30 days after taxes are due, but a 2% penalty is charged From October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Tax Levy and Collection Record

<u>Fiscal Years Ending June 30:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Tax Levy	\$ 36,806,764	\$ 39,218,716	\$ 35,552,424	\$ 36,434,367	\$ 37,377,618
Uncollected ⁽¹⁾	1,271,209	2,237,419	2,350,753	2,514,697	2,187,724
% Uncollected	5.2%	5.7%	6.6%	6.9%	5.9%

⁽¹⁾ See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, unaudited preliminary figures for 2018-19 and adopted budget of the District for the 2019-20 fiscal year comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2013-14	\$ 48,722,624	\$ 36,061,150	74.01%
2014-15	49,426,659	36,831,809	74.52
2015-16	51,548,182	37,862,577	73.45
2016-17	56,351,116	37,868,990	67.20
2017-18	53,539,762	38,619,062	72.13
2018-19 (Unaudited)	55,916,549	39,564,742	70.76
2019-20 (Budgeted)	57,711,751	40,841,885	70.77

Source: 2013-14 through 2017-18 audited financial statements, 2018-19 unaudited estimates and 2019-20 adopted budget of the District. This table is not audited.

Ten Largest Taxpayers 2018 Assessment Roll for 2018-19 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid	Utility	\$ 47,537,875
Shoppingtown Mall NY LLC	Shopping Center	36,720,000
Upstate Portfolio LLC	Commercial/Real Estate	23,221,480
Wegmans Food Markets	Grocery	20,044,400
Dewcom, LLC	Commercial	18,042,400
The Nottingham Retirement	Senior Living	10,424,620
Hanson Aggregates New York	Building Products	10,424,620
DeWitt Town Center	Shopping Center	8,521,000
NU-333 Butternut Dr. LLC	Insurance	8,230,000
Erie Boulevard East Assoc.	Shopping Center	6,945,000

The larger taxpayers listed above have a total estimated assessed valuation of \$190,111,395 that represents 11.3% of the 2018 tax base of the School District.

As of the date of this Official Statement, Shoppingtown mall has pending tax certiorari claims. The District does not currently expect these claims to have a material impact on the District's finances. For the past three years Shoppingtown Mall has not paid its property taxes, which are currently estimated at \$7 million in unpaid taxes. A new tax certiorari has been filed for the 2018-19 tax roll.

Source: School 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. Chapter 60 of the Laws of 2016 has “converted” STAR to a personal income tax credit instead of a property tax exemption for all new homeowners who purchased their home after August 1, 2015.

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 \$86,000 for 2018, or less, increased annually according to a Cost-of-Living adjustment, are eligible for an “enhanced” exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of \$500,000 are eligible for a “basic” exemption on their primary residence.

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

<u>Town of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Dewitt	\$ 68,700	\$ 30,000	4/9/2019
Pompey	66,300	28,950	4/9/2019
Onondaga	65,270	28,500	4/9/2019
La Fayette	63,890	27,900	4/9/2019
Manlius	68,700	30,000	4/9/2019

\$3,586,526 of the District's \$38,607,433 school tax levy for the 2017-18 fiscal year is expected to be exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2018.

\$3,437,316 of the District's \$39,400,433 school tax levy for the 2018-19 fiscal year is expected to be exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2019.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-85%, Commercial-10% and Industrial-5%.

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

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

Real Property Tax Rebate

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

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applies in the years 2016 through 2019 and includes continued tax cap compliance.

See “THE SCHOOL DISTRICT – Budgetary Procedures and Recent Budget Votes” 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 utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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

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

Statutory Procedure

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

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

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

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

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

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 22,210,000	\$ 19,470,000	\$ 18,905,000	\$ 15,865,000	\$ 12,760,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>3,130,000</u>	<u>0</u>	<u>9,500,000</u>
Total Debt Outstanding	<u>\$ 22,210,000</u>	<u>\$ 22,600,000</u>	<u>\$ 18,905,000</u>	<u>\$ 15,865,000</u>	<u>\$ 22,260,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District evidenced by bonds and notes as of September 9, 2019.

	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2019-2035	\$ 11,425,000
<u>Bond Anticipation Notes</u>		
Capital Project	September 27, 2019	<u>9,500,000</u>
	Total Indebtedness	<u>\$ 20,925,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of September 9, 2019:

Full Valuation of Taxable Real Property	\$ 1,727,057,276
Debt Limit 10% thereof	172,705,727

Inclusions:

Bonds.....	\$ 11,425,000
Bond Anticipation Notes	9,500,000
Principal of the Notes (New Money) ..	<u>2,600,000</u>

Total Inclusions.....	<u>\$ 23,525,000</u>
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Exclusions:

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

Total Net Indebtedness	<u>\$ 23,525,000</u>
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Net Debt-Contracting Margin	<u>\$ 149,180,727</u>
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The percent of debt contracting power exhausted is	13.62%
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- (1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2019-20 Building Aid Ratios, the School District anticipates State building aid of 75.0% for debt service on SED approved expenditures from July 1, 2004 to the present. The School 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 School District will receive in relation to its capital project indebtedness

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 School District.

Bonded Debt Service

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

Capital Project Plans

On October 18, 2016 the qualified voters of the School District approved a capital project consisting of the renovation and reconstruction of the Tecumseh Elementary School, Moses Dewitt Elementary School, Jamesville Elementary School, Jamesville Dewitt Middle School, Jamesville Dewitt High School and District Bus Garage at a maximum estimated cost not to exceed \$12,100,000. This project has been planned with the goal of no increase to the current tax rate as new debt service incurred will equal the cost of the debt being retired. The majority of the funding for this project is generated from State building aid which for the District represents 71.9% of the cost. On September 27, 2018, the District issued \$9,500,000 bond anticipation notes pursuant to this authorization. The current issuance of the Notes will renew these outstanding bond anticipation notes maturing September 27, 2019 and will also provide \$2,600,000 in new money for this project.

The School District has no other projects neither authorized nor contemplated at this time.

Cash Flow Borrowings

The District has not issued tax or revenue anticipation notes in the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the School 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.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Onondaga	12/31/2017	\$ 646,680,892	\$ 311,134,687	\$ 335,546,205	6.24%	\$ 20,938,083
Town of:						
Dewitt	12/31/2017	9,784,503	2,515,000	7,269,503	55.50%	4,034,574
LaFayette	12/31/2017	3,497,000	455,000	3,042,000	16.32%	496,454
Manlius	12/31/2017	335,574	-	335,574	0.10%	336
Onondaga	12/31/2017	1,789,240	-	1,789,240	7.29%	130,436
Pompey	12/31/2017	1,254,000	-	1,254,000	7.45%	93,423
					Total:	<u>\$ 25,693,306</u>

Notes:

- (1) Outstanding bonds and bond anticipation notes. 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 2017 (most recent available).

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of September 9, 2019:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 23,525,000	\$ 1,270.45	1.36%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	49,218,306	2,658.01	2.85%

- (a) The 2017 estimated population of the District is 18,517. (See "THE SCHOOL DISTRICT – District Population" herein.)
(b) The District's full value of taxable real estate for 2019-20 is \$1,727,057,276. (See "TAX INFORMATION – Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is \$25,693,306. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The District was late in making an interest payment in the amount of \$36,900 due on March 1, 2018. Due to a clerical error, the payment was not made until March 8, 2018.

MARKET AND RISK FACTORS

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

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

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

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

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

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure 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.

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 Notes in order that interest on the Notes 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 Notes 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 Notes 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 Notes. 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 Notes 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 Notes.

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 Notes 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 Notes.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Notes 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 Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes 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 Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amounts (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth 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 is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

RATINGS

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

Moody's Investors Service ("Moody's") has assigned their rating of "Aa3" to the District's outstanding bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 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.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

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

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

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

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 Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the 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 Jamesville-Dewitt Central School District's contact information is as follows: Mr. Timothy Decker, Business Manager, Jamesville-Dewitt Central School District, 5000 Edinger Drive, P.O. Box 606, Dewitt, New York 13214, Phone: (315) 445-8209, Fax: (315) 445-8477, email: tdecker@jd.cnyric.org.

The District's Bond Counsel contact information is as follows: Mr. Matthew N. Wells Esq., Bond, Schoeneck & King, PLLC, One Lincoln Center – 18th Floor, Syracuse, New York 13202, telephone: (315) 218-8174, telefax: (315) 218-8100, email: mwells@bsk.com

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Dated: September __, 2019

**/s/ _____
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 5,566,395	\$ 5,707,200	\$ 5,677,669	\$ 4,882,172	\$ 4,369,774
Restricted Cash	4,903,042	3,363,359	3,823,319	5,388,415	5,888,416
Accounts Receivable	-	-	-	-	-
Due from Other Funds	1,014,393	1,015,663	1,012,268	1,922,268	2,349,008
Due from Other Governments	1,178,742	1,107,940	1,134,585	915,937	1,345,788
Inventories	-	-	-	-	-
Other	22,311	15,815	19,933	9,402	15,269
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 12,684,883</u></u>	<u><u>\$ 11,209,977</u></u>	<u><u>\$ 11,667,774</u></u>	<u><u>\$ 13,118,194</u></u>	<u><u>\$ 13,968,255</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 103,525	\$ 181,432	\$ 296,693	\$ 123,886	\$ 238,210
Accrued Liabilities	624,301	541,467	520,816	574,521	875,790
Due to Other Funds	257	109,993	-	25,017	-
Due to Teachers' Retirement System	3,340,272	3,688,296	2,895,961	2,598,988	2,210,275
Due to Employees' Retirement System	312,494	327,317	334,856	339,230	319,591
Due to Other Governments	8,894	8,894	-	-	-
Deferred Revenue	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>4,389,743</u>	<u>4,857,399</u>	<u>4,048,326</u>	<u>3,661,642</u>	<u>3,643,866</u>
 <u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,903,042	3,363,359	3,823,319	5,388,415	4,853,416
Assigned	1,408,026	1,384,934	1,650,472	1,882,842	2,215,771
Unassigned	1,984,072	1,604,285	2,145,657	2,185,295	2,220,202
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>8,295,140</u>	<u>6,352,578</u>	<u>7,619,448</u>	<u>9,456,552</u>	<u>9,289,389</u>
 TOTAL LIABILITIES and FUND EQUITY	 <u><u>\$ 12,684,883</u></u>	 <u><u>\$ 11,209,977</u></u>	 <u><u>\$ 11,667,774</u></u>	 <u><u>\$ 13,118,194</u></u>	 <u><u>\$ 12,933,255</u></u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 36,061,150	\$ 36,831,809	\$ 37,862,577	\$ 37,868,990	\$ 38,619,062
Non-Property Taxes	190,588	207,463	149,123	95,460	97,968
Charges for Services	321,987	564,077	560,067	375,781	653,571
Use of Money & Property	42,587	34,887	30,812	33,722	45,498
Sale of Property and					
Compensation for Loss	13,279	5,318	3,239	26,769	18,911
Miscellaneous	290,655	312,915	385,713	302,186	435,123
Revenues from State Sources	11,534,610	11,185,522	12,316,385	13,164,094	13,468,009
Revenues from Federal Sources	267,768	284,668	240,266	188,118	201,620
Total Revenues	<u>\$ 48,722,624</u>	<u>\$ 49,426,659</u>	<u>\$ 51,548,182</u>	<u>\$ 52,055,120</u>	<u>\$ 53,539,762</u>
Other Sources:					
Proceeds from Serial Bonds	-	-	-	2,368,987	-
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,927,009</u>	<u>-</u>
Total Revenues and Other Sources	<u>48,722,624</u>	<u>49,426,659</u>	<u>51,548,182</u>	<u>56,351,116</u>	<u>53,539,762</u>
<u>EXPENDITURES</u>					
General Support	\$ 4,311,388	\$ 5,335,468	\$ 3,995,458	\$ 5,061,959	\$ 5,254,441
Instruction	25,067,019	26,166,630	27,002,550	26,587,759	27,253,002
Pupil Transportation	1,913,988	1,808,791	1,866,093	2,065,173	2,067,724
Community Services	-	-	-	-	-
Employee Benefits	13,927,466	14,189,772	13,648,662	13,711,225	13,934,404
Debt Service	3,348,382	3,349,969	3,370,400	6,674,513	3,544,413
Capital Outlay	<u>-</u>	<u>120,564</u>	<u>129,658</u>	<u>-</u>	<u>159,681</u>
Total Expenditures	<u>\$ 48,568,243</u>	<u>\$ 50,971,194</u>	<u>\$ 50,012,821</u>	<u>\$ 54,100,629</u>	<u>\$ 52,213,665</u>
Other Uses:					
Interfund Transfers	<u>435,537</u>	<u>398,027</u>	<u>268,491</u>	<u>413,383</u>	<u>458,260</u>
Total Expenditures and Other Uses	<u>49,003,780</u>	<u>51,369,221</u>	<u>50,281,312</u>	<u>54,514,012</u>	<u>52,671,925</u>
Excess (Deficit) Revenues Over					
Expenditures	<u>(281,156)</u>	<u>(1,942,562) ⁽¹⁾</u>	<u>1,266,870</u>	<u>1,837,104</u>	<u>867,837</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	8,576,296	8,295,140	6,352,578	7,619,448	9,456,552
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 8,295,140</u></u>	<u><u>\$ 6,352,578</u></u>	<u><u>\$ 7,619,448</u></u>	<u><u>\$ 9,456,552</u></u>	<u><u>\$ 10,324,389</u></u>

⁽¹⁾ Approximately \$1.6 million was attributable to the tax certiorari with Shoppingtown Mall and \$718,000 was attributable due to a State aid take back relating to filing of paperwork.

GENERAL FUND

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

Fiscal Years Ending June 30:	2018			2019	2020
	Adopted <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 38,657,433	\$ 38,657,433	\$ 38,619,062	\$ 39,400,433	\$ 40,841,885
Non-Property Taxes	80,635	80,635	97,968	80,635	62,000
Charges for Services	750,727	750,727	653,571	319,207	319,207
Use of Money & Property	150,000	150,000	45,498	130,000	130,000
Sale of Property and Compensation for Loss	-	-	18,911	-	-
Miscellaneous	272,500	272,500	435,123	724,020	724,020
Revenues from State Sources	13,250,829	13,250,829	13,468,009	14,127,097	14,060,239
Revenues from Federal Sources	208,500	208,500	201,620	208,500	208,500
Total Revenues	<u>\$ 53,370,624</u>	<u>\$ 53,370,624</u>	<u>\$ 53,539,762</u>	<u>\$ 54,989,892</u>	<u>\$ 56,345,851</u>
Other Sources:					
Proceeds from serial bonds	-	-	-	-	-
Interfund Transfers	<u>1,261,742</u>	<u>1,261,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>54,632,366</u>	<u>54,632,366</u>	<u>53,539,762</u>	<u>54,989,892</u>	<u>56,345,851</u>
<u>EXPENDITURES</u>					
General Support	\$ 4,962,649	\$ 5,866,387	\$ 5,254,441	\$ 5,388,348	\$ 5,549,475
Instruction	28,988,422	28,657,308	27,253,002	29,501,805	29,736,490
Pupil Transportation	2,092,065	2,300,591	2,067,724	2,178,287	2,281,186
Community Services	-	-	-	-	-
Employee Benefits	15,022,880	14,883,830	13,934,404	15,672,604	16,697,250
Debt Service	3,566,350	3,545,350	3,544,413	3,528,950	3,447,350
Capital Outlay	<u>-</u>	<u>-</u>	<u>159,681</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 54,632,366</u>	<u>\$ 55,253,466</u>	<u>\$ 52,213,665</u>	<u>\$ 56,269,994</u>	<u>\$ 57,711,751</u>
Other Uses:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>458,260</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>54,632,366</u>	<u>55,253,466</u>	<u>52,671,925</u>	<u>56,269,994</u>	<u>57,711,751</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>(621,100)</u>	<u>867,837</u>	<u>(1,280,102)</u>	<u>(1,365,900)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	-	621,100	9,456,552	1,280,102	1,365,900
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,324,389</u>	<u>\$ -</u>	<u>\$ -</u>

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

APPENDIX - B
Jamesville-Dewitt CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2020	\$ 2,200,000	\$ 334,350	\$ 2,534,350
2021	1,715,000	280,600	1,995,600
2022	1,765,000	230,700	1,995,700
2023	1,820,000	179,250	1,999,250
2024	1,440,000	134,850	1,574,850
2025	1,005,000	102,500	1,107,500
2026	1,035,000	73,950	1,108,950
2027	1,065,000	44,550	1,109,550
2028	175,000	14,300	189,300
2029	175,000	10,800	185,800
2030	180,000	7,300	187,300
2031	185,000	3,700	188,700
TOTALS	\$ 12,760,000	\$ 1,416,850	\$ 14,176,850

APPENDIX - B1
Jamesville-DeWitt CSD

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2008			2012		
	Reconstruction Series A			Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 375,000	\$ 56,100	\$ 431,100	\$ 720,000	\$ 193,350	\$ 913,350
2021	390,000	40,800	430,800	740,000	171,750	911,750
2022	405,000	24,900	429,900	765,000	149,550	914,550
2023	420,000	8,400	428,400	790,000	126,600	916,600
2024	-	-	-	820,000	102,900	922,900
2025	-	-	-	845,000	78,300	923,300
2026	-	-	-	870,000	52,950	922,950
2027	-	-	-	895,000	26,850	921,850
TOTALS	\$ 1,590,000	\$ 130,200	\$ 1,720,200	\$ 6,445,000	\$ 902,250	\$ 7,347,250

Fiscal Year Ending June 30th	2013			2016		
	Refunding of 2005 A & B			Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 960,000	\$ 45,600	\$ 1,005,600	\$ 145,000	\$ 39,300	\$ 184,300
2021	435,000	31,650	466,650	150,000	36,400	186,400
2022	445,000	22,850	467,850	150,000	33,400	183,400
2023	455,000	13,850	468,850	155,000	30,400	185,400
2024	465,000	4,650	469,650	155,000	27,300	182,300
2025	-	-	-	160,000	24,200	184,200
2026	-	-	-	165,000	21,000	186,000
2027	-	-	-	170,000	17,700	187,700
2028	-	-	-	175,000	14,300	189,300
2029	-	-	-	175,000	10,800	185,800
2030	-	-	-	180,000	7,300	187,300
2031	-	-	-	185,000	3,700	188,700
TOTALS	\$ 2,760,000	\$ 118,600	\$ 2,878,600	\$ 1,965,000	\$ 265,800	\$ 2,230,800

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

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

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

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

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

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

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

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

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

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

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**JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2018

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

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
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grossman st. amour

CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Education
Jamesville-DeWitt Central School District
DeWitt, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jamesville-DeWitt Central School District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited each fiduciary fund type of the District, as of and for the year ended June 30, 2018, as displayed in the District's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express



no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, and each fiduciary fund type of the District, as of June 30, 2018, 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.

Emphasis of Matter

The financial statements include additional disclosure, as well as recognition of additional liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures related to Governmental Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement requires the restatement of beginning net position and disclosures that fully describe the matter can be found on pages 45-48. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis (MD&A), schedule of funding progress – other post-employment benefit plans and schedule of revenues, expenditures and changes in fund balance budget (non-GAAP basis), actual – general fund, schedule of district contributions and schedule of district's proportionate share of net pension asset (liability)* on pages 4-14, and 51-54, respectively, 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 Jamesville-DeWitt Central School District's basic financial statements. The *schedule of change from adopted budget to final budget and schedule of use of fund balance-general fund, the schedule capital projects fund- project expenditures and financing resources and net investment in capital assets* (the supplemental

information) on pages 55-57, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2018 on our consideration of Jamesville-DeWitt Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Grossman St Amour CPAs

Syracuse, New York
October 15, 2018

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2018. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's net position decreased by approximately \$2,830,135 because of this year's operations. The majority of this decrease is related to increases in the other post-employment benefit and pension liabilities.
- General fund revenues of \$53,539,762 exceeded expenses of \$52,213,665.

As indicated below, there has been consistent enrollment over the last several years. We expect revenue to be greater than expense.

School Year	Enrollment
2008-2009	2,891
2009-2010	2,906
2010-2011	2,875
2011-2012	2,839
2012-2013	2,871
2013-2014	2,892
2014-2015	2,930
2015-2016	2,941
2016-2017	2,892
2017-2018	2,802

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Financial Highlights (continued)

The Jamesville-Dewitt Central School District is an average wealth district that receives about 24% of its revenue in the form of state aid. Below is a detail of the District's budget, state aid and required levy to meet the budget.

Year	Voter Approved Budget	State Aid	Levy
2008-2009	\$ 45,719,387	\$ 12,096,187	\$ 31,350,000
2009-2010	47,065,212	12,394,744	31,945,165
2010-2011	47,395,914	11,229,863	32,746,051
2011-2012	47,366,845	9,803,937	33,914,477
2012-2013	47,847,195	10,618,768	35,007,068
2013-2014	49,636,676	11,309,213	36,034,150
2014-2015	51,069,349	11,605,223	36,806,764
2015-2016	52,532,262	12,054,420	37,855,945
2016-2017	53,641,746	12,916,449	37,856,528
2017-2018	54,632,366	13,250,829	38,607,433

A steady growth in the tax base coupled with controlled spending has resulted in reasonable tax rate increases.

Year	Amount Tax Rate Per Thousand	Tax Rate Increase (Decrease)
2008-2009	\$ 20.27	-0.6%
2009-2010	\$ 20.44	0.8%
2010-2011	\$ 20.74	1.5%
2011-2012	\$ 21.38	3.0%
2012-2013	\$ 21.95	2.7%
2013-2014	\$ 22.49	2.5%
2014-2015	\$ 22.86	2.1%
2015-2016	\$ 23.37	2.9%
2016-2017	\$ 23.03	0.0%
2017-2018	\$ 23.49	1.98%

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Overview of the Financial Statements

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

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

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

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

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities • Reconciliation of governmental funds revenues, expenditures and changes in fund balances to the Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

	<ul style="list-style-type: none"> • Reconciliation of governmental funds balance sheet to the Statement of 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/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants. Generally, the District is required by New York State General Municipal Law (para. 36) to follow the system of accounts formulated and prescribed by the New York State Comptroller.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Financial Analysis of the District as a Whole

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

The District's combined net position decreased by \$2,830,135 from a year ago – decreasing from \$(52,504,622) to \$(55,334,757) as a result of pension and other postemployment benefit fluctuations related to GASB Statement No. 68 *Accounting for Pensions* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Table 1 - Net Position

	Governmental Activities		Percent Change
	2018	(as restated) 2017	2017-2018
Current and Other Assets	\$ 13,113,320	\$ 12,718,744	3.1%
Capital Assets	56,575,207	57,629,008	-1.8%
Net pension asset	1,012,575	-	100.0%
Total Assets	70,701,102	70,347,752	0.5%
Deferred Outflows of resources	14,861,476	15,066,474	-1.4%
Total Assets and Deferred Outflows	\$ 85,562,578	\$ 85,414,226	0.2%
Long-term liabilities	\$ 121,270,983	\$ 119,075,308	1.8%
Current portion of long-term liabilities	13,491,240	14,522,915	-7.1%
Net pension liability	462,521	2,792,167	-83.4%
Other liabilities	1,148,921	728,756	57.7%
Total Liabilities	136,373,665	137,119,146	-0.5%
Deferred Inflows of Resources	4,523,670	799,702	465.7%
Net Position			
Investment in Capital Assets	56,575,207	57,629,008	-1.8%
Related Debt	(16,007,300)	(19,063,111)	-16.0%
Restricted	6,089,901	5,453,201	11.7%
Unrestricted	(101,992,565)	(96,523,720)	5.7%
Total Net Position	\$ (55,334,757)	\$ (52,504,622)	5.4%

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Financial Analysis of the District as a Whole (continued)

Table 2 - Changes in Net Position

	Governmental Activities		Percent Change
	2018	2017	2017-2018
REVENUES			
Program Revenues:			
Charges for Services	\$ 1,132,085	\$ 862,037	31.3%
Operating Grants and Contributions	1,670,589	1,975,931	-15.5%
General Revenues:			
Property Taxes and Other Tax Items	38,717,030	37,964,450	2.0%
State Sources	13,468,009	13,164,094	2.3%
Federal Sources	201,620	188,118	7.2%
Sale of property and insurance recoveries	12,525	6,824	83.5%
Other General Revenues	480,621	335,956	43.1%
Total Revenues	<u>55,682,479</u>	<u>54,497,410</u>	2.2%
PROGRAM EXPENSES			
General Support	10,520,176	10,560,804	-0.4%
Instruction	42,978,882	41,487,091	3.6%
Transportation	4,159,705	3,775,766	10.2%
Debt Service - Interest	471,960	576,398	-18.1%
School Lunch Program	381,891	382,104	-0.1%
Total Expenses	<u>58,512,614</u>	<u>56,782,163</u>	3.0%
Decrease in Net Position	<u>\$ (2,830,135)</u>	<u>\$ (2,284,753)</u>	23.9%

In Table 2, the District's total revenues increased by \$1,185,069, and the total cost of all programs and services increased by \$1,730,451. Some of the variances causing these increases are described below:

Instruction expenses increased \$1,491,791 due to an increase in ERS and TRS net pension expenses and other post employment benefit costs. Transportation expenses increased \$383,939 due to additional services provided.

The District also received an increase in state aid funding of approximately \$303,915.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Financial Analysis of the District as a Whole (continued)

Table 3 presents the cost of each of the District's largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 - Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
General Support	\$ 10,520,176	\$ 10,560,804	\$ 9,866,605	\$ 10,185,023
Instruction	42,978,882	41,487,091	41,676,922	39,867,687
Pupil Transportation	4,159,705	3,775,766	4,159,705	3,775,766
Debt Service- Interest	471,960	576,398	471,960	576,398
School Food Service	381,891	382,104	(465,252)	(460,679)
Total	<u>\$ 58,512,614</u>	<u>\$ 56,782,163</u>	<u>\$ 55,709,940</u>	<u>\$ 53,944,195</u>

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 17 reported a combined fund balance of \$9,434,533, which is an increase from last year's total of \$9,051,770. This increase is attributable to the district having approximately \$382,763 in excess revenues over expenditures during 2017-2018 due to general fund surpluses.

General Fund Budgetary Highlights

Budget transfers made at the end of each year to balance the budget fall into two categories:

1. Unforeseeable under-budgeting in a given category; when transfers into a category are necessary, the situation is addressed in the following year's budget development process.
2. Occasional use of encumbering subsequent year expense in order to maintain a level amount of carryover encumbrances from the previous year.

Even with these adjustments, the actual charges to appropriations (expenditures) were \$1,645,872 below the final budget amounts. Resources available for appropriation were also \$935,669 above the final budgeted amount.

The District's original general fund budget of \$54,632,366 reported differs from the general fund's revised budget of \$55,253,466 reported in the budgetary comparison schedule on page 52. This is principally because the original budget excludes roll forward encumbrances left over from the prior year.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Capital Asset and Debt Administration

Capital Assets

At the end of 2018, the District had \$56,575,207 invested in a broad range of capital assets, including equipment and buildings (see Table 4 below). This amount represents a net decrease (including additions, deductions and accumulated depreciation) of approximately \$1,053,801 over last year. Any deductions are a result of depreciation or disposal.

Table 4 - Capital Assets at Year End (Net of Depreciation)

	Governmental Activities		Percent Change
	2018	2017	2017-2018
Land	\$ 648,500	\$ 648,500	0.0%
Construction in Progress	1,147,625	673,268	70.5%
Buildings and Improvements	136,931,273	136,931,273	0.0%
Equipment	7,971,598	7,823,534	1.9%
Less: Accumulated Depreciation	(90,123,789)	(88,447,567)	1.9%
Total	<u>\$ 56,575,207</u>	<u>\$ 57,629,008</u>	-1.8%

Debt

At year end, the District had approximately \$16 million in bonds, notes, and other debt outstanding compared to approximately \$19 million last year, a decrease of 16% as shown in Table 5.

Table 5 - Outstanding Debt at Year End

	Total School District		Percent Change
	2017	2016	2017-2018
General Obligation Bonds (Financed with Property Taxes)	<u>\$ 16,007,300</u>	<u>\$ 19,063,111</u>	-16.0%

The state limits the amount of general obligation debt that district's can issue to 10% of the assessed value of all taxable property within the District's geographic limits. The District's outstanding general obligation debt of \$16 million is significantly below the state-imposed debt limit.

More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Economic Factors and Next Year's Budgets and Rates

First and foremost, Jamesville-DeWitt is a high achieving district supported by a community with high expectations for our students. The economic environment calls for even more vigilance on monitoring and controlling expenditures. The political environment is one in which every government entity is being asked/forced to do more with fewer resources. We are also in an era of significant educational reform in New York State which has been placed on an accelerated time schedule. These conflicting factors have made budgetary decisions far more complex.

The budget of \$56.3 million dollars, which the voters approved for the 2018 - 2019 year, contains a proposed 3% increase in the property tax levy. The total tax levy for the year would be approximately \$39.7 million. The tax levy is within the tax cap limits. We are proud to continue to maintain one of the lowest tax rates in our area!

The budget development process for 2018-19 again challenged the board and administration to create a budget that would provide appropriate support for the education of all of our students in a fiscal environment that continues to lack predictability and stability. The educational reform initiatives underway in New York State provide ongoing challenges as we work to implement the mandated changes in ways that seem educationally and fiscally appropriate for Jamesville-Dewitt students and community. The lack of fiscal stability and predictability calls for continued vigilance in monitoring and controlling expenditures. These conflicting factors remain, and, in fact, continue to increase in magnitude, making budgetary decisions incrementally more complex.

We continue to take steps to economize, particularly in areas that do not directly affect opportunities for students, by doing such things as down-sizing non-instructional operations, and refinancing our debt on capital projects. We participate in large consortiums to help moderate fringe benefit, energy, and purchasing costs. By taking these steps, we are in a better position long term to maintain the integrity of a quality, comprehensive, K-12 program.

Over the past few years the district experienced substantial decreases in revenue, particularly in the areas of state aid to education and local sales tax. We accommodated these changes by decreasing expenses where we could and by using funds from reserves to minimize the effect on local taxpayers.

We are fortunate that the state legislature did approve an increase in our state aid for 2017-18. That is certainly good news, and we appreciate the effort of our legislators on our behalf. The reality, however, is that the aid allocation for 2017-18 is still well below previous state support for our local schools. The Board of Education and administration worked very diligently to develop a budget that would enable us to maintain the quality educational program the community expects and our students deserve, while minimizing the increased burden being placed on local tax payers due to state aid allocations that remain reduced from previous years. This budget enables us to provide the same educational experiences and opportunities currently available to our students. The students of Jamesville-DeWitt are fortunate to have a supportive community, a wonderful and caring staff, and dedicated boards of education that recognize the value in providing a well-rounded 21st century program that challenges our students educationally, artistically, athletically and globally. This budget will enable us to continue the high standards synonymous with Jamesville-DeWitt.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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

The district has begun work on the capital project that the J-D Community overwhelmingly approved last October. The capital project to improve our facilities includes the large group rooms at the high school, high school cafeterias, high school bathrooms, and auditorium, District wide HVAC, electrical, fire detection will be modernized to be more effective and efficient. We anticipate the bulk of the work to be completed over this school year with Middle School windows replaced the summer of 2019.

The districts comprehensive approach for school safety requires increased budgeted items. This all hazards approach addresses prevention by adding counselor/social workers to staff at each elementary school, the middle school and an anonymous tip line. Increased security, by upgrading cameras in all buildings and buses, contracting with Town of DeWitt Police Department for School Resource Officer, improvement to public address system and fire system, badging of all staff, increase restriction of visitors during the school day, interior doors locked at all times and bullet resistant film added to large exterior windows. Stronger entry controls by locking all exterior doors at all times during the school day, redesign of building entries, additional monitoring during drop-off and pick-up, use of facilities will be located at the high school except for use of gyms and pool after school PTG events, Town of DeWitt After School Program, where a full-time security position will be responsible for monitoring.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 315-445-8209.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2018

ASSETS	
Cash	
Unrestricted	\$ 4,634,686
Restricted	6,089,901
Receivables	
Due from other governments	2,339,270
Accounts receivable	15,882
Inventories	33,581
Capital assets, net	56,575,207
Net pension asset- proportionate share	1,012,575
Total assets	<u>70,701,102</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	<u>14,861,476</u>
Total assets and deferred outflows of resources	<u>\$ 85,562,578</u>
LIABILITIES	
LIABILITIES	
Payables	
Accounts payable	\$ 271,982
Accrued liabilities	875,790
Due to other governments	1,149
Due to teachers' retirement system	2,210,275
Due to employees' retirement system	319,591
Long-term liabilities	
Due and payable within one year:	
Accrued interest payable	75,110
Bonds payable	3,120,811
Workers compensation liability	314,288
Other postemployment benefits payable	7,466,976
Due and payable after one year:	
Bonds payable	12,886,489
Other postemployment benefits payable	108,368,683
Net pension liability- proportionate share	462,521
Total liabilities	<u>136,373,665</u>
DEFERRED INFLOWS OF RESOURCES	
Other postemployment benefits	179,296
Pensions	<u>4,344,374</u>
Total deferred inflow of resources	<u>4,523,670</u>
NET POSITION	
Net investment in capital assets	40,567,907
Restricted	6,089,901
Unrestricted deficit	<u>(101,992,565)</u>
Total net position	<u>(55,334,757)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 85,562,578</u>

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2018

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants	Revenue and Changes in net position
FUNCTIONS/PROGRAMS				
General support	\$ (10,520,176)	\$ 653,571	\$ -	\$ (9,866,605)
Instruction	(42,978,882)	-	1,301,960	(41,676,922)
Pupil transportation	(4,159,705)	-	-	(4,159,705)
Debt service - interest	(471,960)	-	-	(471,960)
School food service program	(381,891)	478,514	368,629	465,252
Total functions and programs	<u>\$ (58,512,614)</u>	<u>\$ 1,132,085</u>	<u>\$ 1,670,589</u>	<u>(55,709,940)</u>
GENERAL REVENUES				
Real property taxes				38,619,062
Non-property taxes				97,968
Use of money and property				45,498
Sale of property and compensation for loss				12,525
Miscellaneous				435,123
State sources				13,468,009
Medicaid reimbursement				201,620
Total general revenues				<u>52,879,805</u>
Change in net position				(2,830,135)
Net position - beginning of year, as restated				<u>(52,504,622)</u>
Net position - end of year				<u>\$ (55,334,757)</u>

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2018

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash					
Unrestricted	\$ 4,369,774	\$ -	\$ 235,798	\$ 29,114	\$ 4,634,686
Restricted	5,888,416	201,485	-	-	6,089,901
Receivables					
Due from other funds	2,349,008	-	-	-	2,349,008
Due from other governments	1,345,788	970,784	22,698	-	2,339,270
Other	15,269	-	613	-	15,882
Inventories	-	-	33,581	-	33,581
Total assets	<u>\$ 13,968,255</u>	<u>\$ 1,172,269</u>	<u>\$ 292,690</u>	<u>\$ 29,114</u>	<u>\$ 15,462,328</u>
LIABILITIES					
Accounts payable	\$ 238,210	\$ -	\$ 33,772	\$ -	\$ 271,982
Accrued liabilities	875,790	-	-	-	875,790
Due to other funds	-	1,172,268	-	1,176,740	2,349,008
Due to teachers' retirement system	2,210,275	-	-	-	2,210,275
Due to employees' retirement system	319,591	-	-	-	319,591
Due to other governments	-	1	1,148	-	1,149
Total liabilities	<u>3,643,866</u>	<u>1,172,269</u>	<u>34,920</u>	<u>1,176,740</u>	<u>6,027,795</u>
FUND BALANCES					
Non-spendable:					
Reserved for inventory	-	-	33,581	-	33,581
Restricted for:					
Reserved for tax certiorari	2,549,679	-	-	-	2,549,679
Reserved for debt service	500,000	-	-	-	500,000
Reserved for employee benefits	1,150,000	-	-	-	1,150,000
Reserved for capital projects	500,000	-	-	-	500,000
Reserved for insurance	948,684	-	-	-	948,684
Reserved for turf field	240,053	-	-	-	240,053
Assigned to:					
Assigned appropriated fund balance	1,280,102	-	-	-	1,280,102
Assigned unappropriated fund balance	935,669	-	224,189	(1,147,626)	12,232
Unassigned:					
Unassigned fund balance	2,220,202	-	-	-	2,220,202
Total fund balances	<u>10,324,389</u>	<u>-</u>	<u>257,770</u>	<u>(1,147,626)</u>	<u>9,434,533</u>
Total liabilities and fund balances	<u>\$ 13,968,255</u>	<u>\$ 1,172,269</u>	<u>\$ 292,690</u>	<u>\$ 29,114</u>	<u>\$ 15,462,328</u>

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Assets Totals
ASSETS				
Cash				
Unrestricted	\$ 4,634,686	\$ -	\$ -	\$ 4,634,686
Restricted	6,089,901	-	-	6,089,901
Receivables				
Due from other funds	2,349,008	-	(2,349,008)	-
Due from other governments	2,339,270	-	-	2,339,270
Other	15,882	-	-	15,882
Inventories	33,581	-	-	33,581
Capital assets, net	-	56,575,207	-	56,575,207
Net pension asset- proportionate share	-	1,012,575	-	1,012,575
Total assets	<u>15,462,328</u>	<u>57,587,782</u>	<u>(2,349,008)</u>	<u>70,701,102</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	14,861,476	-	14,861,476
	<u>\$ 15,462,328</u>	<u>\$ 72,449,258</u>	<u>\$ (2,349,008)</u>	<u>\$ 85,562,578</u>
LIABILITIES				
Payables				
Accounts payable	\$ 271,982	\$ -	\$ -	\$ 271,982
Accrued liabilities	875,790	-	-	875,790
Due to other funds	2,349,008	-	(2,349,008)	-
Due to other governments	1,149	-	-	1,149
Due to employees' retirement system	319,591	-	-	319,591
Due to teachers' retirement system	2,210,275	-	-	2,210,275
Long-term debt-due within one year:				
Bond anticipation note payable	-	-	-	-
Accrued interest payable	-	75,110	-	75,110
Bonds payable	-	3,120,811	-	3,120,811
Other postemployment benefits payable	-	7,466,976	-	7,466,976
Long-term debt-due in more than one year:				
Bonds payable, net	-	12,886,489	-	12,886,489
Workers compensation liability	-	314,288	-	314,288
Other postemployment benefits payable, net	-	108,368,683	-	108,368,683
Net pension liability- proportionate share	-	462,521	-	462,521
Total liabilities	<u>6,027,795</u>	<u>132,694,878</u>	<u>(2,349,008)</u>	<u>136,373,665</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	\$ -	\$ 179,296	\$ -	\$ 179,296
Pensions	-	4,344,374	-	4,344,374
Total deferred inflows of resources	<u>-</u>	<u>4,523,670</u>	<u>-</u>	<u>4,523,670</u>
FUND BALANCE/NET POSITION				
Total fund balance/net position	<u>9,434,533</u>	<u>(64,769,290)</u>	<u>-</u>	<u>(55,334,757)</u>
	<u>\$ 15,462,328</u>	<u>\$ 72,449,258</u>	<u>\$ (2,349,008)</u>	<u>\$ 85,562,578</u>

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2018

	General	Special Aid	School Food Service	Capital Projects	Total Governmental Funds
REVENUES					
Real property taxes	\$ 38,619,062	\$ -	\$ -	\$ -	\$ 38,619,062
Non-property taxes	97,968	-	-	-	97,968
Charges for services	653,571	-	-	-	653,571
Use of money and property	45,498	-	-	-	45,498
Sale of property and compensation for loss	18,911	-	-	-	18,911
Miscellaneous	435,123	-	-	-	435,123
State sources	13,468,009	160,808	42,150	-	13,670,967
Federal sources	201,620	1,141,152	326,479	-	1,669,251
Sales - school food service	-	-	478,514	-	478,514
Total revenues	<u>53,539,762</u>	<u>1,301,960</u>	<u>847,143</u>	<u>-</u>	<u>55,688,865</u>
EXPENDITURES					
General support	5,254,441	-	334,075	-	5,588,516
Instruction	27,253,002	1,301,960	-	-	28,554,962
Pupil transportation	2,067,724	-	-	-	2,067,724
Employee benefits	13,934,404	-	138,463	-	14,072,867
Debt service					
Principal	3,040,000	-	-	-	3,040,000
Interest	504,413	-	-	-	504,413
Cost of sales	-	-	376,616	-	376,616
Capital outlay	159,681	-	8,706	932,617	1,101,004
Total expenditures	<u>52,213,665</u>	<u>1,301,960</u>	<u>857,860</u>	<u>932,617</u>	<u>55,306,102</u>
Excess of revenues over expenditures	<u>1,326,097</u>	<u>-</u>	<u>(10,717)</u>	<u>(932,617)</u>	<u>382,763</u>
OTHER FINANCING SOURCES AND (USES)					
Interfund transfers	(458,260)	-	-	458,260	-
Total other sources (uses)	<u>(458,260)</u>	<u>-</u>	<u>-</u>	<u>458,260</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	867,837	-	(10,717)	(474,357)	382,763
Fund balances - beginning of year	<u>9,456,552</u>	<u>-</u>	<u>268,487</u>	<u>(673,269)</u>	<u>9,051,770</u>
Fund balances - end of year	<u>\$ 10,324,389</u>	<u>\$ -</u>	<u>\$ 257,770</u>	<u>\$ (1,147,626)</u>	<u>\$ 9,434,533</u>

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in
Fund Equity to the Statement of Activities
For the Year Ended June 30, 2018

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES				
Real property taxes	\$ 38,619,062	\$ -	\$ -	\$ 38,619,062
Non-property taxes	97,968	-	-	97,968
Charges for services	653,571	-	-	653,571
Use of money and property	45,498	-	-	45,498
Sale of property and compensation for loss	18,911	(6,386)	-	12,525
Miscellaneous	435,123	-	-	435,123
State sources	13,670,967	-	-	13,670,967
Federal sources	1,669,251	-	-	1,669,251
Sales - school food service	478,514	-	-	478,514
Total revenues	55,688,865	(6,386)	-	55,682,479
EXPENDITURES/EXPENSES				
General support	5,588,516	1,319,567	3,612,093	10,520,176
Instruction	28,554,962	418,571	14,005,349	42,978,882
Pupil transportation	2,067,724	405,006	1,686,975	4,159,705
Employee benefits	14,072,867	-	(14,072,867)	-
Debt service:				
Principal	3,040,000	-	(3,040,000)	-
Interest	504,413	-	(32,453)	471,960
Cost of sales	376,616	5,275	-	381,891
Capital outlay	1,101,004	(1,101,004)	-	-
Total expenditures/expenses	55,306,102	1,047,415	2,159,097	58,512,614
Net change for the year	\$ 382,763	\$ (1,053,801)	\$ (2,159,097)	\$ (2,830,135)

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2018

	Private Purpose Trusts	Agency
ASSETS		
Restricted cash	\$ 35,919	\$ 787,277
LIABILITIES		
Extraclassroom activity balances	\$ -	\$ 130,296
Other liabilities	-	656,981
Total liabilities	-	\$ 787,277
NET POSITION		
Reserved for scholarships	35,919	
	\$ 35,919	

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2018

	Private Purpose Trusts
ADDITIONS	
Gifts and contributions	\$ 1,700
DEDUCTIONS	
Scholarships and awards	4,250
Total deductions	4,250
Change in net assets	(2,550)
Net position - beginning of year	38,469
Net position - end of year	\$ 35,919

The accompanying notes are an integral part of these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine 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 the authority to make decisions, the power to appoint management and primary accountability for all fiscal matters.

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

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

i) Extraclassroom Activity Funds

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

B) Joint venture:

The District is a component district in Onondaga Cortland Madison Board of Cooperative Education Services (OCMBOCES). 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.

The participation in OCMBOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to OCMBOCES. The District has an ongoing financial interest since OCMBOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in OCMBOCES. The District does not control the financial or operating policies of OCMBOCES; however, it has an ongoing financial responsibility since the continued existence of OCMBOCES depends on continued funding from the participating school districts.

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

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

During the year, the District was invoiced \$3,965,120 for OCMBOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,209,129.

Financial statements for the BOCES are available from the OCMBOCES administrative office at 6820 Thompson Road, Syracuse, New York 13221-4754. As of June 30, 2017 (the most recent available audited financial statements), OCMBOCES has a total net position (deficit) of \$(66,828,409).

C) Basis of presentation:

i) District-wide statements:

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

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

ii) Fund financial 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 non-major funds.

The District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following fiduciary funds:

Fiduciary Funds

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

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.

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

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

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1st and become a lien on October 31st. Taxes were collected during the period September 5, 2017 to October 31, 2017.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

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

F) Restricted resources:

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

G) Interfund transactions:

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

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset. Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, post-employment benefit and pension liabilities, 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 date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

Corporation (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; obligations of the State and its municipalities and Districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations (if permitted by the District's policy).

J) Accounts Receivable:

Accounts receivable are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and prepaid items:

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, 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 reserve for these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L) Capital assets:

Capital assets acquisitions are reported at actual cost subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, estimated historical costs, based on an appraisal conducted by independent third party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and Construction in Process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$50,000	Straight Line	50 yrs
Building improvements	50,000	Straight Line	50 yrs
Site improvements	25,000	Straight Line	15-25 yrs
Furniture and equipment	1,000	Straight Line	5-15 yrs

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

M) Deferred revenues:

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned revenue is removed and 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 and inflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

O) Vested employee benefits:

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for the 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.

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

Q) Short-term debt:

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

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

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

R) 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, 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.

S) Equity classifications:

Net Position/ Fund Balance:

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

Order of Use of Fund Balance:

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

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

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

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

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

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of \$33,581.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has established the following restricted fund balances:

Capital (Turf Field)

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

Debt Service

According to General Municipal Law §6-l, the Mandatory 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 sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Insurance

According to General Municipal Law §6-n, the Insurance Reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

S) Equity classifications (continued):

legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Tax Certiorari

According to Education Law §3651.1-a, the Tax Certiorari Reserve must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount, 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 proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

Employee Benefit Accrued Liability

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

Restricted fund balance includes the following:

General Fund:

Debt Service	\$ 500,000
Employee benefit accrued liability	1,150,000
Insurance	948,684
Turf field	240,053
Tax certiorari	<u>2,549,679</u>
Total restricted funds	<u>\$ 5,388,416</u>

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 School District has no committed fund balances as of June 30, 2018.

Assigned – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes amounts appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 1 – Summary of accounting policies (continued)

S) Equity classifications (continued):

Unassigned – Includes all other General Fund net position 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 had been restricted or assigned.

Unassigned Fund Balance:

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 School District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

T) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2018, the District implemented the following new standard issued by GASB:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, GASB Statement No. 81, *Split Interest Agreements*, GASB Statement No. 85, *Omnibus* and GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

U) Future Changes in Accounting Standards

GASB Statement No. 83- *Certain Asset Retirement Obligations* Effective for the year ending June 30, 2019.

GASB Statement No. 84- *Fiduciary Activities* Effective for the year ending June 30, 2019

GASB Statement No. 87- *Leases* Effective for the year ending June 30, 2021

GASB Statement No. 88- *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* Effective for the year ending June 30, 2019.

The District is currently studying the statement and plans on adoption if required, which will be for the June 30, 2019 financial statements.

Note 2 – Explanation of certain differences between Governmental Fund statements and District-wide statements

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions.

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

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. This reconciliation is performed on page 20.

i) Long-term revenue differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

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

v) OPEB differences:

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

Note 3 – Change in accounting principles:

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of the statement requires District's to report Other Post Employment Benefits (OPEB) liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. See Note 15 for the financial statement impact of the implementation of the statement.

Note 4 – Stewardship, compliance and accountability

The District administration prepares a proposed budget for approval by the Board of Education, which in turn is either approved or disapproved by eligible voters in the school district. The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

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

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 4 – Stewardship, compliance and accountability (continued)

The Capital projects Fund had a deficit fund balance of \$1,147,626. The District is currently working on obtaining financing for a voter approved capital project. When long-term financing is obtained, the District will recognize the appropriate amount of revenue for this financing which will fund the current deficit balance.

Note 5 – Cash (and cash equivalents)

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

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

Total financial institution bank balances at year-end, per the bank, were \$13,207,828. These deposits are insured or collateralized with securities held by the financial institution in the District's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$6,089,901 within the governmental funds and \$823,196 in the fiduciary funds.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 6 – Capital assets

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 648,500	\$ -	\$ -	\$ 648,500
Construction in progress	673,268	474,357	-	1,147,625
Total non-depreciable historical cost	1,321,768	474,357	-	1,796,125
Capital assets that are depreciated:				
Buildings	136,931,273	-	-	136,931,273
Vehicles	5,216,603	505,163	(419,196)	5,302,570
Furniture and equipment	2,606,931	121,484	(59,387)	2,669,028
Total depreciable historical cost	144,754,807	626,647	(478,583)	144,902,871
Less accumulated depreciation:				
Buildings	(83,158,162)	(1,592,407)	-	(84,750,569)
Vehicles	(3,029,499)	(446,863)	419,863	(3,056,499)
Furniture and equipment	(2,259,906)	(109,149)	52,334	(2,316,721)
Total accumulated depreciation	(88,447,567)	(2,148,419)	472,197	(90,123,789)
Total historical cost, net	\$ 57,629,008	\$ (1,047,415)	\$ (6,386)	\$ 56,575,207
Depreciation expense was charged to governmental functions as follows:				
General government		\$ 1,319,567		
Instruction		418,571		
Transportation		405,006		
Cost of sales		5,275		
		<u>\$ 2,148,419</u>		

Note 7 – Long-term obligations

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 7 – Long-term obligations (continued)

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

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Bonds payable:					
Serial bonds	\$ 19,063,111	\$ -	\$ (3,055,811)	\$ 16,007,300	\$ 3,120,811
Net bonds payable	<u>\$ 19,063,111</u>	<u>\$ -</u>	<u>\$ (3,055,811)</u>	<u>\$ 16,007,300</u>	<u>\$ 3,120,811</u>
Other postemployment					
benefits payable	\$ 111,133,047	\$ 7,466,976	\$ (2,764,364)	\$ 115,835,659	\$ 7,466,976
Workers compensation	372,095	-	(57,807)	314,288	314,288
Net pension liability	1,335,324	-	(872,803)	462,521	462,521
Compensated absences	421,075	89,807	-	510,882	510,882
Total	<u>\$ 113,261,541</u>	<u>\$ 7,556,783</u>	<u>\$ (3,694,974)</u>	<u>\$ 117,123,350</u>	<u>\$ 8,754,667</u>

Interest paid and expensed on long-term obligations for the year approximated \$487,771.

The following is a schedule of bonds outstanding at June 30, 2018:

	Date of Original Issue	Original Amount	Maturity Date	Interest Rate	Balance June 30, 2018
2008 Series A	7/15/2008	\$ 4,617,010	7/15/2022	3.75%-4.00%	\$ 1,955,000
2012 Serial Bond	7/15/2012	11,000,000	6/15/2027	2.00%-3.00%	7,145,000
2012 Serial Bond-Premium	7/15/2012	237,166	6/15/2027	2.00%-3.00%	142,300
2016 Serial Bond	7/21/2016	2,368,987	6/15/2031	1.00%-2.00%	2,105,000
2012 Refunding Serial Bond	2/8/2012	5,475,000	5/15/2019	2.00%-3.75%	970,000
2013 Refunding Serial Bond	3/6/2013	6,360,000	9/1/2023	1.00%-2.00%	3,690,000
					<u>\$16,007,300</u>

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

	Principal	Premium	Interest	Total
Fiscal year ended June 30,				
2019	\$ 3,105,000	\$ 15,811	\$ 423,950	\$ 3,544,761
2020	2,200,000	15,811	334,350	2,550,161
2021	1,715,000	15,811	280,600	2,011,411
2022	1,765,000	15,811	230,700	2,011,511
2023	1,820,000	15,811	179,250	2,015,061
2024-2028	4,720,000	63,245	370,150	5,153,395
2029-2031	540,000	-	21,800	561,800
	<u>\$ 15,865,000</u>	<u>\$ 142,300</u>	<u>\$ 1,840,800</u>	<u>\$ 17,848,100</u>

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 8 – Interfund balances and activity

	Receivable	Payable	Revenues	Expenditures
General fund	\$ 2,349,008	\$ -	\$ -	\$ 458,260
Special aid fund	-	1,172,268	-	-
Capital projects fund	-	1,176,740	458,260	-
	<u>\$ 2,349,008</u>	<u>\$ 2,349,008</u>	<u>\$ 458,260</u>	<u>\$ 458,260</u>

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

Note 9 – Pension plans

General Information

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

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 NYSTRS, 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.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 9 – Pension plans (continued)

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% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

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

	NYSTRS	NYSERS
2017-2018	\$ 2,092,667	\$ 719,803
2016-2017	2,480,290	711,397
2015-2016	2,780,893	827,788

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17-year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability. The District exercised that option.

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

At June 30, 2018, the District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of June 30, 2017 for TRS and March 31, 2018 for ERS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the 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
Actuarial valuation date	4/1/2017	6/30/2016
Net pension asset/ (liability)	\$ (462,521)	\$ 1,012,575
District's portion of the Plan's total net pension asset/ (liability)	0.0143309%	0.133216%

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 9 – Pension plans (continued)

For the year ended June 30, 2018, the District's recognized pension expense of \$2,565,032 for TRS and \$676,028 for ERS. At June 30, 2018, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 164,966	\$ 833,100	\$ 136,322	\$ 394,791
Changes of assumption	306,690	10,303,143	-	-
Net difference between projected and actual earnings on pension plan investments	671,775	-	1,326,017	2,384,906
Changes in proportion and differences between the District's contributions and proportionate share of contributions	324,592	164,542	26,121	76,217
District's contribution subsequent to the measurement date	-	2,092,668	-	-
Total	<u>\$ 1,468,023</u>	<u>\$ 13,393,453</u>	<u>\$ 1,488,460</u>	<u>\$ 2,855,914</u>

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

Year ended:	ERS	TRS
2018	\$ -	\$ 253,620
2019	215,876	2,745,195
2020	163,199	1,969,993
2021	(279,921)	503,558
2022	(119,590)	1,964,318
Thereafter	-	1,008,187
	<u>\$ (20,436)</u>	<u>\$ 8,444,871</u>

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 9 – Pension plans (continued)

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, 2018	June 30, 2017
Actuarial valuation date	April 1, 2017	June 30, 2016
Interest rate	7.0%	7.25%
Salary scale	3.80% - 4.50%	1.90%-4.72%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.50%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale AA. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. For TRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 9— Pension plans (continued)

Measurement date	ERS 3/31/18	TRS 6/30/17
Asset Type		
Domestic equity	36%	35%
International equity	14%	18%
Real estate	10%	11%
Private equities	10%	8%
Domestic fixed income securitie	0%	16%
Global fixed income securities	0%	2%
High-yield fixed income securiti	0%	1%
Mortgages	17%	8%
Short-term	0%	1%
Opportunistic portfolio	3%	0%
Cash	1%	0%
Inflation-indexed bonds	4%	0%
Absolute return strategies	2%	0%
Real assets	3%	0%
	<u>100%</u>	<u>100%</u>

Discount Rate

The discount rate used to calculate the total pension liability was 7.25% for TRS and 7% for ERS. 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.

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

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 9— Pension plans (continued)

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension asset (liability)	<u>\$ (3,499,559)</u>	<u>\$ (462,521)</u>	<u>\$ 2,106,691</u>
TRS	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension asset (liability)	<u>\$ (17,443,661)</u>	<u>\$ 1,012,575</u>	<u>\$ 16,468,755</u>

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2018 are paid to the System in September, October and November 2017 through a state aid intercept. Accrued retirement contributions as of June 30, 2018 represent employee and employer contributions for the fiscal year ended June 30, 2018 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2018 amounted to \$2,210,275.

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, 2018 represent the projected employer contribution for the period of April 1, 2018 through June 30, 2018 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2018 amounted to \$319,591 of employer contributions. Employee contributions are remitted monthly.

Note 10 – Postemployment (health insurance) benefits

A. General information about the plan and benefits

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 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.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 10 – Postemployment (health insurance) benefits (continued)

Employees Covered by Benefit Terms – At June 30, 2018 the following employees were covered by the benefit terms:

Retirees and Survivors	296
Active employees	425
	<u>721</u>

B. Total OPEB Liability

The District's total OPEB liability of \$115,835,659 was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs- The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	3.00%
Discount Rate	3.00%
Healthcare Cost Trend Rates	7.5% for 20168, decreasing .5% per year to an ultimate rate of 4.5% for 2022 and later years
Retirees' Share of Benefit-Related Costs	45% of projected health insurance premiums for retirees

The Discount rate was based on the published Bond Buyer GO 20-Bond Municipal Index.

Mortality rates were based on RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on RP-2014, adjusted to 2006 total Dataset Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in June 30, 2018 valuation were based on the results of an actuarial experience study for the period of July 1, 2017- June 30, 2018.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 10 – Postemployment (health insurance) benefits (continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 111,133,047
<u>Changes for the Year</u>	
Service cost	4,049,605
Interest	3,417,371
Changes of benefit terms	-
Differences between expected and actual experience	(204,910)
Changes in assumptions or other inputs	-
Benefit payments	<u>(2,559,454)</u>
Net Changes	4,702,612
Balance at June 30, 2018	<u>\$ 115,835,659</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2017 to 3% in 2018.

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%) or 1 percentage point higher (4%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$138,726,679</u>	<u>\$115,835,659</u>	<u>\$ 98,063,028</u>

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

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 91,863,367</u>	<u>\$115,835,659</u>	<u>\$151,684,572</u>

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

For the Year Ended June 30, 2018

Note 10 – Postemployment (health insurance) benefits (continued)

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

For the year ended June 30, 2018, the District recognized negative OPEB expense of \$7,441,362. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (179,296)
	<u>\$ -</u>	<u>\$ (179,296)</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	\$ (25,614)
2020	(25,614)
2021	(25,614)
2022	(25,614)
2023	(25,614)
2024 and Thereafter	<u>(51,226)</u>
	<u>\$ (179,296)</u>

Note 11 – Risk management

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

The District incurs costs related to an employee health insurance plan (plan). The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of two years; a member may withdraw from the plan after that time by submitting thirty days written notice. The Cooperative Health Insurance Fund of Central New York has twenty-nine (29) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 11 – Risk management (continued)

deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$8,783,228 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

The District incurs costs related to an employee workers' compensation plan. The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of two years; a member may withdraw from the plan after that time by submitting a thirty days written notice. The Onondaga Cortland Madison Workers' Compensation Consortium includes thirty-one (31) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of the claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. The District incurred premiums totaling approximately \$281,031 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly. The District's share of the workers compensation liability was \$314,288 at June 30, 2018.

Note 12 – Commitments and contingencies

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial. New York State Education Law requires that most capital projects require approval by the New York Office of Facilities Planning. New York State provides building aid for certain type of capital projects undertaken by school districts. Building aid is subject to numerous reporting requirements. The failure to adhere to these reporting requirements could lead to the refund of building aid already received and the loss of future aid on these particular capital projects. Building aid represents a significant source of financing for the Districts' financing of such projects and any loss or refund of building aid could have a significant impact on these financial statements.

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2018

Note 13 – Donor-restricted endowments

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

Note 14 – Subsequent Events

Management has evaluated subsequent events through October 15, 2018, which is the date the financial statements were available to be issued.

Note 15 – Restatement of Net Position

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* which replaces GASB Statement No. 45. The implementation of Statement No. 75 resulted in the reporting of a liability, deferred outflow of resources and deferred inflow of resources related to the District's participation in the OPEB plan. The District also recognized a change in accounting estimate with regard to the calculation of GASB Statement No. 68, which resulted in a restatement of the net position. The District's net position has been restated as follows:

Net position, beginning of the year, as previously stated	\$ 18,863,976
June 30, 2017 OPEB liability under GASB 45	37,290,315
June 30, 2017 OPEB liability under GASB 75	(111,133,047)
GASB 68 prior period adjustments	<u>2,474,134</u>
Net position, beginning of the year, as restated	<u>\$ (52,504,622)</u>

Jamesville-Dewitt Central School District
Required Supplementary Information
Schedule of Funding Progress
Other Postemployment Benefits
For the Year Ended June 30, 2018

SS1

	<u>2018</u>
Measurement Date	June 30, 2017
Total OPEB Liability	\$ 115,835,659
Service Cost	4,049,605
Interest	3,417,371
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total OPEB liability	(204,910)
Changes in assumptions or other inputs	-
Benefit payments	<u>(2,559,454)</u>
Net change in total OPEB liability	4,702,612
Total OPEB liability- beginning	<u>111,133,047</u>
Total OPEB liability- ending	<u>\$ 115,835,659</u>
Covered payroll	\$ 26,597,993
Total OPEB liability as a percentage of covered payroll	436%

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) And Actual - General Fund
For the Year Ended June 30, 2018

SS2

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	\$ 38,657,433	\$ 38,657,433	\$ 38,619,062	\$ (38,371)
Non-property taxes	80,635	80,635	57,968	17,333
Charges for services	750,727	750,727	653,571	(97,156)
Use of money and property	150,000	150,000	45,498	(104,502)
Sale of property and compensation for loss	-	-	18,911	18,911
Miscellaneous	272,500	272,500	435,123	162,623
Total local sources	39,911,295	39,911,295	39,870,133	(41,162)
State Sources	13,250,829	13,250,829	13,468,009	217,180
Federal sources	208,500	208,500	201,620	(6,880)
Total revenues	53,370,624	53,370,624	53,539,762	169,138
OTHER FINANCING SOURCES				
Transfers from other funds	1,261,742	1,261,742	-	(1,261,742)
Proceeds from serial bonds	-	-	-	-
Total revenues and other financing sources	\$ 54,632,366	\$ 54,632,366	\$ 53,539,762	\$ (1,092,604)
EXPENDITURES				
General Support				
Board of education	\$ 19,100	\$ 21,223	\$ 21,147	\$ (76)
Central administration	264,359	265,959	313,847	47,888
Finance	358,502	361,780	356,720	(5,060)
Staff	172,506	208,408	118,682	(89,726)
Central services	3,743,934	4,555,160	4,011,989	193,647
Special items	404,248	453,857	432,056	(21,801)
Total general support	4,962,649	5,866,387	5,254,441	124,872
Instruction				
Instruction, administration and improvement	1,655,587	1,719,847	1,610,936	88,554
Teaching - regular school	15,846,599	15,972,635	15,271,615	39,546
Programs for children with handicapping conditions	6,582,643	6,089,560	5,858,297	-
Occupational education	187,290	123,216	123,216	-
Teaching - special school	43,494	101,768	101,768	-
Instructional media	1,165,724	947,552	1,540,453	7,311
Pupil services	3,497,085	3,702,730	2,746,719	34,840
Total instruction	28,988,422	28,657,308	27,253,004	170,251
Pupil Transportation	2,092,065	2,300,591	2,227,403	28,600
Employee Benefits	15,022,880	14,883,830	13,934,404	-
Debt Service	3,566,350	3,545,350	3,544,413	-
Total expenditures	54,632,366	55,253,466	52,213,665	935,669
OTHER FINANCING USES				
Transfers to other funds	-	-	458,260	-
Total expenditures and other uses	\$ 54,632,366	\$ 55,253,466	52,671,925	\$ 935,669
Net change in fund balances			867,837	
Fund balance - beginning			9,456,552	
Fund balance - ending			\$ 10,324,389	

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Schedule of District Contributions
For the year ended June 30, 2018

SS3

Teachers' Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,092,667	\$ 2,480,290	\$ 2,780,893	\$ 3,569,579
Contributions in relation to the contractually required contribution	<u>2,092,667</u>	<u>2,480,290</u>	<u>2,780,893</u>	<u>3,569,579</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$21,353,745	\$21,162,884	\$20,972,044	\$20,351,078
Contributions as a percentage of covered payroll	10%	12%	13%	18%

Employees' Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 719,803	\$ 711,397	\$ 827,788	\$ 711,397
Contributions in relation to the contractually required contribution	<u>719,803</u>	<u>711,397</u>	<u>827,788</u>	<u>711,397</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,968,950	\$ 4,886,579	\$ 4,560,534	\$ 4,479,642
Contributions as a percentage of covered payroll	14%	15%	18%	16%

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Schedule of District's Proportionate Share of the Net Pension Asset (Liability)
For the year ended June 30, 2018

SS4

<i>Teachers' Retirement System</i>				
	2018	(as restated) 2017	2016	2015
District's proportion of the net pension asset (liability)	0.133216%	0.135917%	0.135445%	0.133651%
District's proportionate share of the net pension asset (liability)	\$ 1,012,575	\$ (1,456,843)	\$ 16,849,483	\$ 18,454,524
District's covered payroll	\$ 21,353,745	\$ 21,162,884	\$ 20,972,044	\$ 20,351,078
District's proportionate share of the net pensionasset (liability) as a percentage of its covered payroll	5%	-7%	80%	91%
Plan fiduciary net position as a percentage of the total pension liability				

<i>Employees' Retirement System</i>				
	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.0143309%	0.0142113%	0.0152811%	0.0151300%
District's proportionate share of the net pension asset (liability)	\$ (462,521)	\$ (1,335,324)	\$ (2,452,652)	\$ (511,154)
District's covered payroll	\$ 4,968,950	\$ 4,886,579	\$ 4,560,534	\$ 4,479,642
District's proportionate share of the net pensionasset (liability) as a percentage of its covered payroll	9%	27%	54%	11%
Plan fiduciary net position as a percentage of the total pension liability				

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Supplementary Information
Schedules of Change from Adopted Budget to Final Budget
and Schedule of Use of Fund Balance - General Fund
For the Year Ended June 30, 2018

SS5

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 54,632,366
Add: Prior year's encumbrances	<u>621,100</u>
Original budget	55,253,466
Budget revision:	<u>-</u>
Final budget	<u><u>\$ 55,253,466</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2018-19 voter-approved expenditure budget maximum allowed (4% of 2018-19 budget)	\$ 56,269,994
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General fund balance subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	2,215,771
Unassigned fund balance	<u>2,220,202</u>
Total unrestricted fund balance	<u>4,435,973</u>
Less:	
Appropriated fund balance	1,280,102
Encumbrances included in committed and assigned fund balance	<u>935,669</u>
Total adjustments	<u>2,215,771</u>
General fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,220,202</u></u>
Actual percentage	3.95%

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

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Supplementary Information
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources
For the Year Ended June 30, 2018

SS6

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures				Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2018
			Prior Years	Current Year	Transfers	Total			State Aid	Local Sources	Total	
Facilities improvement project	\$ 12,100,000	\$ 12,100,000	\$ 673,269	\$ 474,357	\$ -	\$ 1,147,626	\$ 10,952,374	\$ -	\$ -	\$ -	\$ -	\$ (1,147,626)
Buses	479,400	479,400	-	458,260	-	458,260	21,140	-	-	458,260	458,260	-
	<u>\$ 12,579,400</u>	<u>\$ 12,579,400</u>	<u>\$ 673,269</u>	<u>\$ 932,617</u>	<u>\$ -</u>	<u>\$ 1,605,886</u>	<u>\$ 10,973,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458,260</u>	<u>\$ 458,260</u>	<u>\$ (1,147,626)</u>

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

JAMESVILLE-DEWITT CENTRAL SCHOOL DISTRICT
Supplementary Information
Net Investment in Capital Assets
For the Year Ended June 30, 2018

SS7

Capital assets, net		\$ 56,575,207
Deduct:		
Short-term portion of bonds payable	(3,120,811)	
Long-term portion of bonds payable	<u>(12,886,489)</u>	
Total bonds payable		<u>(16,007,300)</u>
Net investment in capital assets		<u>\$ 40,567,907</u>

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