PRELIMINARY OFFICIAL STATEMENT

NEW ISSUES **BOND ANTICIPATION NOTES & REVENUE ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

The District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

$15,500,000

CITY SCHOOL DISTRICT OF THE CITY OF ROME

ONEIDA COUNTY, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE: #776066

$7,500,000 Bond Anticipation Notes, 2021

(the "BANs")

Dated: January 21, 2021 **Due: July 28, 2021**

and

$8,000,000 Revenue Anticipation Notes, 2021

(the "RANs")

Dated: February 2, 2021 **Due: February 2, 2022**

(collectively referred herein as the "Notes")

The Notes are general obligations of the City School District of the City of Rome, Oneida County, New York (the "District"). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount with respect to the BANs, however, the RANs are subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011. See "THE NOTES - Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The BANs will not be subject to redemption prior to maturity. The RANs will be subject to redemption prior to maturity on or after June 29, 2021, upon 20 days written notice. The Notes will be registered in the name of the purchaser(s), in the denominations of $5,000 or multiples thereof as determined by the successful bidder(s). Principal and interest will be payable in Federal Funds at maturity at such bank or trust company located and authorized to do business in the State of New York, as may be determined by such successful bidder(s). Paying agent fees, if any will be paid by the successful bidder(s).

Alternatively, at the option of the purchaser(s), the Notes will be issued as registered notes, and, if so issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Under this option, noteholders will not receive certificates representing their ownership interest in the Notes purchased. Under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the BANs will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as agreed upon with the purchaser(s), on or about January 21, 2021. It is anticipated that the RANs will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as agreed upon with the purchaser(s), on or about February 2, 2021.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on January 14, 2021 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notices of Sale.

January 13, 2021

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

CITY SCHOOL DISTRICT OF ROME
ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2020-2021 BOARD OF EDUCATION

PAUL HAGERTY
President

TANYA DAVIS
Vice President

ROME
CITY SCHOOL DISTRICT

DR. KAREN FONTANA
PAUL FITZPATRICK
LEIGH LOUGHRAN
LISA HERBOWY
JOHN NASH
JONATHON MATWIJEC-WALDA
JOSEPH MELLACE

* * * * * * * * * * *

PETER C. BLAKE
Superintendent of Schools

ROBERT B. MEZZA, JR.
Assistant Superintendent for Operations and Management

DAVID DREIDEL
Director of Business & Finance

JODI L. HADDAD
District Treasurer

JOHN NASH
District Clerk

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by the City School District of the City of Rome 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 City School District of the City of Rome.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

OF THE

CITY SCHOOL DISTRICT OF THE CITY OF ROME
ONEIDA COUNTY, NEW YORK

RELATING TO

$7,500,000 Bond Anticipation Notes, 2021
and
$8,000,000 Revenue Anticipation Notes, 2021

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Rome, Oneida County, New York (the "School District" or "District", "County ", "City" and "State", respectively) in connection with the sale by the School District of $7,500,000 Bond Anticipation Notes, 2021 (the "BANs") and $8,000,000 Revenue Anticipation Notes, 2021 (the "RANs") (collectively referred to herein as 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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State, and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of effects of which are extremely difficult to predict and quantify. (See "MARKET AND RISK FACTORS – COVID -19 herein."

THE NOTES

Description of the Notes

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal 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 School District, is subject to the levy of ad valorem taxes to pay the and interest thereon, without limitation as to rate or amount with respect to the BANs, however, the TANs are subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011. See "Tax Levy Limitation Law" herein.

The BANs are dated January 21, 2021 and mature on July 28, 2021. The RANs are dated February 2, 2021 and mature on February 2, 2022. The Notes will be issued in either (i) registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof as may be determined by the successful bidder(s) with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Optional Redemption

The BANs shall not be subject to redemption prior to maturity.

The RANs will be subject to redemption prior to maturity on or after June 29, 2021, upon 20 days written notice.

Purpose of Issue - BANs

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law along with a bond resolution adopted by the District's Board of Education on December 19, 2019 authorizes the issuance of bonds and other obligations to finance (i) building improvements and renovations to the Rome Free Academy, (ii) track and turf renovations at the RSCD Stadium Support Facility and (iii) energy performance improvements and upgrades at all District buildings, including construction, site improvements, original furnishings, fixtures and equipment required for such purposes, architectural fees, and all other necessary costs incidental to such work at a total estimated cost not to exceed $14,231,055.

The proceeds of the BANs will provide new monies for the aforementioned purpose.

Purpose of Issue - RANs

The RANs are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law and pursuant to a revenue anticipation note resolution duly adopted by the Board of Education, in anticipation of revenues due from the State during the School District's fiscal year, commencing July 1, 2020 and ending June 30, 2021.

In the event the aforesaid aid is not received by February 2, 2022, the Notes may be renewed. Revenue anticipation renewal notes may again be renewed in the event such aid has still not been received on the maturity date of such renewal notes. The final renewal of any such revenue anticipation renewal notes must mature not later than June 30, 2023.

The RANs are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the RANs are outstanding (see "APPENDIX – D1-D2 - ESTIMATED MONTHLY CASH FLOW"). Such cash flow deficit is the result of a delay in the receipt of State aid revenues, which receipt is not timely with the cash flow needs of the School District.

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, subject to applicable statutory limitations.

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 securities 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, National Securities Clearing Corporation 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.

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 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 School District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The School 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 School District believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE SCHOOL DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS

PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The BANs will remain not subject to redemption prior to their stated final maturity date. The RANs will subject to redemption prior on or after June 29, 2021 upon 20 days prior written notice.

THE SCHOOL DISTRICT

General Information

The District is situated in central New York State in the central portion of Oneida County, about 15 miles northwest of the City of Utica. It encompasses approximately 130 square miles, and is located primarily within the City of Rome (the "City"), however, it does not include the entire geographic boundaries of the City. Additionally, the District encompasses various portions of the Towns of Annsville, Lee, Verona and Western (collectively, the "Towns"). The District lies within the Utica-Rome Standard Metropolitan Statistical Area.

The character of the District is both urban and suburban residential. The District is comprised of multi-family and single-family residences, and there has recently been co-operative and condominium development. There has been moderate development of the industrial and commercial sectors. A portion of the District has been zoned for industrial development and expansion. The West Rome Industrial Park, developed in the late 1960's under a grant from the Economic Development Administration, has over 66 acres of industrial development. Commercial activity within the District is concentrated in several commercially zoned areas and in shopping malls. Within the District there are also tourism and recreational facilities, including several parks, Fort Stanwix, and Erie Canal Village.

Transportation is provided to and from the District by bus companies and a network of highways. The District is served by the New York State Thruway, and New York State Routes 12B, 26, 46, 69, 233 and 365. Rail passenger service to and from the District is provided by Amtrak. The State Barge Canal also serves the District. Major airline service is provided at the Syracuse Hancock International Airport.

Electricity and natural gas are supplied throughout the District by National Grid and Griffiss Utility Services Corporation. The City and Towns maintain water supply and distribution systems, entirely supported from user charges and special benefit assessments, and they provide sanitary sewage collection and treatment facilities.

Police protection is provided by the State Police, the Rome Police Department, the County Sheriff's Office, and by the police departments of the Towns. Fire protection service is provided by the Rome Fire Department and by local volunteer units. Ambulance service is provided by private companies.

Source: District officials.

Economic Developments

Employment in the District is stable. The chart below shows the annual average (in thousands) for the nonfarm job count in the Utica-Rome metro area as provided by the New York State Department of Labor for the past five years:

Year	Annual Average
2015	125.3
2016	126.8
2017	127.6
2018	127.8
2019	128.5

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

Commercial development in the area has been moderately growing. Most significantly, Griffiss Business and Technology Park ("Griffiss Park") is a 3,500-acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in Rome. More than 5,800 people work for approximately 76 employers at Griffiss Park. Major employers include the Air Force Research Laboratory, Defense Finance Accounting Service, Eastern Air Defense Sector, UTC United Technologies Corporation, Alion Science & Technology, Assured Information Security, BAE Systems, Cathedral Corporation, Sovena Olive Oil, ITT Technology, MGS Manufacturing, Kris Tech Wire, Family Dollar, Birnie Bus Services and the Rome City School District.

More than $500 million in public and private funding has been invested in the development of Griffiss Park since 1995. These capital projects included demolition of more than 9 million square feet of obsolete former military buildings and housing to make way for new development, construction of the 825 parkway and other roads to improve the transportation system, construction of a public high school, a project to consolidate and improve space occupied by the Air Force Research Lab, construction of a distribution center for Family Dollar, new manufacturing plants for UTC United Technologies Corporation, MGS Manufacturing and Sovena USA, formerly East Coast Olive Oil, construction of a 25,000 square foot advanced manufacturing facility for Kris-Tech Wire with an additional 25,000 square feet added in 2018, construction of new office buildings for various private sector uses;, a major renovation and expansion of an aircraft hangar to accommodate a heavy aircraft maintenance repair and overhaul facility, capital improvements to numerous facilities for industrial use, and infrastructure improvements to make various parcels shovel-ready for development. In addition, the City was awarded a $10 million grant by the State of New York for downtown redevelopment and work has begun on revitalizing the downtown arts district.

Continued development in the Griffiss Park was most recently illustrated by:

- Mohawk Valley EDGE and NYS Empire Development Corporation are finishing over $70 million in infrastructure improvements to the SUNY Polytechnic Institute campus located in Marcy in preparation for an advanced electronics client. These nanotechnology-related project requests include $3.1 million for a computer chip commercialization center (Quad C) at SUNYIT in Marcy and $3.25 million for Marcy Nanocenter development. Additionally, Danfoss Silicon Power, a worldwide supplier of Power Electronics has begun fully occupying the Quad-C building at SUNYIT. They established packaging operations in 2019, with 300 new jobs anticipated.
- The Federal Aviation Administration ("FAA") announcement in December 2013 that Griffiss International Airport in the City was one of six locations awarded licenses for commercial drone testing, and in 2018 the Airport's license was extended by the FAA for an additional six years. It is expected that up to 470 jobs will be created in the region with an economic impact of $145.0 million annually. The Northeast UAS Airspace Integration Research Alliance (NUAIR Alliance) which is headquartered at Griffiss, announced that Aurora Flight Sciences successfully flew multiple unmanned test flights of the company's Centaur optionally piloted aircraft (OPA) from Griffiss. The successful test flights marked the first time a large scale, fixed wing aircraft has flown at any of six FAA-designated unmanned aircraft test sites in the U.S.
- Oneida County will begin a $10 million project renovating the center core of Building 100, formerly a large hangar, for a state of the art operations center centered around UAS with a Skydome built specifically for indoor UAS testing as well as the creation of an Innovation Campus to be utilized by the Air Force Research Laboratory. This collaborative campus will allow for civilians from academia, private sector business, government contractors and the scientists associated with

the Air Force Research Laboratory to work on the commercialization of the Lab's intellectual property for private sector use.

- County officials in July 2014 announced that Griffiss International Airport has received three grants, one each from the Federal Aviation Administration, Military Airport Program and Airport Improvement Project, totaling $6.270 million for the third phase of similar repair work being conducted since 2012. Of that amount, almost $1.6 million will be spent on repairs and upgrades to the Nose Dock Hangar 785, which can store large aircraft, and $4.6 million will be devoted to repairing more than 7,000 linear feet out of an approximately 11,820 linear feet of the facility's taxiways. Starting in Spring 2019, the first phase of a $10.4 million repaving and upgrading of the 11,820-foot-long runway began.
- In 2016 the State announced a $8.9 million allocation for the completion of State Route 825. The former two-lane roadway through the Griffiss Park has been transformed into a four-lane divided highway with dedicated pedestrian walkways. The estimated 15,000 motorists who travel the road everyday are now experiencing less congestion and better traffic flow as a result of the project which includes two additional roundabouts.
- The investment in 2011 of over $26.0 million was in private and public capital projects, including building construction, transportation improvements, and infrastructure development.
- Assured Information Security ("AIS"), a developer of high technology applications within the cyber domain, moved into their new Corporate Headquarters Facility in Griffiss Park. It has steadily increased employment to 150 employees since launching in 2001 with two co-founders. In 2017 it completed a 20,000 square foot addition to accommodate rapid employment growth at the Rome facility. In early spring 2019, AIS completed another expansion into the Community Bank facility at Griffiss further expanding their footprint as a result of receiving additional work in the area of cybersecurity.
- The County has made investment in the following Griffiss International Airport projects: rehabilitation and renovation of Hangar 783, construction of 17 T hangars, installation of new security systems, expansion of their fuel farm, and installation of self-serve Av-Gas Fuel facility.
- The Griffiss Surgery Center recently completed a $1,000,000 upgrade to its operating room facilities to expand into several new sub-surgical specialties including GYN and plastic surgery services.
- Griffiss Park Sculpture Trail was extended creating 1.1 miles of walking pathways through meadow and wooded preserve. Sidewalks and trails through Griffiss Business and Technology Park extend over five miles.
- The Griffiss Institute facilitates public, private and academia collaborations to facilitate the growth and support of the technology base for creating solutions to critical cyber security problems. It created thirteen new jobs in its business incubator, served a Prometric testing facility to 600 students, offered thirty classes to 400 students through academia partnerships, and housed a summer internship program for thirteen students.
- IDEA NY business accelerator program has promoted 46 startup companies in four years. Budding entrepreneurs, pair together with AFRL engineers, to compete for a $200,000 top prize and $100,000 for the runner up over a year-long accelerator program.
- Family Dollar Distribution Center added a third shift and increased employment from 336 to 400 employees.

Related Entities.

The Rome Industrial Development Corporation ("RIDC") is a private, not for profit, 501(c)(3) membership organization created to promote the economic welfare and prosperity of the City's inhabitants. The RIDC members have complete responsibility for management of the agency and accountability for its fiscal matters. The City is not liable for bonds, notes or other obligations of RIDC.

The Oneida-Herkimer Solid Waste Management Authority (the "Authority") was created by the State Legislature at the request of Oneida County and Herkimer County (collectively, the "Counties") by passage of Article 8, Title 13-FF of the New York Public Authority Law on September 1, 1988. The Authority is authorized to provide waste management services and to develop appropriate solid waste management facilities for the benefit of the Counties. Based on this foundation, the Authority has developed a comprehensive, integrated, system of facilities to serve all the residents, businesses, industries, and institutions, of the Counties. The Authority currently owns eight operational solid waste management facilities which include: a recycling center, three solid waste transfer stations, a green waste composting facility, a land clearing debris facility, a brush processing facility, and a household hazardous waste facility. The Authority's annual budget is approximately $27 million and covers expenses for disposal of waste, recycling, household hazardous waste, composting, public education, administration, collection of waste and recyclables in Utica, operations, maintenance and debt service.

The Authority's revenue structure is primarily a fee for service system. A fee (system tip fee) is charged for every ton of non-recyclable waste delivered to the Authority to cover all expenses. These fees cover the majority of the expenses included in the Authority budget. The Authority receives the remaining revenue from other sources such as investments, sale of recyclables and grants. The Authority receives no funds from the Counties. The City is not liable for bonds, notes or other obligations of the Authority. The City receives a fee of $1 for every ton of non-recyclable waste dropped off at its transfer station on River Road which amounts to approximately $50,000 - $60,000 in revenues per year.

The Mid-York Library System (the "Library System") is a nonprofit cooperative library system serving 47 public libraries in Herkimer, Madison, and Oneida Counties. The Library System, one of 23 public library systems in New York State, was chartered in 1960 by the Board of Regents of the University of the State of New York. The Jervis Public Library branch serves residents of the City. The City is not liable for bonds, notes or other obligations of the Library System.

Recent Events.

The Mohawk Valley Economic Development Growth Enterprises Corporation ("EDGE") continues to market the entire region to site selectors, developers and businesses around the globe who are seeking to expand their presence and invest in the Northeast United States. Key development sites in the Mohawk Valley being aggressively marketed include Griffiss Business and Technology Park, Oneida County Airport Business Park, Route 5S North Industrial Park, Schuyler Business Park, West Frankfort Industrial Park, Dominick Assaro Business Park, and Utica Business Park. In addition, EDGE assisted local and national realtors and site selection firms seeking information on several local greenfield sites; assisted RICD in rezoning its South Rome site for a possible distribution center; assisted the Town of New Hartford in a Tax Increment Financing plan for a new business park; and commenced consultant selection for a Master Plan for the former Oneida County Airport site in the Town of Whitestown. Some highlights of EDGE's progress to date:

Marcy Nanocenter at SUNY-IT. The Marcy site, now known throughout the world as Marcy Nanocenter at SUNYIT is the Mohawk Valley region's 420-acre greenfield site zoned for the semiconductor industry located adjacent to the SUNYIT campus. In addition to traveling the globe to market the site, EDGE is responsible for site development. Utilizing $48.5 million in funding from the State, National Grid, OCIDA, the County and EDGE, is investing in strategic infrastructure and site improvements. These include road construction, building water and sewer infrastructure, power line relocation and land acquisition. This past October Governor Cuomo announced that six leading global technology companies will invest $1.5 billion to create 'Nano Utica,' the state's second major hub of nanotechnology research and development. The public-private partnership, to be spearheaded by the SUNY College of Nanoscale Science and Engineering (SUNY CNSE) and the SUNY Institute of Technology (SUNYIT), is expected to eventually create more than 1,000 new high-tech jobs on the campus of SUNYIT in Marcy, New York. In the near term, a consortium led by SUNY IT and the SUNY College of Nanoscale Science and Engineering (CNSE) will invest $125 million to create the Computer Chip Commercialization Center (Quad – C) at the SUNYIT campus in Marcy, New York. The consortium includes Advanced Nanotechnology Solutions ("ANS"), Sematech, Atotech and Semaatech and CNSE partners, including IBM, Lam Research and Tokyo Electron. Quad–C will include a 56,000 sq. ft. Class 1 capable cleanroom space and will host public-private partnerships. It is anticipated the center will have an annual operating budget in excess of $500 million and is anticipated to result in the creation of up to 1,500 high-tech jobs, academic programs and workforce training opportunities.

Brownfields Partnership. The City partnered with EDGE, the Rome Community Brownfields Restoration Corporation, and the Oneida County Industrial Development Agency to complete a nearly $5 million environmental clean-up and demolition effort on the former Rome Cable site in downtown Rome. Funding sources for the project included the NYS Environmental Restoration Program, the Restore NY Program, National Grid and the City. Five acres of prime development property featuring environmental indemnification from the State, are now made available for redevelopment and the construction of a new 50,000 square foot advanced facility. Construction commenced in the latter half of 2018 with an expected 2019 completion. The project is expected to preserve 35 jobs and add 15 more from an additional third shift. The City has secured a $1 million RESTORE grant and will partner with DEC in a $14 million remediation and redevelopment project of an adjacent brownfield site that will clear the way for 20 new acres of industrial development space in the City's downtown/west side corridor.

Downtown Revitalization Initiative (DRI). The City of Rome was awarded the Mohawk Valley's Regional Economic Development District $10 million Downtown Revitalization Initiative in 2017. The State of New York will be infusing $10 million into Rome's downtown district with projects which are truly transformational which will revitalize the downtown corridor. The city and private developers plan to leverage these funds to complete a total of $20-30 million investment in new projects in downtown Rome. The first large scale project began in spring 2019 with the demolition of the Liberty/George Street parking garage making way for a multiuse project on a key downtown corner.

Population

The current estimated population of the District is 38,118. (Source: 2018 U.S. Census Bureau estimate).

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
City of:						
Rome	$ 18,604	$ 21,989	$ 26,151	$ 42,928	$ 55,630	$ 63,089
Towns of:						
Annsville	15,012	20,616	23,172	42,841	47,560	63,846
Lee	20,588	24,121	34,350	51,676	62,734	82,969
Verona	18,017	22,642	29,269	47,951	54,160	68,354
Western	20,217	30,185	31,644	46,629	68,333	67,875
County of:						
Oneida	18,516	23,458	28,548	45,341	58,017	67,773
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

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

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

Banking Facilities

The following banks maintain offices within the borders of the District:

Adirondack Bank
NBT Bank, N.A.
Berkshire Bank
M & T Bank
KeyBank, N.A.
Community Bank, NA

Source: District officials.

Unemployment Rate Statistics

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

	Annual Averages						
	2013	2014	2015	2016	2017	2018	2019
Oneida County	7.4%	6.1%	5.3%	4.8%	5.0%	4.5%	4.3%
New York State	7.7	6.3	5.3	4.9	4.7	4.1	4.0

	2020 Monthly Figures											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Oneida County	4.9%	4.5%	4.7%	15.1%	11.3%	11.0%	12.4%	9.3%	5.8%	6.1%	5.4%	N/A
New York State	4.1	3.9	4.2	15.1	14.2	15.5	16.0	12.5	9.3	9.2	8.1%	N/A

Note: Unemployment rates for December 2020 are unavailable as of the date of this Official Statement. Due to the impact of the COVID-19 pandemic, unemployment rates are expected to remain higher for the foreseeable future.

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

Largest Employers

Some of the major employers located within the District and in the surrounding area are as follows:

Employer	Type	Approximate Number Employees
Turning Stone Casino [(1)]	Casino / Hotel	4,750
Central New York Developmental Service	Social Services	3,000
Wal-Mart	Retail	1,011
Rome City School District	Educational	1,269
Defense Finance Accounting Service	Finance/Insurance/Back Office	951
Air Force Research Lab Rome Research Site	IT	800
Mohawk Correctional Facility	Correctional Facility	750
Rome Memorial Hospital	Healthcare	711
City of Rome	Government	400
Family Dollar	Distribution	371
Birnie Bus Service	Transportation	342
Northeast Air Defense (NEADS)	Government Agency	320
AmeriCU	Finance/Bank Office	255
Upstate Cerebral Palsy	Social Services	254
UTC Aerospace (formally Goodrich Corp.)	Metals Manufacturing/Aerospace	254
MidAir USA	Aerospace	208
Price Chopper	Retail	200
Sovena	Food Packing	171
Bartell Machinery Systems	Machining Manufacturing	165
Assured Information Systems	IT	140
Rome Strip Steel	Metals Manufacturing	132
Premier Aviation	Aerospace	123
ITT Excelus	IT	113
BAE Systems-Rome	IT	113

[(1)] Turning Stone Casino is located in the Town of Verona, which is approximately 16 miles from the District.

Source: District officials and Mohawk Valley EDGE (www.mvedge.org).

Note: The list and the figures provided above are based on information prior to the outbreak of the COVID-19 pandemic.

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of nine members with overlapping three-year terms. The President and the Vice President are selected by the Board of Education members. The President of the Board of Education is the Chief Fiscal Officer of the District.

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

Investment Policy

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

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

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the District, which includes debt service.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012–2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap to be exceeded 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 third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The budget for the 2019-2020 fiscal year was voted on by the qualified voters on May 21, 2019 with a vote of 1,432 in favor to 503 against. The District's proposed budget for the 2019-2020 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The total tax levy increase was 4.06%, which was below the District's tax levy limit of 4.19%.

The budget for the 2020-21 fiscal year was approved by qualified voters on June 16, 2020 by a vote of 3,569 to 1,489. The District's adopted budget for the 2020-21 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 0.00%, which was below the District's tax levy limit of 0.63%.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. In its adopted budget for the 2020-21 fiscal year, approximately 63.3% 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 amount of State aid to school districts is dependent in part upon the financial condition of the State. Due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

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

On October 30, 2020, the New York State Division of Budget (the "DOB") released its Fiscal Year 2021 Mid-Year State Budget Financial Plan Update (the "Financial Plan"), which projects a $14.9 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the Budget forecast released in February, creating a total loss of nearly $63 billion through fiscal year 2024 as a direct consequence of the COVID-19 pandemic. The budget gaps for future years are now projected at $8.7 billion in fiscal year 2022, $9.7 billion in fiscal year 2023, and $9.4 billion in fiscal year 2024. The Financial Plan estimates and projections for each year, including fiscal year 2021, reflect $8 billion in local aid reductions that are expected to be executed pursuant to the budget reduction authority granted to the Budget Director in the Enacted Budget (the "Reduction Authority"). Substantially all such outyear savings are dependent on the Legislature approving the continuation of the Reduction Authority or specific gap-closing actions, or both, in future years. If the U.S. Congress approves substantial new recovery aid to the states and localities, the level of State-planned reductions may be reduced. In the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June 2020, pursuant to the withholding authority granted by State legislation enacted in connection with the adoption of the Enacted Budget. It has also imposed a rigorous process for reviewing all planned payments for local aid, agency operations, and capital projects. Through the end of September 2020, DOB estimates that approximately $2.4 billion in local aid payments were not made as budgeted. All or a portion of these budgeted payments may not be made during fiscal year 2021, depending on the size and timing of new Federal aid, if any. Consistent with the Enacted Budget Financial Plan, the State has implemented a hiring freeze and controls on non-personal service and capital commitments and expenditures. It has also deferred, through December 30, 2020, the general salary increases that were scheduled to take effect on April 1, 2020. State agencies have been directed to reduce operating expenditures by 10 percent from the levels authorized in the Enacted Budget Financial Plan.

Source: NYS Dept. Of Education, State Aid Website. This source pertains only to the October 30, 2020 updates detailed in the paragraph above. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

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

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

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

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

Potential reductions in Federal aid received by the State.

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 98.0% 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

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

School district fiscal year (2016-2017): The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which 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. The District is part of the Community Schools Grant Initiative (CSGI) and has received $369,655 in grant monies from the State.

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. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $19,031,452. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. 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 2017-2018 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

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

School district fiscal year (2019-2020): The State's 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and provided 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 increased 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 increased the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the extraordinary challenges from the COVID-19 health crisis creating at least a $10 billion loss in revenue to the State, the State's Enacted 2020-2021 Budget includes a total of $27.9 billion State aid, which is essentially the same amount of State aid to school districts included in the State's 2019-2020 Enacted Budget. The State's Enacted 2020-2021 Budget includes a "pandemic adjustment" for each school district, a reduction in State funding that will match how much school districts expect to receive from the federal CARES stimulus program. In addition, the State's Enacted 2020-2021 Budget authorizes the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget becomes unbalanced because revenues fall below projections or expenditures rise above projections during a given period. The proposed reductions would be shared with the Legislature which would then have 10 days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director's proposed reductions would go into effect automatically.

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 *Campaign for Fiscal Equity* case that absent “gross education inadequacies”, claims regarding State funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein.

State Aid Revenues

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

Fiscal Year	Total Revenues (1)	Total State Aid (1)	Percentage of Total Revenues Consisting of State Aid
2015-2016	$ 105,764,151	$ 68,330,196	64.61%
2016-2017	107,058,355	69,394,634	64.82
2017-2018	111,645,549	73,016,193	65.40
2018-2019	116,871,261	77,383,826	66.21
2019-2020	113,252,941	73,816,209	65.18
2020-2021 (Budgeted)	112,955,851	71,488,879	63.29

(1) General Fund only.

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

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Bellamy Elementary School	K-4	540	1959, '86, '90, '94, '97, '03, '09
Clough Elementary School	Pre-K	300	1957, '86, '91, '94, '97, '98, '03, '11
Denti Elementary School	K-4	564	1969, '88, '93, '96, '97, '03, '09, '12
Gansevoort Elementary School	K-4	496	1924, '54, '64, '90, '92, '93, '95, '97, '03, '11
Ridge Mills Elementary School	K-4	440	1957, '58, '62, '92, '93, '94, '96, '03, '04, '07, '08, '10
Stokes Elementary School	K-4	477	1957, '60, '86, '90, '91, '93, '94, '97, '03, '04, '06
John E. Joy Elementary School	K-4	382	1957, '64, '86, '90, '91, '93, '97, '98, '03
Staley Junior High School	5-6	1,258	1957, '67, '81, '88, '89, '92, '02, '03, '04, '05, '07
Strough Junior High School	7-8	1,519	1950, '74, '86, '88, '89, '91, '93, '94, ’96, '03
Rome Free Academy	9-12	1,800	2001, '04, '07

The District is pursuing the sale of the closed Fort Stanwix school.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-2017	5,648	2021-2022	6,000
2017-2018	5,776	2022-2023	6,025
2018-2019	5,937	2023-2024	6,075
2019-2020	5,942	2024-2025	6,075
2020-2021	5,475	2025-2026	6,075

Source: District officials.

Employees

The District employs a total of 1,490 persons, of which 1,115 are represented by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
494	Rome City School District Teachers' Association	June 30, 2021
249	Rome City School District Aides, Monitors & Cafeterias' Employees	June 30, 2020[1]
255	Rome City School District Substitute Teachers	June 30, 2023
54	Local200B – SEIU – AFL-CIO (The Custodial Unit)	June 30, 2023
34	Rome City School District C.S.E.A.	June 30, 2020[1]
23	Rome City School District Administrators' Association - RAA	June 30, 2020[1]
6	Rome City School District UPSEU	June 30, 2020[1]

(1) Currently under negotiation.

Source: 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. The Retirement Systems are non-contributory with respect to members working ten or more years. 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 fiscal years and budgeted figures for the 2020-2021 fiscal year are as follows:

Fiscal Year	ERS	TRS
2015-2016	$ 1,304,152	$ 4,724,346
2016-2017	1,422,532	4,015,748
2017-2018	1,278,935	3,971,620
2018-2019	1,275,184	4,340,735
2019-2020	1,243,009	3,627,042
2020-2021 (Budgeted)	1,361,092	3,848,132

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District has not offered early retirement incentives since the 2014-2015 fiscal year, and does not currently have any early retirement incentive programs.

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

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

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

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

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

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

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The District did not participate in the Stable Rate Pension Contribution Option, nor does it intend to do so in the foreseeable future.

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

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

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. The District implemented GASB 75 for the fiscal year ended June 30, 2018. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

	2018	2019
Balance beginning at June 30:		
Changes for the year:	$ 287,733,133	$ 273,753,077
Service cost	9,000,109	9,265,154
Interest	8,774,983	9,744,454
Differences between expected and actual experience	-	37,770,948
Changes in assumptions or other inputs	(23,224,478)	15,832,994
Changes of benefit terms	-	967,672
Benefit payments	(8,530,670)	(9,290,388)
Net Changes	$ (13,980,056)	$ 64,290,834

	2019	2020
Balance ending at June 30:	$ 273,753,077	$ 338,043,911

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

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's 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.

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

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

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

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

Other Information

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

No principal or interest upon any obligation of the District is past due. Interest and a portion of the principal due on the District's $24,925,000 Bond Anticipation Notes, 2018 (Renewals) was not made in a timely manner. Due to an oversight by the District, $424,071 of the $24,925,000 principal due and $685,437.50 interest was not made on the due date, Friday, August 2, 2019. The District was notified on Monday, August 5, 2019 by the Depository Trust Company ("DTC") that payment was not received. The balance of the principal and interest due was paid by the District to DTC on August 5, 2019. The District had funds on hand to make payment and the missed payment was not related to a cash flow issue. A material event notice was filed to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") website on August 8, 2019. The District has no reason to believe there will be any delinquent payments in the future.

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

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

Financial Statements

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

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

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

2020-21 Fiscal Year

The 2020-21 budget included an appropriation of fund balance and reserves totaling $11,923,531. In addition to this appropriation of fund balance the District anticipates ending the fiscal year in a deficit position. The extent of the deficit is difficult to predict at this time due to the uncertainties of the COVID-19 pandemic and the financial impact it has had on the District.

New York State Comptroller Report of Examination

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

There are no recent State Comptroller’s audits of the District, nor are there any that are currently in progress or pending release.

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

The State Comptroller’s Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending:	Stress Designation	Fiscal Score
2019	No Designation	20.0
2018	No Designation	10.0
2017	No Designation	0.0
2016	No Designation	6.7
2015	No Designation	6.7

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

TAX INFORMATION

Taxable Valuations [1]

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Taxable Assessed Value	$ 860,374,582	$ 861,005,551	$ 865,926,978	$ 862,936,859	$ 861,989,286
Taxable Full Valuation [1]	1,453,367,278	1,457,226,237	1,537,844,075	1,628,367,662	1,633,518,217
Taxable Full Valuation [2]	1,448,234,428	1,522,409,431	1,534,264,635	1,534,749,228	N/A

[1] See "APPENDIX – C" attached hereto for full computation of Taxable Full Valuation made with the use of regular State Equalization Rates and special State Equalization Ratios.
[2] Full Valuation computed using regular State Equalization Rates
[3] Full Valuation computed using special State Equalization Rates

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
City of:					
Rome	$ 29.91	$ 30.69	$ 32.63	$ 32.69	$ 33.26
Town of:					
Lee	693.05	690.08	707.45	765.49	727.74
Western	39.25	42.15	43.21	42.97	41.73
Verona	30.90	31.04	32.71	32.52	34.56
Annsville	39.69	41.47	42.06	41.45	40.96

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Total Tax Levy	$ 32,657,936	$ 32,657,936	$ 33,787,901	$ 35,159,690	$ 35,159,690
Amount Uncollected [1]	1,671,280	1,239,881	1,786,748	2,906,597	N/A
% Uncollected [1]	5.12%	3.80%	5.29%	8.27%	N/A

[1] The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Tax Collection Procedure

The real property taxes of the District are collected by the Receiver of Taxes of the District. Such taxes are due and payable on October 1, and may be paid in full until October 31 without penalty. Alternatively, such taxes may be paid in two equal installments, the first installment payable from October 1 through 31, inclusive, without penalty, and the second installment payable from April 1 through April 30, inclusive, without penalty. There is a 2% penalty upon first installment taxes paid through November. There is an additional 1% per month penalty upon first installment taxes beginning in December, through to the time of payment. The second installment may be paid anytime between October 1 and April 30, inclusive, without penalty. There is a 2% penalty upon second installment taxes paid through May 31. There is an additional 1% per month penalty upon second installment taxes beginning in June, through time of payment.

Between May 1 and June 30, uncollected school taxes are reported to the City of Rome and Oneida County, as applicable. The County normally pays in full to the District its portion of such uncollected school taxes, plus a 2% penalty, by August 1. The City collects its portion of such uncollected school taxes through the close of the succeeding fiscal year, and makes monthly payments to the District of such tax payments received. The City is required to remit in full, any remaining delinquencies upon its portion of the uncollected school taxes by October 31 of the second succeeding fiscal year.

The District is not responsible for the collection of taxes of any other unit of government.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Property Tax Levy [1]	Percentage of Total Revenues Consisting of Real Property Tax
2015-2016	$105,764,151	$ 26,161,678	24.74%
2016-2017	107,054,470	25,884,754	24.18
2017-2018	110,396,128	25,977,705	23.53
2018-2019	116,871,261	27,775,184	23.77
2019-2020	113,252,941	28,315,780	25.00
2020-2021 (Budgeted)	112,955,851	29,284,386	25.93

(1) Includes tax levy and prior year omits, payment in lieu of tax agreements and interest.

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

Larger Taxpayers 2020 Tax Roll for 2020-21

Name	Type	Taxable Assessed Valuation
G&I IX Empire Freedom Plaza	Retail	$ 38,842,622
Niagara Mohawk Power Corp.	Utility	8,349,105
Wal-Mart Real Estate Business Trust	Retail	8,172,100
Lowe’s Home Centers, Inc.	Retail	6,000,000
Martin’s Foods of S Burlington (Hannaford)	Supermarket	5,190,700
WD Housing and Holdings LLC	Apartments	4,728,500
New Plan East LLC (Price Chopper and Applebee’s)	Commercial	4,381,229
Bryant Property Management, LLC	Real Estate	3,878,200
Wachs Rome Development, LLC	Retail – Distribution Center	3,609,755
Rome Hospitality Group LLC (Hampton Inn)	Hotel	3,412,500

Note: The District has historically provided estimated full valuations for the above chart in previous Official Statements; however, taxable assessed valuations have been used in the chart above.

The ten larger taxpayers listed above have a total estimated taxable assessed valuation of $86,564,711, which represents 10.04% of the tax base of the District for the 2020-21 fiscal year.

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

Source: District tax rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School Districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. 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 65 years of age and older with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less for the 2020-2021 fiscal year, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a "basic" exemption on their primary residence.

The 2020-21 Executive Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

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

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
City of Rome	$ 50,000	$ 21,490	10/23/2019
Town of Annsville	37,690	16,200	4/10/2020
Town of Lee	2,120	910	4/10/2020
Town of Western	36,990	15,900	4/10/2020
Town of Verona	44,670	19,220	4/10/2020

$5,875,303 of the District's $35,159,690 school tax levy for the 2019-2020 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2020.

Approximately $5,522,968 of the District's $35,159,690 school tax levy for the 2020-21 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2021.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-68%, Commercial-20%, and Industrial-12%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $3,242 including County, City or Town, School District and Fire District taxes and not including a STAR exemption.

TAX LEVY LIMITATION LAW

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

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. 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.

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 "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining 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.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The statutory method for determining average assessed valuation is by taking the average assessed valuation of taxable real estate for the last completed assessment roll and the four preceding assessment rolls, 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.

Statutory Procedure

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

The District has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

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

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
Bonds [1][2]	$ 45,625,000	$ 46,305,000	$ 38,525,000	$ 51,765,000	$ 50,765,000
Bond Anticipation Notes	9,241,544	23,662,000	25,400,000	24,925,000	3,610,958
Energy Performance Contract	1,365,507	958,925	540,423	109,652	0
Total Debt Outstanding	$ 56,232,051	$ 70,925,925	$ 64,465,423	$ 76,799,652	$ 54,375,958

(1) On November 9, 2017, the District issued $9,245,000 advance refunding serial bonds through the Dormitory Authority of the State of New York ("DASNY") to realize net present value and budgetary savings. The bonds advance refunded $9,655,000 outstanding principal of the District's 2010A and 2011A serial bonds. The bonds listed above do not include $9,655,000 of refunded serial bonds. Debt service on these refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. The 2010A refunded bonds were fully redeemed as of their first call date on October 1, 2020. The 2011A refunded bonds will be fully redeemed as of their first call date on October 1, 2021.

(2) At the close of the Fiscal Year Ending June 30, 2019, the District had issued $21,245,000 in bonds through DASNY in June and the District's outstanding bond anticipation notes mature on August 2, 2019. The proceeds of the bonds issued through DASNY along with $424,071 available funds of the District redeemed outstanding bond anticipation notes on August 2, 2019.

Details of Outstanding Indebtedness

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

Type of Indebtedness	Maturity		Amount
Bonds	2021-2035		$ 50,360,000 [1]
Bond Anticipation Notes	-------		0
Revenue Anticipation Notes	February 3, 2021		8,000,000 [2]
		Total Indebtedness	$ 58,360,000

(1) On November 9, 2017, the District issued $9,245,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds advance refunded $9,655,000 principal of the District's 2010A and 2011A serial bonds. The bonds listed above do not include $2,170,000 of refunded serial bonds outstanding. Debt service on the 2011A refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. The 2010A Bonds were fully redeemed as of their October 1, 2020 call date. The 2011A refunded bonds will be fully redeemed as of their first call date on October 1, 2021.

(2) To be redeemed at maturity with available funds of the District.

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Summary of Constitutional Debt Limit

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

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios (1)
Five-year Average Full Valuation of Taxable Real Property	$ 1,542,064,694	$ 1,495,743,702
Debt Limit - 5% thereof	77,103,235	74,787,185
Inclusions:		
Bonds	$ 52,530,000	$ 52,530,000
Bond Anticipation Notes	-	-
Total Inclusions	$ 52,530,000	$ 52,530,000
Exclusions:		
Advance Refunded Bonds	$ 2,170,000 (2)	$ 2,170,000 (2)
Appropriations	4,420,000	4,420,000
Total Exclusions	$ 6,590,000	$ 6,590,000
Total Net Indebtedness	$ 45,940,000 (3)	$ 45,940,000 (3)
Net Debt-Contracting Margin	$ 31,163,235	$ 28,847,185
The percent of debt contracting power exhausted is	59.58%	61.43%

(1) The District's constitutional debt limit has been computed using Special Equalization ratios established by the Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by said State Board, and are used for all other purposes. See "APPENDIX – C" for the computation of full valuation using regular and special State equalization ratios, respectively.

(2) On November 9, 2017, the District issued $9,245,000 advance refunding serial bonds through the Dormitory Authority of the State of New York to realize net present value and budgetary savings. The bonds advance refunded $9,655,000 principal of the District's 2010A and 2011A serial bonds, of which $2,170,000 of the 2011A refunded serial bonds remains outstanding. Debt service on the 2011A refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. The 2011A refunded bonds will be fully redeemed as of their first call date on October 1, 2021. The 2010A Bonds were fully redeemed as of their October 1, 2020 call date.

(3) Based on preliminary 2021-2022 building aid estimates, the District anticipates State Building aid of 98.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. The issuance of the RANs will not increase the Total Net Indebtedness of the District.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District issued $6 million revenue anticipation notes in the 2018-2019 fiscal year and $8,000,000 in the 2019-2020 fiscal year; and anticipates issuing $8,000,000 revenue anticipation notes in early 2021 as represented by the RANs. Although the degree of the impact of COVID-19 on the operations and finances of the District is extremely difficult to predict due to the nature of the COVID-19 outbreak, the District may consider the issuance of additional obligations in the coming fiscal year to address cash flow needs.

Capital Project Plans

A resolution adopted by the District's Board of Education on April 23, 2008 and approved by the District's voters on June 17, 2008 authorizes the issuance of bonds and other obligations to finance renovations, improvements and additions to various District facilities at a total estimated cost of $36,884,000. To date, the District has issued and permanently financed $22,504,000 of such authorization. Future capital plans and borrowings will be dependent on approval from the State Education Department, construction cash flow needs and the ability to borrow under the debt limit.

A resolution adopted by the District's Board of Education on November 18, 2009 and approved by the District's voters on January 26, 2010* authorizes the issuance of bonds and other obligations to finance renovations, improvements to the Denti, Gansevoort, Joy, Ridge Mills and Clough Elementary Schools including construction, site improvements, original furnishings, fixtures and equipment required for such purposes, at a total estimated cost of $30,000,000. To date, the District has issued and permanently financed $20,900,000 against such authorization. Future borrowings will be dependent on approval from the State Education Department and construction cash flow needs.

District voters approved a $14.2 million capital project on December 18, 2019 which consists of improvements to the District's buildings and facilities, including Energy Performance Contract improvements. The issuance of the BANs represents the first borrowing for the project. Additional borrowings will occur upon approval from the State Education Department and as the project's cash flow needs.

The District is considering presenting a capital project to District voters in 2021.

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

* The District received super majority approval by the voters. The District applied for and received consent to exceed its debt limit for these projects.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Oneida	12/31/2018	$ 301,168,501	$ 147,600,952	$ 153,567,549	13.30%	$ 20,424,484
City of:						
Rome	12/31/2018	76,393,884	47,835,340	28,558,544	93.89%	26,813,617
Town of:						
Annsville	12/31/2018	850,288	543,642	306,646	5.40%	16,559
Lee	12/31/2018	-	-	-	87.37%	-
Western	12/31/2018	-	-	-	56.99%	-
Verona	12/31/2018	6,069,951	4,830,651	1,239,300	1.29%	15,987
					Total:	$ 47,270,647

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

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

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

Debt Ratios

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

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 45,940,000	$ 1,205.20	2.81%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	93,210,647	2,445.32	5.71

(a) The 2018 estimated population of the District is 38,118. (See “THE SCHOOL DISTRICT – Population” herein.)
(b) The District's full value of taxable real estate for 2020-2021 fiscal year using special equalization rates is $1,633,518,217. (See “TAX INFORMATION – Taxable Valuations” herein.)
(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
(d) Estimated net overlapping indebtedness is $47,270,647. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

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

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

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.”

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

No principal or interest on District indebtedness is past due.

MARKET AND RISK FACTORS

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

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

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

Current and 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.

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. School and non-essential businesses have reopened and are operating under strict State guidelines. There is no assurance that the State will not order schools and non-essential businesses to close in the future. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “State Aid” and “State Aid History” herein).

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.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – G" and "APPENDIX-H" hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – G" and "APPENDIX – H."

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs.

There are currently tax certiorari claims requesting reduction of assessments pending. The outcome of the tax certiorari claims is undeterminable at this time; however, it is not anticipated that the action will likely have a material adverse effect on the district's financial condition.

The District is subject to one or more claims under the recently adopted Child Victims Act. The actions are in the early stages of discovery. It is not anticipated that the actions will have a material adverse effect on the district's financial condition.

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

CONTINUING DISCLOSURE

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

Historical Compliance

The District is, in all material respects, in compliance with all prior undertakings pursuant to the Rule for the past five years.

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 contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

BOND RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the School 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-E" attached herein.)

Standard & Poor's Credit Market Services ("S&P") has assigned their underlying rating of "A" with a stable outlook to the outstanding serial bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, 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 Notes may have an adverse effect on the market price of the outstanding bonds of the District and the Notes.

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and 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", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the Issuer, expresses no opinion 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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.

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 or hacking in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Mr. David Dreidel, Director of Business & Finance, Rome City School District, District Offices, 409 Bell Road, Rome, New York 13440, Phone: (315) 338-6541, Fax: (315) 334-7403, Email: ddreidel@romecsd.org

This Official Statement has been duly executed and delivered by the President of the Board of Education of the City School District of the City of Rome.

CITY SCHOOL DISTRICT OF THE CITY OF ROME

Dated: January 13, 2021

PAUL HAGERTY
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
ASSETS					
Unrestricted Cash	$ 9,572,403	$ 9,503,927	$ 8,374,260	$ 13,449,956	$ 21,621,890
Restricted Cash	1,727,606	1,727,606	2,041,581	2,205,010	2,616,470
Taxes Receivable	1,951,823	2,018,178	2,425,627	-	3,360,455
Accounts Receivable	-	-	-	2,162,288	195,284
Due from Other Governments	5,722,688	4,356,409	5,606,825	6,021,148	4,745,503
Due from Other Funds	5,865,505	5,920,779	5,328,424	8,851,458	6,338,200
Other Assets	476,829	716,151	761,980	288,181	-
TOTAL ASSETS	$ 25,316,854	$ 24,243,050	$ 24,538,697	$ 32,978,041	$ 38,877,802
LIABILITES AND FUND EQUITY					
Accounts Payable	$ 266	$ 191,053	$ 50,575	$ 266	$ 262,007
Accrued Liabilities	1,892,731	1,719,381	2,183,412	3,060,513	5,875,096
Due to Other Funds	1,335,530	1,315,603	3,656,816	4,044,201	1,047,358
Due to Other Governments	2,117	2,117	2,117	2,118	2,117
Due to Teachers' Retirement System	5,188,773	4,791,926	4,258,090	4,629,697	3,627,042
Due to Employees' Retirement System	311,195	326,266	321,407	319,599	318,587
Unearned Revenues	-	-	-	-	-
Deferred Revenues (Taxes Receivable)	1,386,644	1,557,944	1,892,325	1,704,215	2,668,326
Deferred Revenues	-	-	-	-	820,050
Short-Term Notes Payable	-	-	-	6,000,000	8,000,000
TOTAL LIABILITIES	10,117,256	9,904,290	12,364,742	19,760,609	22,620,583
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	1,727,606	1,727,606	2,041,581	2,205,010	2,616,470
Assigned	7,220,111	7,690,358	5,030,575	3,769,322	10,709,436
Unassigned (Deficit)	6,251,881	4,920,796	5,101,799	7,243,100	2,931,313
TOTAL FUND EQUITY	15,199,598	14,338,760	12,173,955	13,217,432	16,257,219
TOTAL LIABILITES and FUND EQUITY	$ 25,316,854	$ 24,243,050	$ 24,538,697	$ 32,978,041	$ 38,877,802

Note: The District is not required to report general fixed assets or long term debt in the general fund.
These are reported in the Government Wide Statements.

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2015	2016	2017	2018	2019
REVENUES					
Real Property Taxes	$ 26,184,558	$ 26,161,678	$ 25,884,754	$ 25,977,705	$ 27,775,184
Other Tax Items	7,769,798	7,715,138	8,170,305	8,059,060	7,963,296
Charges for Services	361,811	310,460	502,518	461,093	385,383
Use of Money & Property	113,859	69,101	95,611	95,165	132,854
Sale of Property and Compensation for Loss	7,431	1,242	5,872	9,675	28,932
Miscellaneous	2,394,329	2,089,579	2,682,978	2,830,363	2,676,176
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	66,507,590	68,330,196	69,394,634	73,016,193	77,383,826
Revenues from Federal Sources	153,106	323,757	317,798	209,766	525,610
Total Revenues	$ 103,492,482	$ 105,001,151	$ 107,054,470	$ 110,659,020	$ 116,871,261
Other Sources:					
Interfund Transfers	-	763,000	3,885	986,529	-
Total Revenues and Other Sources	103,492,482	105,764,151	107,058,355	111,645,549	116,871,261
EXPENDITURES					
General Support	$ 10,498,007	$ 10,961,052	$ 10,794,069	$ 11,826,220	$ 11,104,877
Instruction	48,985,630	50,717,788	53,457,205	55,969,821	55,404,884
Pupil Transportation	5,894,592	5,996,654	6,192,818	7,006,791	6,472,565
Employee Benefits	26,887,163	26,103,546	26,435,769	27,072,207	29,811,328
Debt Service	8,679,403	9,577,934	9,725,977	10,635,249	11,343,124
Total Expenditures	$ 100,944,795	$ 103,356,974	$ 106,605,838	$ 112,510,288	$ 114,136,778
Other Uses:					
Interfund Transfers	1,133,877	1,915,622	1,313,355	1,300,066	1,691,006
Proceeds of Long-Term Debt	-	-	-	-	-
Total Expenditures and Other Uses	102,078,672	105,272,596	107,919,193	113,810,354	115,827,784
Excess (Deficit) Revenues Over Expenditures	1,413,810	491,555	(860,838)	(2,164,805)	1,043,477
FUND BALANCE					
Fund Balance - Beginning of Year	13,294,233	14,708,043	15,199,598	14,338,760	12,173,955
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 14,708,043	$ 15,199,598	$ 14,338,760	$ 12,173,955	$ 13,217,432

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2020			2021
	Original Budget	Modified Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	$ 28,497,561	$ 28,497,561	$ 28,315,780	$ 29,284,386
Other Tax Items	8,432,323	8,432,323	7,811,730	7,779,340
Charges for Services	450,901	450,901	284,476	466,400
Use of Money & Property	74,650	74,650	85,403	65,000
Sale of Property and Compensation for Loss	-	-	4,139	-
Miscellaneous	1,405,000	1,405,000	2,500,981	1,300,000
Interfund Revenues	-	-	-	-
Revenues from State Sources	74,995,797	74,995,797	73,816,209	71,488,879
Revenues from Federal Sources	300,000	300,000	351,865	300,000
Total Revenues	$ 114,156,232	$ 114,156,232	$ 113,170,583	$ 110,684,005
Other Sources:				
Premium on Obligations	$ 3,769,322	$ 3,769,322	$ 82,358	$ -
Interfund Transfers	-	-	-	2,271,846
Appropriated Fund Balance	-	-	-	9,651,686
Total Revenues and Other Sources	117,925,554	117,925,554	113,252,941	122,607,537
EXPENDITURES				
General Support	$ 13,651,748	$ 16,689,979	$ 15,619,217	$ 13,183,142
Instruction	57,041,943	56,894,492	53,167,291	58,400,580
Pupil Transportation	7,400,179	5,630,766	4,639,649	9,353,545
Employee Benefits	30,811,182	29,335,013	28,376,999	32,569,432
Debt Service	8,400,397	8,400,397	7,554,180	9,100,838
Total Expenditures	$ 117,305,449	$ 116,950,647	$ 109,357,336	$ 122,607,537
Other Uses:				
Interfund Transfers	620,105	974,907	855,818	-
Proceeds of Long-Term Debt	-	-	-	-
Total Expenditures and Other Uses	117,925,554	117,925,554	110,213,154	122,607,537
Excess (Deficit) Revenues Over Expenditures	-	-	3,039,787	-
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	13,217,432	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 16,257,219	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2021	$ 4,425,000	$ 2,380,189.58	$ 6,805,189.58
2022	4,685,000	2,118,431.25	6,803,431.25
2023	5,085,000	1,885,275.00	6,970,275.00
2024	5,035,000	1,652,025.00	6,687,025.00
2025	5,275,000	1,412,000.00	6,687,000.00
2026	3,900,000	1,159,325.00	5,059,325.00
2027	3,800,000	981,625.00	4,781,625.00
2028	2,985,000	807,300.00	3,792,300.00
2029	3,135,000	658,050.00	3,793,050.00
2030	2,770,000	501,300.00	3,271,300.00
2031	2,910,000	362,800.00	3,272,800.00
2032	3,015,000	256,600.00	3,271,600.00
2033	2,350,000	146,250.00	2,496,250.00
2034	280,000	28,750.00	308,750.00
2035	295,000	14,750.00	309,750.00
TOTALS	$ 49,945,000	$14,364,670.83	$ 64,309,670.83

As of November 9, 2017, the District's 2010A and 2011A Dormitory Authority of the State of New York ("DASNY") bonds in the years 2021-2025 and 2022-2026, respectively, were advance refunded with $9,245,000 bonds issued through DASNY. The refunded bonds are not included in the total above. $2,170,000 of the 2011A refunded bonds remain outstanding and will be redeemed in full as of their first call date, October 1, 2021.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2011 [1] Capital Project			2016 DASNY Refunding of 2008A		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 400,000	$ 139,500.00	$ 539,500.00	$ 495,000	$ 59,750.00	$ 554,750.00
2022	420,000	119,000.00	539,000.00	475,000	35,000.00	510,000.00
2023	445,000	97,375.00	542,375.00	260,000	11,500.00	271,500.00
2024	465,000	74,625.00	539,625.00	-	-	-
2025	490,000	50,750.00	540,750.00	-	-	-
2026	515,000	25,625.00	540,625.00	-	-	-
2027	255,000	6,375.00	261,375.00	-	-	-
TOTALS	$ 2,990,000	$ 513,250.00	$ 3,503,250.00	$ 1,230,000	$ 106,250.00	$ 1,336,250.00

[1] Bonds maturing in years 2023-2027 refunded by 2017 DASNY Refunding Bonds. To be called and paid in full on October 1, 2021.

Fiscal Year Ending June 30th	2015 DASNY - Capital Project			2015 Reconstruction of Various District Buildings		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 505,000	$ 253,750.00	$ 758,750.00	$ 420,000	$ 82,331.25	$ 502,331.25
2022	530,000	228,500.00	758,500.00	435,000	72,356.25	507,356.25
2023	560,000	202,000.00	762,000.00	445,000	62,025.00	507,025.00
2024	585,000	174,000.00	759,000.00	455,000	50,900.00	505,900.00
2025	615,000	144,750.00	759,750.00	465,000	39,525.00	504,525.00
2026	645,000	114,000.00	759,000.00	480,000	27,900.00	507,900.00
2027	680,000	81,750.00	761,750.00	490,000	14,700.00	504,700.00
2028	465,000	47,750.00	512,750.00	-	-	-
2029	490,000	24,500.00	514,500.00	-	-	-
TOTALS	$ 5,075,000	$ 1,271,000.00	$ 6,346,000.00	$ 3,190,000	$ 349,737.50	$ 3,539,737.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017G DASNY Refunding of 2010A and 2011A Principal	Interest	Total	2017 Reconstruction of Various District Buildings Principal	Interest	Total
2021	$ 1,325,000	$ 436,425.00	$ 1,761,425.00	$ 440,000	$ 335,800.00	$ 775,800.00
2022	1,365,000	379,075.00	1,744,075.00	460,000	318,200.00	778,200.00
2023	1,845,000	310,750.00	2,155,750.00	480,000	295,200.00	775,200.00
2024	1,930,000	222,075.00	2,152,075.00	500,000	276,000.00	776,000.00
2025	2,025,000	125,925.00	2,150,925.00	525,000	251,000.00	776,000.00
2026	495,000	24,125.00	519,125.00	550,000	224,750.00	774,750.00
2027	235,000	5,875.00	240,875.00	580,000	197,250.00	777,250.00
2028	-	-	-	610,000	168,250.00	778,250.00
2029	-	-	-	640,000	137,750.00	777,750.00
2030	-	-	-	670,000	105,750.00	775,750.00
2031	-	-	-	705,000	72,250.00	777,250.00
2032	-	-	-	740,000	37,000.00	777,000.00
TOTALS	$ 9,220,000	$ 1,504,250.00	$ 10,724,250.00	$ 6,900,000	$ 2,419,200.00	$ 9,319,200.00

Fiscal Year Ending June 30th	2019 DASNY Principal	Interest	Total	2020 DASNY Principal	Interest	Total
2021	$ 1,205,000	$ 982,300.00	$ 2,187,300.00	$ 35,000	$ 199,133.33	$ 234,133.33
2022	1,265,000	922,050.00	2,187,050.00	155,000	152,750.00	307,750.00
2023	1,330,000	858,800.00	2,188,800.00	165,000	145,000.00	310,000.00
2024	1,395,000	792,300.00	2,187,300.00	170,000	136,750.00	306,750.00
2025	1,465,000	722,550.00	2,187,550.00	180,000	128,250.00	308,250.00
2026	1,540,000	649,300.00	2,189,300.00	190,000	119,250.00	309,250.00
2027	1,615,000	572,300.00	2,187,300.00	200,000	109,750.00	309,750.00
2028	1,700,000	491,550.00	2,191,550.00	210,000	99,750.00	309,750.00
2029	1,785,000	406,550.00	2,191,550.00	220,000	89,250.00	309,250.00
2030	1,870,000	317,300.00	2,187,300.00	230,000	78,250.00	308,250.00
2031	1,965,000	223,800.00	2,188,800.00	240,000	66,750.00	306,750.00
2032	2,020,000	164,850.00	2,184,850.00	255,000	54,750.00	309,750.00
2033	2,085,000	104,250.00	2,189,250.00	265,000	42,000.00	307,000.00
2034	-	-	-	280,000	28,750.00	308,750.00
2035	-	-	-	295,000	14,750.00	309,750.00
TOTALS	$ 21,240,000	$ 7,207,900.00	$ 28,447,900.00	$ 3,090,000	$ 1,465,133.33	$ 4,555,133.33

COMPUTATIONS OF FULL VALUATION

Using Regular State Equalization Rates

For Fiscal Year Ending June 30:		2016	2017	2018	2019	2020	2021
Taxable Assessed Valuation							
City of:	Rome	$ 801,016,667	$ 800,041,557	$ 800,442,232	$ 805,283,032	$ 802,256,570	$ 801,305,928
Towns of:	Lee	9,751,106	9,770,554	9,870,931	9,861,360	9,947,883	9,929,357
	Western	43,002,652	43,303,824	43,500,581	43,577,295	43,500,585	43,464,246
	Verona	3,208,568	3,220,954	3,158,339	3,156,398	3,167,307	3,183,780
	Annsville	4,065,838	4,037,693	4,033,468	4,048,893	4,064,514	4,105,975
Total Assessed Valuation		$ 861,044,831	$ 860,374,582	$ 861,005,551	$ 865,926,978	$ 862,936,859	$ 861,989,286
State Equalization Rates							
City of:	Rome	76.45%	74.85%	74.85%	71.64%	66.49%	66.09%
Towns of:	Lee	3.30%	3.33%	3.33%	3.06%	3.04%	3.04%
	Western	58.25%	54.50%	54.50%	54.50%	53.00%	53.00%
	Verona	74.00%	74.00%	72.00%	72.00%	64.00%	64.00%
	Annsville	57.60%	55.40%	56.00%	56.50%	54.00%	55.00%
Taxable Full Valuation							
City of:	Rome	$ 1,047,765,424	$ 1,068,859,796	$ 1,069,395,100	$ 1,124,069,001	$ 1,206,582,298	$ 1,212,446,555
Towns of:	Lee	295,488,061	293,410,030	296,424,354	322,266,667	327,232,993	326,623,586
	Western	73,824,295	79,456,558	79,817,580	79,958,339	82,076,575	82,008,011
	Verona	4,335,903	4,352,641	4,386,582	4,383,886	4,948,917	4,974,656
	Annsville	7,058,747	7,288,255	7,202,621	7,166,182	7,526,878	7,465,409
Total Full Valuation		$ 1,428,472,430	$ 1,453,367,278	$ 1,457,226,237	$ 1,537,844,075	$ 1,628,367,662	$ 1,633,518,217

Using Special State Equalization Ratios

For Fiscal Year Ending June 30:		2016	2017	2018	2019	2020	2021
Special Equalization Ratios							
City of:	Rome	75.99%	75.34%	72.35%	72.17%	72.21%	N/A
Towns of:	Lee	3.32%	3.32%	3.05%	3.04%	3.03%	N/A
	Western	54.06%	53.91%	53.78%	52.87%	51.99%	N/A
	Verona	74.05%	72.03%	72.07%	71.72%	71.47%	N/A
	Annsville	55.20%	55.81%	56.36%	55.93%	55.46%	N/A
Taxable Full Valuation							
City of:	Rome	$ 1,054,107,997	$ 1,061,908,093	$ 1,106,347,245	$ 1,115,814,094	$ 1,111,004,805	N/A
Towns of:	Lee	293,708,012	294,293,795	323,637,082	324,386,842	328,312,970	N/A
	Western	79,546,156	80,326,144	80,886,168	82,423,482	83,671,062	N/A
	Verona	4,332,975	4,471,684	4,382,321	4,401,001	4,431,659	N/A
	Annsville	7,365,649	7,234,712	7,156,615	7,239,215	7,328,731	N/A
Total Full Valuation		$ 1,439,060,789	$ 1,448,234,428	$ 1,522,409,431	$ 1,534,264,635	$ 1,534,749,228	N/A

Special Equalization Ratios for the 2020 Assessment Roll (2020-2021 School District Tax Roll) are not available as of the date of this Continuing Disclosure Statement.

APPENDIX - D

CITY SCHOOL DISTRICT OF THE CITY OF ROME

MONTHLY CASH FLOW

(General Fund)

(000's OMITTED)

2019-2020	**ACTUAL**												**12 MONTH**
CASH FLOW	**July**	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	**TOTAL**
Beginning Balance:	$ 15,654,866	$ 14,783,789	$ 7,315,367	$ 13,394,358	$ 15,037,315	$ 16,347,002	$ 15,494,313	$ 2,336,387	$ 9,260,665	$ 31,680,433	$ 30,584,938	$ 35,579,577	$ 15,654,866
Receipts:													
Real Property Taxes	-	-	204,500	8,579,944	6,814,567	222,371	141,585	190,465	1,075,472	4,066,201	4,387,556	1,507,631	27,190,294
Prior Yr Taxes	219,485	72,712	139,688	585,890	165,167	98,850	73,863	54,305	73,604	26,645	36,495	161,726	1,708,430
Pilots	630,812	-	5,769	48,735	304,718	43,307	153,349	42,713	-	172,716	71,027	148,910	1,622,056
STAR	-	-	-	-	-	-	-	-	5,875,304	-	-	-	5,875,304
State Aid Revenues	83,328	1,488,745	12,936,457	415,922	1,388,755	6,233,848	509,712	6,389,065	24,038,931	3,367,508	7,509,912	6,651,162	71,013,345
Federal Grant Monies	-	1,238,844	-	203,201	83,413	3,432,232	370,979	5,000	1,566,950	217,803	260,534	-	7,378,956
School Lunch Monies	167,712	120,091	-	224,508	272,584	204,296	170,919	231,463	160,885	-	120,965	257,541	1,930,964
BAN/RAN Monies	3,627,606	-	-	-	-	637,620	-	8,065,710	-	-	-	-	12,330,936
Other Rev/Disb	199,170	315,982	204,496	171,218	1,078,474	178,502	4,037,450	52,443	227,148	263,986	31,344	247,572	7,007,785
Total Available Cash	$ 20,582,977	$ 18,020,163	$ 20,806,277	$ 23,623,777	$ 25,144,994	$ 27,398,029	$ 20,952,169	$ 17,367,553	$ 42,278,959	$ 39,795,291	$ 43,002,771	$ 44,554,119	$ 136,058,069
Disbursements:													
Payroll	$ 1,502,654	$ 841,457	3,772,238	$ 3,939,912	$ 3,910,146	$ 3,970,291	$ 5,691,748	$ 3,946,858	$ 3,706,336	$ 3,681,142	$ 3,605,276	$ 8,999,430	$ 47,567,487
Warrant	3,107,997	2,419,759	3,549,400	4,002,019	4,224,115	4,601,231	6,152,140	3,742,889	3,978,474	4,106,554	2,487,567	6,018,892	48,391,037
ERS Wire	-	-	-	-	-	1,228,906	-	-	-	-	-	-	1,228,906
Debt Service	581,022	1,109,509	-	-	-	1,383,357	6,250,900	-	-	-	707,475	4,092,035	14,124,297
Interfund Transfers	607,514	6,334,072	90,281	644,530	663,732	719,931	520,993	417,141	2,913,716	1,422,657	622,876	1,205,503	16,162,948
Total Disbursements	$ 5,799,188	$ 10,704,797	$ 7,411,918	$ 8,586,462	$ 8,797,992	$ 11,903,716	$ 18,615,781	$ 8,106,887	$ 10,598,526	$ 9,210,353	$ 7,423,194	$ 20,315,859	$ 127,474,675
Ending Balance	$ 14,783,789	$ 7,315,367	$ 13,394,358	$ 15,037,315	$ 16,347,002	$ 15,494,313	$ 2,336,387	$ 9,260,665	$ 31,680,433	$ 30,584,938	$ 35,579,577	$ 24,238,260	

CITY SCHOOL DISTRICT OF THE CITY OF ROME

ESTIMATED MONTHLY CASH FLOW

(General Fund)

(000's OMITTED)

	2020						2021												2022						
July 2020-June 2022	**ACTUAL**				**PROJECTED**																				
CASH FLOW	**July**	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**June**	**TOTAL**
Beginning Balance:	$ 24,238,260	$ 21,273,023	$ 19,296,128	$ 20,571,342	$ 23,148,886	$ 21,678,768	$ 18,567,111	$ 12,429,263	$ (1,480,303)	$ 12,463,775	$ 10,792,043	$ 14,336,313	$ 3,174,284	$ 941,623	$ (285,271)	$ 989,942	$ 3,567,486	$ 2,297,368	$ 894,810	$ (3,644,025)	$ (13,857,245)	$ 86,834	$ (1,584,899)	$ 1,900,198	
Receipts:																									
Real Property Taxes	-	-	9,974	9,517,574	6,321,200	222,371	141,585	190,465	1,075,472	4,066,201	4,387,556	1,507,631	-	-	9,974	9,517,574	6,321,200	222,371	141,585	190,465	1,075,472	4,066,201	4,387,556	1,507,631	54,880,061
Prior Yr Taxes	554,063	367,037	226,698	775,481	121,844	98,850	73,863	54,305	73,604	26,645	36,495	161,726	554,063	367,037	226,698	775,481	121,844	98,850	73,863	54,305	73,604	26,645	36,495	161,726	5,141,222
Pilots	629,447	48,895	24,501	18,769	304,718	43,307	128,349	42,713	-	172,716	71,027	148,910	629,447	48,895	24,501	18,769	304,718	43,307	128,349	42,713	-	172,716	71,027	148,910	3,266,704
STAR	-	-	-	-	-	904,864	5,069,682	-	-	-	-	-	-	-	-	-	-	1,104,864	5,069,682	-	-	-	-	-	12,149,093
State Revenues	99,096	1,331,660	10,639,919	1,005,950	1,289,442	6,233,848	509,712	3,889,065	24,038,931	3,367,508	7,509,912	8,591,081	99,096	2,081,660	10,639,919	1,005,950	1,289,442	6,233,848	759,712	6,389,065	24,038,931	3,367,508	7,509,912	8,591,081	140,512,245
Federal Grant Monies		-		26,773	83,413	2,982,232	477,000	-	1,566,950	217,803	260,534	-	-	-	-	26,773	83,413	2,982,232	477,000	-	1,566,950	217,803	260,534	-	11,229,409
School Lunch Monies	80,223	68,354	50,842	3,800	194,353	189,296	148,936	163,357	160,885	-	120,965	257,541	80,223	68,354	50,842	3,800	194,353	189,296	148,936	163,357	160,885	-	120,965	257,541	2,877,103
BAN/RAN Monies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					-
Other Rev/Disb	25,673	36,467	141,476	135,063	34,760	178,502	87,571	46,918	227,148	263,986	31,344	247,572	25,673	36,467	141,476	135,063	34,760	178,502	87,571	46,918	227,148	263,986	31,344	247,572	2,912,959
Total Available Cash	$ 25,626,762	$ 23,125,436	$ 30,389,537	$ 32,054,752	$ 31,498,615	$ 32,532,039	$ 25,203,808	$ 16,816,087	$ 25,662,687	$ 20,578,634	$ 23,209,876	$ 25,250,774	$ 4,562,786	$ 3,544,037	$ 10,808,138	$ 12,473,352	$ 11,917,216	$ 13,350,639	$ 7,781,508	$ 3,242,798	$ 13,285,745	$ 8,201,692	$ 10,832,934	$ 12,814,659	$ 232,968,797
Disbursements:																									
Payroll	$ 873,023	$ 727,495	$ 4,181,825	$ 3,857,913	$ 4,007,899	$ 4,069,548	$ 3,942,922	$ 4,045,529	$ 5,691,748	$ 3,773,171	$ 3,695,408	$ 9,089,424	$ 873,023	$ 727,495	$ 4,181,825	$ 3,857,913	$ 4,007,899	$ 4,069,548	$ 3,942,922	$ 4,045,529	$ 5,691,748	$ 3,773,171	$ 3,695,408	$ 9,089,424	$ 95,911,809
Warrant	2,668,648	2,840,127	4,397,378	3,811,286	4,583,164	4,992,336	6,675,072	4,117,178	4,316,644	4,455,611	4,555,279	6,259,648	1,998,378	2,840,127	4,397,378	3,811,286	4,583,164	4,992,336	6,675,072	4,117,178	4,316,644	4,455,611	4,555,279	6,259,648	106,674,471
ERS Wire	-	-	-	-	-	1,274,348	-	-	-	-	-	-	-		-	-	-	1,274,348	-	-	-	-	-	-	2,548,696
Debt Service	548,119	-	-	-	-	1,683,358	-	8,436,610	-	-	-	5,521,916	485,812		-	-	-	1,003,704	-	8,415,910	-	-	-	5,683,704	31,779,133
Interfund Transfers	263,949	261,685	1,238,993	1,236,667	1,228,784	1,945,338	2,156,551	1,697,073	3,190,519	1,557,810	622,876	1,205,503	263,949	261,685	1,238,993	1,236,667	1,028,784	1,115,893	807,539	521,426	3,190,519	1,557,810	682,049	1,320,026	29,831,091
Total Disbursements	$ 4,353,739	$ 3,829,308	$ 9,818,195	$ 8,905,866	$ 9,819,848	$ 13,964,928	$ 12,774,545	$ 18,296,390	$ 13,198,911	$ 9,786,591	$ 8,873,562	$ 22,076,490	$ 3,621,162	$ 3,829,308	$ 9,818,195	$ 8,905,866	$ 9,619,848	$ 12,455,829	$ 11,425,533	$ 17,100,043	$ 13,198,911	$ 9,786,591	$ 8,932,736	$ 22,352,801	$ 266,745,199
Ending Balance	$ 21,273,023	$ 19,296,128	$ 20,571,342	$ 23,148,886	$ 21,678,768	$ 18,567,111	$ 12,429,263	$ (1,480,303)	$ 12,463,775	$ 10,792,043	$ 14,336,313	$ 3,174,284	$ 941,623	$ (285,271)	$ 989,942	$ 3,567,486	$ 2,297,368	$ 894,810	$ (3,644,025)	$ (13,857,245)	$ 86,834	$ (1,584,899)	$ 1,900,198	$ (9,538,142)	

Note: At the end of February 2021, the District will have a cash flow deficit of $1,480,303. The District anticipates receipt of $6,000,000 State aid by no earlier than February 26, 2021. The District anticipates a cumulative deficit mid-February 2021 of $7,480,303.
The above cash flow does not include $8,000,000 RAN proceeds to be delivered on February 2, 2021.

CITY SCHOOL DISTRICT OF THE CITY OF ROME

ESTIMATED MONTHLY CASH FLOW

(General Fund)

(000's OMITTED)

July 2020-June 2022	2020 ACTUAL					2021						PROJECTED						2022						
CASH FLOW	**July**	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**June**	**TOTAL**
Beginning Balance:	$ 24,238,260	$ 21,273,023	$ 19,296,128	$ 20,571,342	$ 23,148,886	$ 21,678,768	$ 18,567,111	$ 12,429,263	$ 6,519,697	$ 20,463,775	$ 18,792,043	$ 22,336,313	$ 11,174,284	$ 8,941,623	$ 7,714,729	$ 8,989,942	$ 11,567,486	$ 10,297,368	$ 8,894,810	$ 4,355,975	$ (5,857,245)	$ 8,086,834	$ 6,415,101	$ 9,900,198	
Receipts:																									
Real Property Taxes	-	-	9,974	9,517,574	6,321,200	222,371	141,585	190,465	1,075,472	4,066,201	4,387,556	1,507,631	-	-	9,974	9,517,574	6,321,200	222,371	141,585	190,465	1,075,472	4,066,201	4,387,556	1,507,631	54,880,061
Prior Yr Taxes	554,063	367,037	226,698	775,481	121,844	98,850	73,863	54,305	73,604	26,645	36,495	161,726	554,063	367,037	226,698	775,481	121,844	98,850	73,863	54,305	73,604	26,645	36,495	161,726	5,141,222
Pilots	629,447	48,895	24,501	18,769	304,718	43,307	128,349	42,713	-	172,716	71,027	148,910	629,447	48,895	24,501	18,769	304,718	43,307	128,349	42,713	-	172,716	71,027	148,910	3,266,704
STAR	-	-	-	-	-	904,864	5,069,682	-	-	-	-	-	-	-	-	-	-	1,104,864	5,069,682	-	-	-	-	-	12,149,093
State Revenues	99,096	1,331,660	10,639,919	1,005,950	1,289,442	6,233,848	509,712	3,889,065	24,038,931	3,367,508	7,509,912	8,591,081	99,096	2,081,660	10,639,919	1,005,950	1,289,442	6,233,848	759,712	6,389,065	24,038,931	3,367,508	7,509,912	8,591,081	140,512,245
Federal Grant Monies		-		26,773	83,413	2,982,232	477,000	-	1,566,950	217,803	260,534	-	-	-	-	26,773	83,413	2,982,232	477,000	-	1,566,950	217,803	260,534	-	11,229,409
School Lunch Monies	80,223	68,354	50,842	3,800	194,353	189,296	148,936	163,357	160,885	-	120,965	257,541	80,223	68,354	50,842	3,800	194,353	189,296	148,936	163,357	160,885	-	120,965	257,541	2,877,103
BAN/RAN Monies	-	-	-	-	-	-	-	8,000,000	-	-	-	-	-	-	-	-	-	-	-	-					8,000,000
Other Rev/Disb	25,673	36,467	141,476	135,063	34,760	178,502	87,571	46,918	227,148	263,986	31,344	247,572	25,673	36,467	141,476	135,063	34,760	178,502	87,571	46,918	227,148	263,986	31,344	247,572	2,912,959
Total Available Cash	$ 25,626,762	$ 23,125,436	$ 30,389,537	$ 32,054,752	$ 31,498,615	$ 32,532,039	$ 25,203,808	$ 24,816,087	$ 33,662,687	$ 28,578,634	$ 31,209,876	$ 33,250,774	$ 12,562,786	$ 11,544,037	$ 18,808,138	$ 20,473,352	$ 19,917,216	$ 21,350,639	$ 15,781,508	$ 11,242,798	$ 21,285,745	$ 16,201,692	$ 18,832,934	$ 20,814,659	$ 240,968,797
Disbursements:																									
Payroll	$ 873,023	$ 727,495	$ 4,181,825	$ 3,857,913	$ 4,007,899	$ 4,069,548	$ 3,942,922	$ 4,045,529	$ 5,691,748	$ 3,773,171	$ 3,695,408	$ 9,089,424	$ 873,023	$ 727,495	$ 4,181,825	$ 3,857,913	$ 4,007,899	$ 4,069,548	$ 3,942,922	$ 4,045,529	$ 5,691,748	$ 3,773,171	$ 3,695,408	$ 9,089,424	$ 95,911,809
Warrant	2,668,648	2,840,127	4,397,378	3,811,286	4,583,164	4,992,336	6,675,072	4,117,178	4,316,644	4,455,611	4,555,279	6,259,648	1,998,378	2,840,127	4,397,378	3,811,286	4,583,164	4,992,336	6,675,072	4,117,178	4,316,644	4,455,611	4,555,279	6,259,648	106,674,471
ERS Wire	-	-	-	-	-	1,274,348	-	-	-	-	-	-	-		-	-	-	1,274,348	-	-	-	-	-	-	2,548,696
Debt Service	548,119	-	-	-	-	1,683,358	-	8,436,610	-	-	-	5,521,916	485,812		-	-	-	1,003,704	-	8,415,910	-	-	-	5,683,704	31,779,133
Interfund Transfers	263,949	261,685	1,238,993	1,236,667	1,228,784	1,945,338	2,156,551	1,697,073	3,190,519	1,557,810	622,876	1,205,503	263,949	261,685	1,238,993	1,236,667	1,028,784	1,115,893	807,539	521,426	3,190,519	1,557,810	682,049	1,320,026	29,831,091
Total Disbursements	$ 4,353,739	$ 3,829,308	$ 9,818,195	$ 8,905,866	$ 9,819,848	$ 13,964,928	$ 12,774,545	$ 18,296,390	$ 13,198,911	$ 9,786,591	$ 8,873,562	$ 22,076,490	$ 3,621,162	$ 3,829,308	$ 9,818,195	$ 8,905,866	$ 9,619,848	$ 12,455,829	$ 11,425,533	$ 17,100,043	$ 13,198,911	$ 9,786,591	$ 8,932,736	$ 22,352,801	$ 266,745,199
Ending Balance	$ 21,273,023	$ 19,296,128	$ 20,571,342	$ 23,148,886	$ 21,678,768	$ 18,567,111	$ 12,429,263	$ 6,519,697	$ 20,463,775	$ 18,792,043	$ 22,336,313	$ 11,174,284	$ 8,941,623	$ 7,714,729	$ 8,989,942	$ 11,567,486	$ 10,297,368	$ 8,894,810	$ 4,355,975	$ (5,857,245)	$ 8,086,834	$ 6,415,101	$ 9,900,198	$ (1,538,142)	

Note: At the end of February 2021, the District will have a cash flow deficit of $1,480,303. The District anticipates receipt of $6,000,000 State aid by no earlier than February 26, 2021. The District anticipates a cumulative deficit mid-February 2021 of $7,480,303.
The above cash flow includes $8,000,000 RAN proceeds to be delivered on February 2, 2021.

MATERIAL EVENT NOTICES

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding, in a timely manner, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB"), or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes, if such event is material:

(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 Note, 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 Note

(g) modifications to rights of holders of the Notes, if material

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

CITY SCHOOL DISTRICT OF THE CITY OF ROME

GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2020

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

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City School District of the City of Rome, New York's basic financial statements. The other supplementary information on pages 53 through 55 is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 6, 2020, on our consideration of the City School District of the City of Rome, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City School District of the City of Rome, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City School District of the City of Rome, New York's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 6, 2020

Rome, New York

The City School District of the City of Rome, New York's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2020 and 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

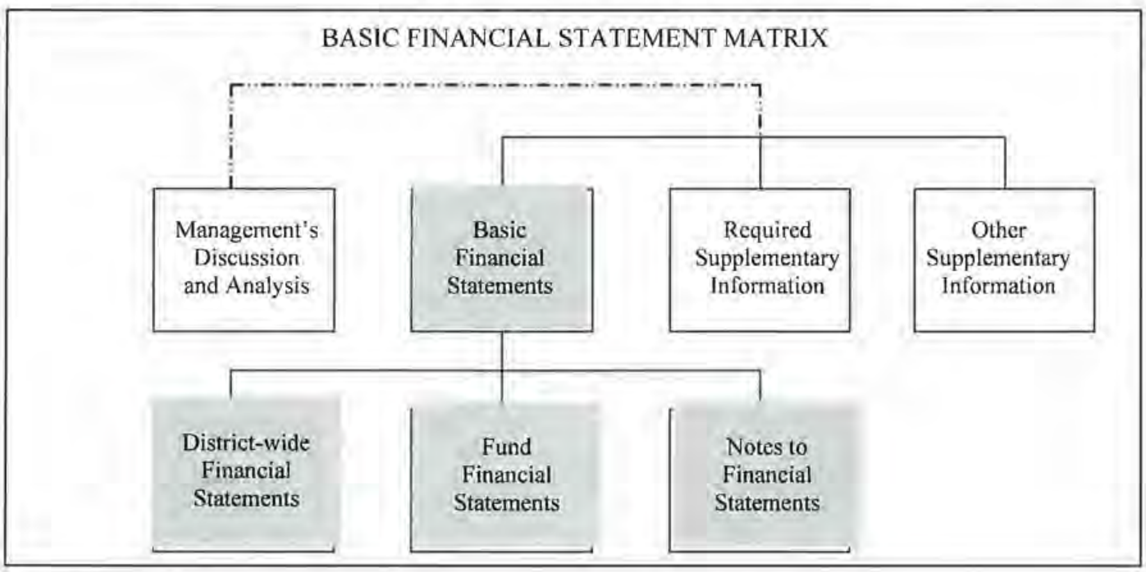
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2020 are as follows:

- The District's total net position, as reflected in the District-wide financial statements, decreased by $13,853,465 to a deficit balance of $217,038,385. The deficit is primarily the result of the accrual of other postemployment benefits liability of $338,043,911 at June 30, 2020. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $139,737,911. This amount was partially offset by $553,306 from program charges for services, $9,402,758 from operating grants, and $1,126,228 from capital grants. General revenues of $114,802,154 covered a significant portion of the remaining program expenses.
- Non-grant State and federal revenue decreased by $2,921,312 to $74,988,124 in 2020 from $77,909,436 in 2019. This was primarily due to a $3.7 million decrease in building aid and a $1.3 million decrease in BOCES aid for the current year as compared to the prior year. This was offset by a $2.2 million increase in foundation aid.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by $3,039,787 to $16,257,219. This was due to an excess of revenues over expenditures based on the modified accrual basis of accounting.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of District-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



A. District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements: the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds: General Fund, School Lunch Fund, Special Aid Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The Districts total net position decreased $13,853,465 between fiscal year 2019 and 2020. A summary of the District's Statement of Net Position for June 30, 2020 and 2019, is as follows:

	2020	2019	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	$ 51,300,595	$ 61,439,321	$ (10,138,726)	(16.5%)
Capital Assets, (Net of Accumulated Depreciation)	110,930,542	110,028,787	901,755	0.8%
Total Assets	$ 162,231,137	$ 171,468,108	$ (9,236,971)	(5.4%)
Deferred Outflows of Resources	$ 73,016,306	$ 27,989,295	$ 45,027,011	160.9%
Liabilities				
Current and Other Liabilities	$ 22,306,285	$ 39,797,743	$ (17,491,458)	(44.0%)
Non-Current Liabilities	405,740,528	336,786,299	68,954,229	20.5%
Total Liabilities	$ 428,046,813	$ 376,584,042	$ 51,462,771	13.7%
Deferred Inflows of Resources	$ 24,239,015	$ 26,058,281	$ (1,819,266)	(7.0%)
Net Position				
Net Investment in Capital Assets	$ 54,380,379	$ 50,825,680	$ 3,554,699	7.0%
Restricted	5,210,938	4,311,573	899,365	20.9%
Unrestricted (Deficit)	(276,629,702)	(258,322,173)	(18,307,529)	(7.1%)
Total Net Position (Deficit)	$ (217,038,385)	$ (203,184,920)	$ (13,853,465)	(6.8%)

Current and other assets decreased by $10,138,726 as compared to the prior year. The primary reason for the decrease is a decrease in cash in the Capital Projects Fund of $21,504,312 due to repayment of a bond anticipation note for $24,925,000. This was paid from serial bond proceeds from an issuance in the prior year. This was offset by an increase in cash in the General Fund of $8,583,394 and an increase in the School District's proportionate share of the net pension asset under TRS of $1,890,039.

Capital assets, net of accumulated depreciation, increased by $901,755 as compared to the prior year. This increase is primarily due to amounts expended for capital additions exceeding depreciation in the current year.

Current and other liabilities decreased by $17,491,458 as compared to the prior year. This decrease is primarily attributed to a reduction in the bond anticipation note of a net $21,314,042. This was offset by a $2 million increase in the Revenue Anticipation Note and a $2,767,143 increase in accrued liabilities due to anticipated legal settlements (see Note 17).

Non-current liabilities increased by $68,954,229, as compared to the prior year. This is primarily the result of a net increase in other postemployment benefits total liability of $64,290,834 as well as an increase in the School District's proportionate share of the net pension liability under ERS of $5,853,899.

The deferred outflows and inflows change resulted in a net increase in net position of $46,846,277. These financial statement elements mainly consist of actuarial determined adjustments to the School District's proportionate share of the net pension asset or liability and the OPEB liability for items such as changes in assumptions and differences between actual and projected experience.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

Restricted net position at June 30, 2020, in the amount of $5,210,938, represents the amount of the District's reserves and other restricted amounts in the Debt Service and Capital Project Funds.

Unrestricted net position at June 30, 2020, is a deficit of $276,629,702, which represents the amount by which the District's liabilities and deferred inflows of resources, excluding debt related to capital construction, exceeded the District's assets and deferred outflows of resources other than capital assets and restricted assets. This deficit is primarily due to the accrual of other postemployment benefits total liability in the amount of $338,043,911.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements, school tax relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2020 and 2019 is as follows.

Revenues	2020	2019	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 553,306	$ 825,996	$ (272,690)	(33.0%)
Operating Grants	9,402,758	8,630,403	772,355	8.9%
Capital Grants	1,126,228	559,372	566,856	101.3%
General Revenues				
Property Taxes and STAR	37,091,621	35,550,370	1,541,251	4.3%
State and Federal Sources	74,988,124	77,909,436	(2,921,312)	(3.7%)
Other	2,722,409	3,786,733	(1,064,324)	(28.1%)
Total Revenues	125,884,446	127,262,310	(1,377,864)	(1.1%)
Expenses				
General Support	20,920,588	14,860,554	6,060,034	40.8%
Instruction	107,797,274	98,090,559	9,706,715	9.9%
Pupil Transportation	5,427,286	7,464,245	(2,036,959)	(27.3%)
Debt Service-Unallocated Interest	2,312,294	2,075,562	236,732	11.4%
Food Service Program	3,280,469	3,130,555	149,914	4.8%
Total Expenses	139,737,911	125,621,475	14,116,436	11.2%
Total Change in Net Position	$ (13,853,465)	$ 1,640,835	$ (15,494,300)	(944.3%)

The District's revenues decreased by 1.1% or $1,377,864 in 2020. The major factors that contributed to the decrease were:

- Property Taxes and STAR increased $1,541,251 or 4.3% as a result of the budgeted tax levy increase .
- The District received a decrease in non-grant State and federal sources in the General Fund in the amount of $2,921,312, primarily due to a $3.7 million decrease in building aid and a $1.3 million decrease in BOCES aid for the current year as compared to the prior year. This was offset by a $2.2 million increase in foundation aid.
- Other revenues decreased by $1,064,324 primarily due to a reduction in the premium received for the RAN of approximately $200,000 as well as a reduction in local grants of $876,347 from the Preschool education programs and other locally funded grant programs that were not continued in 2019-20.

The above decreases were offset by:

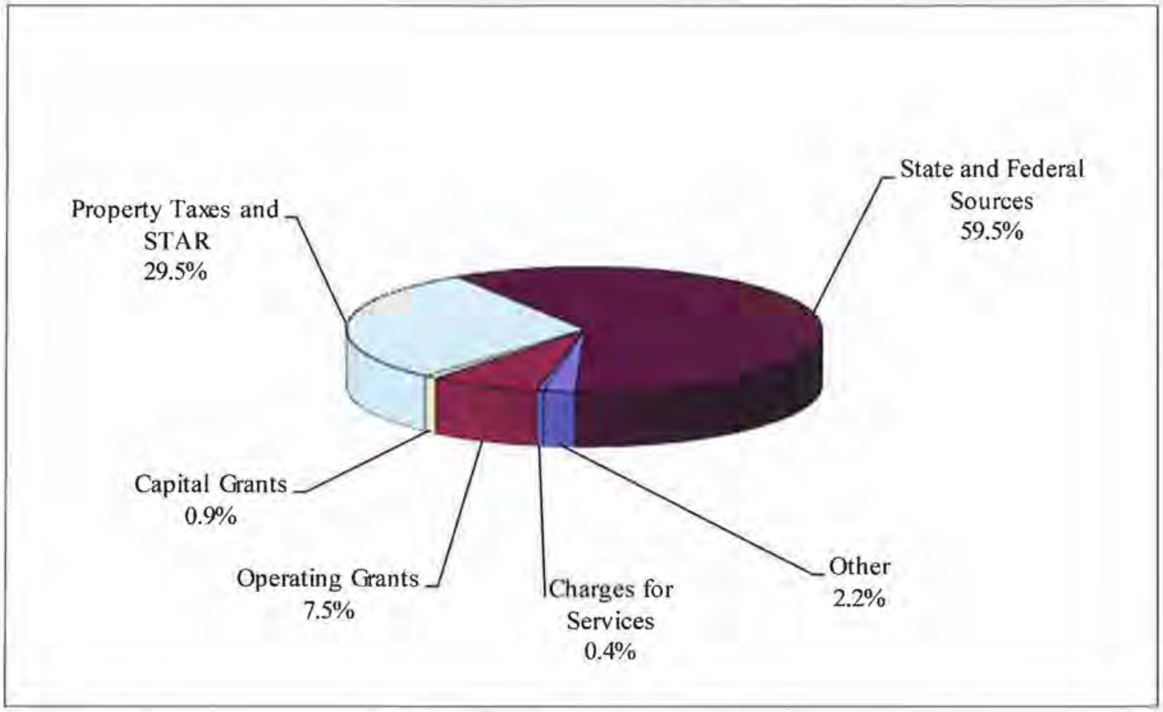
- The District received a combined increase in operating and capital grants of $1,339,211. The increase includes an increase in operating grants in the amount of $772,355, while the District also received an increase in capital grants in the amount of $566,856 for the Smart School Bond Act which is being used to finance improved educational technology and infrastructure.
- Property Taxes and STAR increased mainly due to the 2019-2020 approved budget which increased the tax levy by $1,373,330 or 4.06%.

The District's expenses increased by 11.2% or $14,116,436 in 2020. The major factors that contributed to this increase were:

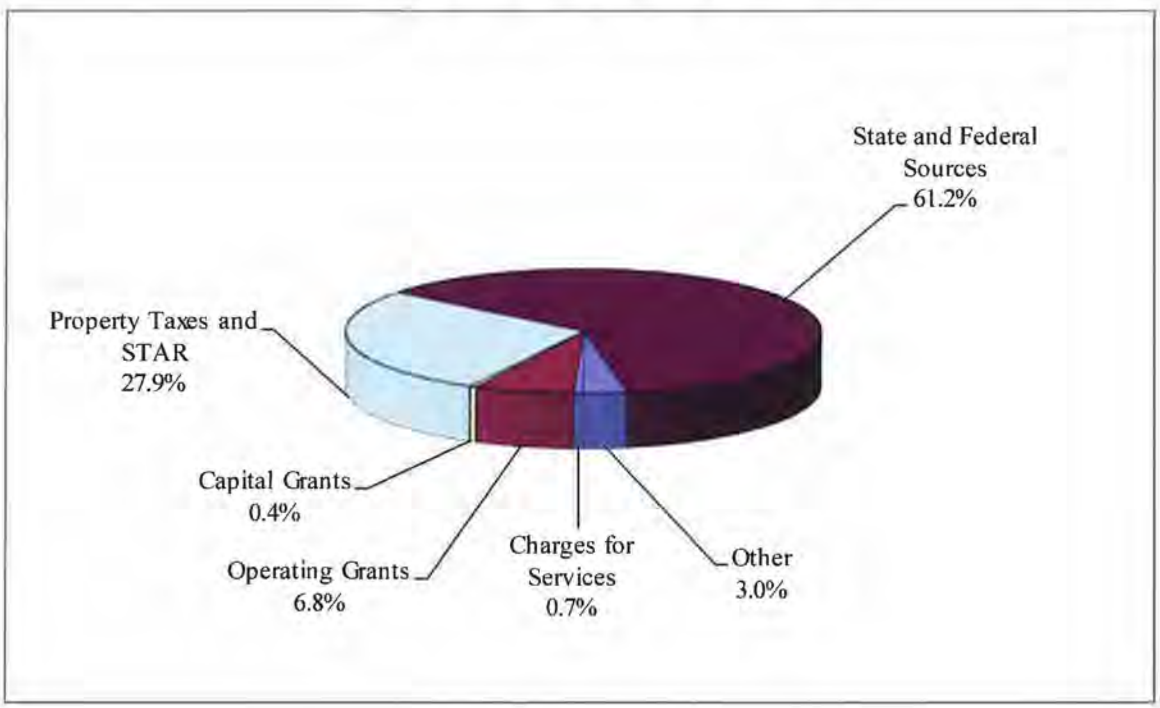
- The expense for other postemployment liabilities for healthcare increased by $9,689,230.
- The expense for the District's proportionate share of the NYS Employees' Retirement System increased by $1,317,955 and for the Teachers' Retirement System the expense increased by $5,036,874.

A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2020

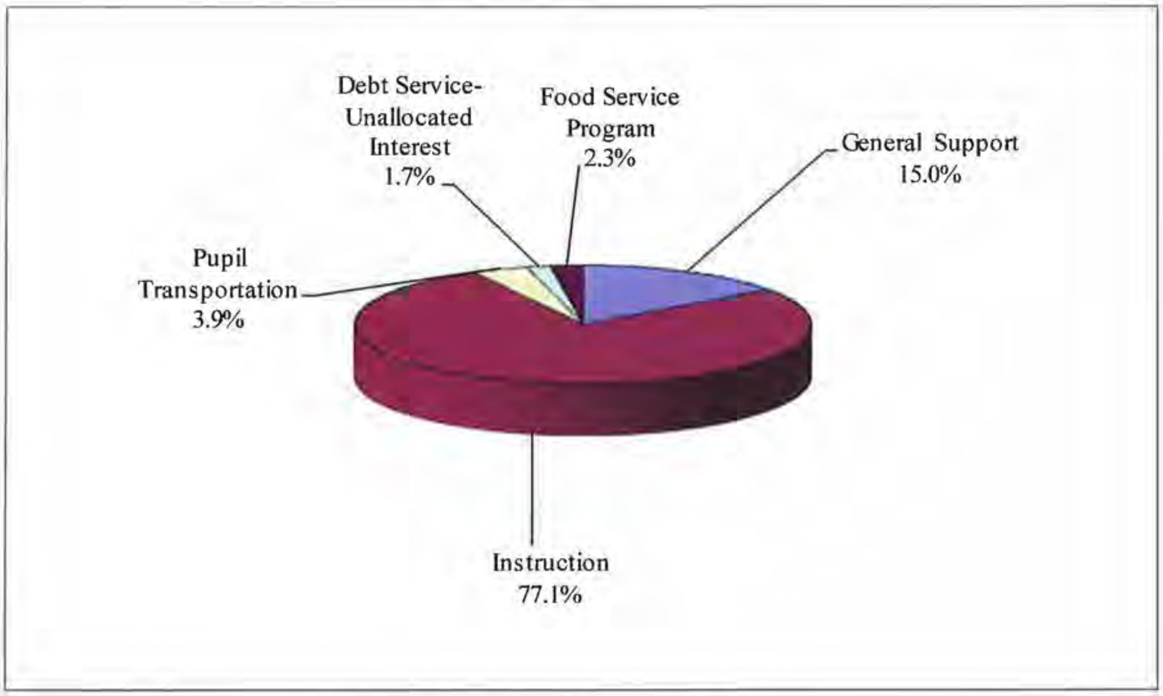


For the Year Ended June 30, 2019

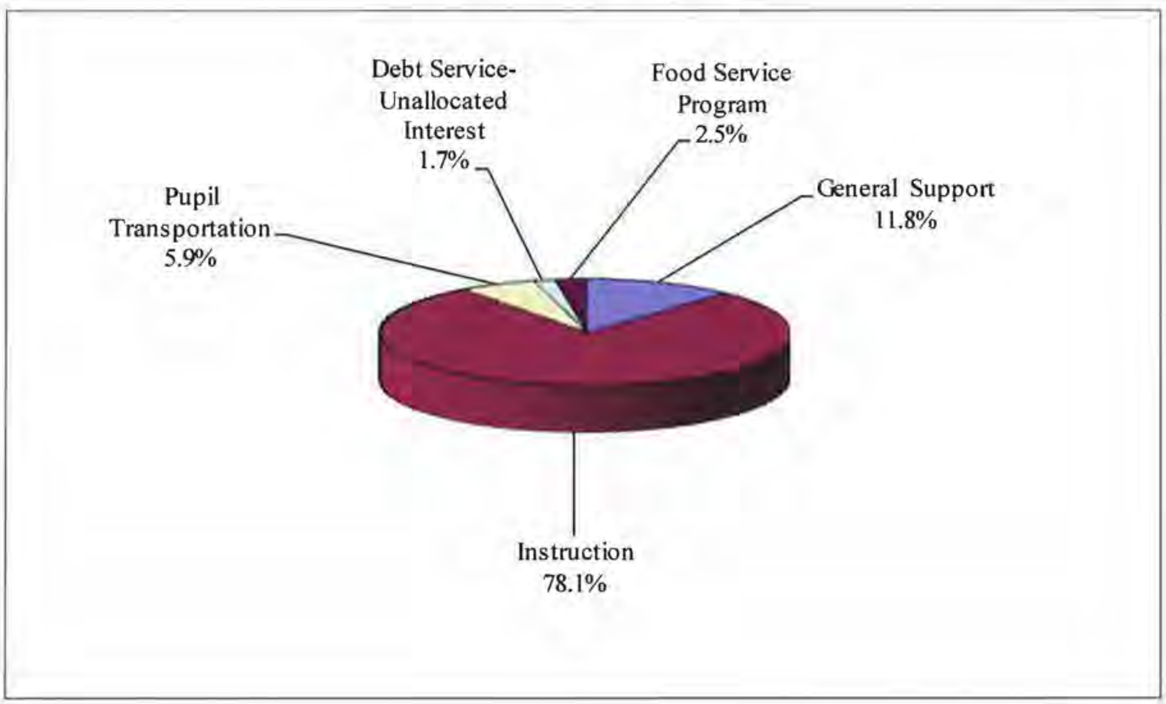


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2020



For the Year Ended June 30, 2019



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2020, the District's governmental funds reported a combined fund balance of $17,447,757, which is an increase of $3,334,470 over the prior year. This increase is due to an excess of revenues over expenditures on a modified accrual basis. A summary of the change in fund balance by fund is as follows:

General Fund	2020	2019	Increase (Decrease)
Resticted			
Tax Certiorari	$ 934,131	$ 721,375	$ 212,756
Employee Benefit Accrued Liability	1,682,339	1,483,635	198,704
Total Restricted	2,616,470	2,205,010	411,460
Assigned			
Appropriated for Subsequent Year's Budget	9,651,686	2,536,206	7,115,480
General Support	338,709	634,589	(295,880)
Instruction	463,108	379,947	83,161
Pupil Transportation	187	197,451	(197,264)
Employee Benefits	255,746	21,129	234,617
Total Assigned	10,709,436	3,769,322	6,940,114
Unassigned	2,931,313	7,243,100	(4,311,787)
Total General Fund	16,257,219	13,217,432	3,039,787
School Lunch Fund			
Nonspendable	159,042	98,031	61,011
Assigned	506,756	853,763	(347,007)
Total School Lunch Fund	665,798	951,794	(285,996)
Special Aid Fund			
Unassigned (Deficit)	(1,021,748)	(1,600,000)	578,252
Total Special Aid Fund	(1,021,748)	(1,600,000)	578,252
Debt Service Fund			
Restricted	1,640,700	1,603,332	37,368
Capital Projects Fund			
Restricted	953,768	503,231	450,537
Unassigned (Deficit)	(1,047,980)	(562,502)	(485,478)
Total Capital Projects Fund	(94,212)	(59,271)	(34,941)
Total Fund Balances	$ 17,447,757	$ 14,113,287	$ 3,334,470

During the current fiscal year, the total fund balance of the General Fund increased by $3,039,787 due to an excess of revenues over expenditures. The District's restricted reserves in the General Fund were increased by $411,460 for Board approved transfers. The School District increased the amount appropriated for the subsequent year's budget by $7,115,480, which includes an increase of $7,115,480 from fund balance and an additional $632,000 from reserves.

The School Lunch Fund fund balance decreased by $285,996 due to a deficit of revenues over expenditures in 2020.

The unassigned deficit of $1,021,748 in the Special Aid Fund represents expenditures incurred for the federal and state grants for which revenues are considered unavailable at June 30, 2020.

The unassigned deficit of $1,047,980 in the Capital Project Fund represents expenditures incurred for the Smart Schools Bond Act capital project for which revenues are considered unavailable at June 30, 2020.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2019-2020 Budget

The District's General Fund adopted budget for the year ended June 30, 2020, was \$116,692,438. This is a decrease of \$1,216,893 over the prior years adopted budget.

The majority of the District's funding sources were \$36,929,884 in estimated property taxes and STAR and \$74,995,797 in state aid.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 7,243,100
Revenues and Other Funding Sources Under Budget	(903,291)
Expenditures, Encumbrances and Other Financing Uses Under Budget	6,654,650
Net Increase to Restricted Funds	(411,460)
Appropriated for 2020-2021 Budget	(10,283,686)
Closing, Unassigned Fund Balance	\$ 2,299,313

Opening, Unassigned Fund Balance

The \$7,243,100 shown in the table is the portion of the District's June 30, 2019, fund balance that was retained as unassigned. This was 6.2% of the District's 2019-2020 approved operating budget.

Revenues and Other Financing Sources Under Budget

The 2019-2020 budget for revenues and other financing sources was \$114,156,232. The actual revenues and other financing sources received for the year were \$113,252,941. The actual revenue and other financing sources under estimated or budgeted revenue was \$903,291. This variance contributes directly to the change to the unassigned portion of the General Fund's fund balance from June 30, 2019 to June 30, 2020.

Expenditures, Encumbrances, and Other Financing Uses Under Budget

The 2019-2020 final budget for expenditures, encumbrances and other financing uses was \$117,925,554. The actual expenditures, encumbrances, and other financing uses were \$111,270,904. The final budget was under expended by \$6,654,650. This under expenditure contributes to the change to the unassigned portion of the General Fund's fund balance from June 30, 2019 to June 30, 2020.

Appropriated Fund Balance and Reserves

The School District chose to use \$9,651,686 of its available June 30, 2020 fund balance and reserves to partially fund its 2020-2021 approved operating budget, an increase of \$7,115,480 from the amount appropriated for the 2019-2020 budget.

Net Increase to Restricted Funds

The increase of \$411,460 to the General Fund restricted fund balances during the year ended June 30, 2020, represents transfers into the District's tax certiorari and employee benefit accrued liability reserves.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2020-2021 fiscal year with an unassigned fund balance of $2,931,313. This is 2.39% of the District's 2020-2021 approved operating budget and is a decrease of $4,311,787 from the unassigned fund balance from the prior year as of June 30, 2019.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2020, the District had invested in a broad range of capital assets, including land and land improvements, buildings and building improvements, furniture, equipment, vehicles and intangibles. The net increase in capital assets is due to capital additions exceeding depreciation for the year ended June 30, 2020. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2020 and 2019, is as follows:

	2020	2019	Increase (Decrease)
Land	$ 1,379,922	$ 1,379,922	$
Construction in Progress	29,264,774	24,650,282	4,614,492
Land Improvements	686,668	861,299	(174,631)
Buildings and Improvements	76,239,109	79,383,167	(3,144,058)
Furniture, Equipment, and Vehicles	3,360,069	3,754,117	(394,048)
Capital Assets, Net	$ 110,930,542	$ 110,028,787	$ 901,755

B. Debt Administration

At June 30, 2020, the District had total bonds payable, including an energy performance contract, of $50,765,000. At June 30, 2020, the District utilized 68.08% of its New York State Constitutional Debt Limit. A summary of the outstanding debt at June 30, 2020 and 2019, is as follows:

Description	Date of Issue	Date of Maturity	Interest Rate	2020	2019	Increase (Decrease)
Energy Performance (refinanced)	4/12/2012	7/30/2019	2.90%	$	$ 109,651	$ (109,651)
General Construction	6/15/2010	6/15/2025	3.00-5.00%		1,305,000	(1,305,000)
Ridge Mills Construction	6/08/2011	8/01/2026	3.00-5.00%	820,000	1,205,000	(385,000)
Refunding Bonds	3/13/2013	6/30/2020	2.00-3.00%		405,000	(405,000)
Reconstruction and Additions	6/10/2015	6/15/2028	3.00-5.00%	5,075,000	5,555,000	(480,000)
Reconstruction	8/05/2015	6/15/2027	2.38-3.00%	3,190,000	3,600,000	(410,000)
Refunding Bonds	5/27/2016	6/01/2023	2.00-5.00%	1,230,000	1,895,000	(665,000)
Reconstruction	6/08/2017	6/15/2032	3.00-5.00%	6,900,000	7,325,000	(425,000)
Refunding Bonds	11/9/2017	6/15/2025	2.00-5.00%	7,130,000	7,135,000	(5,000)
Refunding Bonds	11/9/2017	8/1/2026	2.00-5.00%	2,090,000	2,095,000	(5,000)
Reconstruction - Strough Junior High	6/17/2019	6/15/2033	3.00-5.00%	21,240,000	21,245,000	(5,000)
Energy Performance Contract	6/17/2020	6/15/2035	5.00%	3,090,000		3,090,000
Total Bonds Payable and Energy Performance Contracts				$ 50,765,000	$ 51,874,651	$ (1,109,651)

On June 17, 2020, the School District entered into an energy performance contract for $3,090,000 for a capital project authorized by the voters on May 15, 2018.

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The voters approved the budget in the amount of $122,607,537 for the 2020-21 school year. This budget preserves the values of the District while maintaining sensible class sizes, ensuring sufficient workforce and ongoing professional development training to meet student needs and rigorous mandates.

- The proposed budget includes a Board approved tax levy increase of 0.00% from the 2019-20 school year. The 2020-21 tax levy increase of 0.00% was within the District's Tax Cap.

- Increasing costs for health insurance and other employee benefits remain a concern for the District going forward.

8. CONTACTING THE DISTRICT

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

Rome City School District
409 Bell Road
Rome, New York 13440

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF NET POSITION
June 30, 2020

Assets		
Cash and Cash Equivalents	$	21,755,965
Restricted Cash and Cash Equivalents		8,022,166
Receivables		
Tax Receivables		3,360,455
Due from Other Governments		8,712,314
Due from Fiduciary Funds		2,726,460
Other Receivables		203,751
Inventory		157,560
Prepaid Expenses		1,482
Net Pension Asset - Proportionate Share		6,360,442
Capital Assets (Not Being Depreciated)		30,644,696
Capital Assets (Net of Accumulated Depreciation)		80,285,846
Total Assets		162,231,137
Deferred Outflows of Resources		
Deferred Loss from Refunding of Debt, Net of Amortization		746,373
Pensions		25,378,131
Other Postemployment Benefits		46,891,802
Total Deferred Outflows of Resources		73,016,306
Liabilities		
Accounts Payable		289,660
Retainage Payable		430,968
Accrued Liabilities		6,020,979
Due To		
Other Governments		2,117
Teachers' Retirement System		3,627,042
Employees' Retirement System		318,587
Short-Term Notes Payable		
Revenue Anticipation Notes		8,000,000
Bond Anticipation Note		3,610,958
Unearned Credits		
Unearned Revenues		5,974
Noncurrent Liabilities		
Due Within One Year		5,626,180
Due in More Than One Year		400,114,348
Total Liabilities		428,046,813
Deferred Inflows of Resources		
Pensions		9,163,477
Other Postemployment Benefits		15,075,538
Total Deferred Inflows of Resources		24,239,015
Net Position		
Net Investment in Capital Assets		54,380,379
Restricted		5,210,938
Unrestricted (Deficit)		(276,629,702)
Total Net Position (Deficit)	$	(217,038,385)

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

		Program Revenues			Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 20,920,588	$	$	$	$ (20,920,588)
Instruction	107,797,274	284,476	7,339,641	1,126,228	(99,046,929)
Pupil Transportation	5,427,286				(5,427,286)
Debt Service - Unallocated Interest	2,312,294				(2,312,294)
Food Service Program	3,280,469	268,830	2,063,117		(948,522)
Total Functions/Programs	$ 139,737,911	$ 553,306	$ 9,402,758	$ 1,126,228	(128,655,619)
General Revenues					
Real Property Taxes and STAR					29,279,891
Other Real Property Tax Items					7,811,730
Use of Money and Property					88,565
Sale of Property and Compensation for Loss					4,139
State and Federal Sources					74,988,124
Miscellaneous					2,629,705
Total General Revenues					114,802,154
Change in Net Position					(13,853,465)
Net Position (Deficit), Beginning of Year					(203,184,920)
Net Position (Deficit), End of Year					$ (217,038,385)

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General	School Lunch	Special Aid	Debt Service	Capital Projects	Total
Assets						
Cash and Cash Equivalents	$ 21,621,890	$	$ 36,743	$	$ 97,332	$ 21,755,965
Restricted Cash and Cash Equivalents	2,616,470			1,798,140	3,607,556	8,022,166
Receivables						
Tax Receivables	3,360,455					3,360,455
Due From						
Other Governments	4,745,503	92,345	2,826,486		1,047,980	8,712,314
Other Funds	6,338,200	456,977		829,089	642,421	8,266,687
Other Receivables	195,284	8,467				203,751
Inventory		157,560				157,560
Prepaid Expenses		1,482				1,482
Total Assets	$ 38,877,802	$ 716,831	$ 2,863,229	$ 2,627,229	$ 5,395,289	$ 50,480,380
Liabilities						
Payables						
Accounts Payable	$ 262,007	$ 27,653	$	$	$	$ 289,660
Accrued Liabilities	5,875,096	20,767	5,839			5,901,702
Due To						
Other Governments	2,117					2,117
Other Funds	1,047,358	2,613	2,674,638	986,529	829,089	5,540,227
Teachers' Retirement System	3,627,042					3,627,042
Employees' Retirement System	318,587					318,587
Short-Term Notes Payable						
Revenue Anticipation Note	8,000,000					8,000,000
Bond Anticipation Note					3,610,958	3,610,958
Unearned Revenues			4,500		1,474	5,974
Total Liabilities	19,132,207	51,033	2,684,977	986,529	4,441,521	27,296,267
Deferred Inflows of Resources						
Unavailable Revenue-Property Taxes	2,668,326					2,668,326
Unavailable Revenue-Grants and State Aid	820,050		1,200,000		1,047,980	3,068,030
Total Deferred Inflows of Resources	3,488,376		1,200,000		1,047,980	5,736,356
Fund Balances (Deficit)						
Nonspendable		159,042				159,042
Restricted	2,616,470			1,640,700	953,768	5,210,938
Assigned	10,709,436	506,756				11,216,192
Unassigned (Deficit)	2,931,313		(1,021,748)		(1,047,980)	861,585
Total Fund Balances (Deficit)	16,257,219	665,798	(1,021,748)	1,640,700	(94,212)	17,447,757
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 38,877,802	$ 716,831	$ 2,863,229	$ 2,627,229	$ 5,395,289	$ 50,480,380

The Accompanying Notes are an Integral Part of These Financial Statements

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2020

Total Governmental Fund Balances (Deficit)		$ 17,447,757
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Revenues that do not provide current financial resources are recognized in the Statement of Net Position but not in the fund financial statements.		
	Real Property Taxes	2,668,326
	Grant Revenue	3,068,030
		5,736,356
A deferred loss from refunding of debt is recorded as a deferred outflow of resources in the Statement of Net Position but recorded as an expenditure in the governmental funds. The defeasance loss is net of accumulated amortization.		746,373
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
	Original Cost of Capital Assets	195,873,483
	Accumulated Depreciation	(84,942,941)
		110,930,542
The proportionate share of long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.		
	Net Pension Asset - Proportionate Share	6,360,442
	Deferred Outflows - Pensions	25,378,131
	Net Pension Liability - Proportionate Share	(7,981,296)
	Deferred Inflows - Pensions	(9,163,477)
		14,593,800
Deferred inflows and outflows of resources associated with differences between expected and actual experience or change in assumptions for Other Postemployment Benefits apply to a future period and are not reported in the funds.		
	Deferred Outflows - OPEB	46,891,802
	Deferred Inflows - OPEB	(15,075,538)
		31,816,264
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
	Bonds Payable and Energy Performance Contract	(50,765,000)
	Accrued Interest on Bonds Payable	(119,277)
	Retainage Payable	(430,968)
	Unamortized Premium on Bonds Payable	(7,387,972)
	Other Postemployment Benefits	(338,043,911)
	Compensated Absences Payable	(1,409,348)
	Other Liabilities	(153,001)
		(398,309,477)
Total Net Position (Deficit)		$ (217,038,385)

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General	School Lunch	Special Aid	Debt Service	Capital Projects	Total
Revenues						
Real Property Taxes	$ 28,315,780	$	$	$	$	$ 28,315,780
Other Real Property Tax Items	7,811,730					7,811,730
Charges for Services	284,476					284,476
Use of Money and Property	85,403	54		3,108		88,565
Sale of Property and Compensation for Loss	4,139					4,139
Miscellaneous	2,500,981	12,106		34,260		2,547,347
State Aid	73,816,209	64,717	2,859,567		637,620	77,378,113
Federal Aid	351,865	1,998,400	4,880,074			7,230,339
School Lunch Sales		268,830				268,830
Total Revenues	113,170,583	2,344,107	7,739,641	37,368	637,620	123,929,319
Expenditures						
General Support	15,619,217				416,986	16,036,203
Instruction	53,167,291		5,867,014		4,407,110	63,441,415
Pupil Transportation	4,639,649		13,992			4,653,641
Food Service Program		2,119,750				2,119,750
Employee Benefits	28,376,999	541,239	2,105,315			31,023,553
Debt Service - Principal	4,623,722					4,623,722
Debt Service - Interest	2,930,458					2,930,458
Total Expenditures	109,357,336	2,660,989	7,986,321		4,824,096	124,828,742
Excess (Deficit) Revenues Over Expenditures	3,813,247	(316,882)	(246,680)	37,368	(4,186,476)	(899,423)
Other Financing Sources (Uses)						
Premiums on Notes	82,358				637,464	719,822
Proceeds of Debt					3,090,000	3,090,000
BANs Redeemed from Appropriations					424,071	424,071
Transfers from Other Funds		30,886	824,932			855,818
Transfers to Other Funds	(855,818)					(855,818)
Total Other Financing Sources (Uses)	(773,460)	30,886	824,932		4,151,535	4,233,893
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	3,039,787	(285,996)	578,252	37,368	(34,941)	3,334,470
Fund Balances (Deficits), Beginning of Year	13,217,432	951,794	(1,600,000)	1,603,332	(59,271)	14,113,287
Fund Balances (Deficits), End of Year	$ 16,257,219	$ 665,798	$ (1,021,748)	$ 1,640,700	$ (94,212)	$ 17,447,757

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Net Changes in Fund Balance - Total Governmental Funds		$ 3,334,470
Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation Expense	(4,095,859)	
Capital Outlays	4,997,614	901,755
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by whcih repayments and amortized bond premiums exceed proceeds from the energy performance contract.		
Energy Performance Contract Proceeds	(3,090,000)	
Current Year Bond Premiums Deferred	(637,464)	
Amortized Bond Premium	758,684	
Repayment Bond Principal	4,199,651	1,230,871
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Change in Unavailable Revenues		1,872,769
Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortized Interest Expense on Refundings of Debt	(186,370)	
Change in Accrued Interest on Serial Bonds	45,850	
Change in Retainage Payable	209,604	
Change in Compensated Absences	(40,367)	
Change in Other Postemployment Benefits	(15,252,675)	(15,223,958)
(Increases) decreases in the proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	(4,405,306)	
Employees' Retirement System	(1,564,066)	(5,969,372)
Change in Net Position Governmental Activities		$ (13,853,465)

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2020

	Private Purpose Trusts	Agency
Assets		
Cash and Cash Equivalents - Unrestricted	$	$ 3,881,763
Cash and Cash Equivalents - Restricted	223,197	
Receivables		23,270
Due from Other Funds		3,993
Total Assets	$ 223,197	$ 3,909,026
Liabilities		
Due to Other Funds	$	$ 2,730,453
Agency Liabilities		1,012,634
Extraclassroom Activity Balances		165,939
Total Liabilities		$ 3,909,026
Net Position		
Restricted for Scholarships	223,197	
Total Net Position	223,197	
Total Liabilities and Net Position	$ 223,197	

The Accompanying Notes are an Integral Part of These Financial Statements.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2020

	Private Purpose Trusts
Additions	
Investment Income	$ 2,249
Gifts and Contributions	5,006
Total Additions	7,255
Deductions	
Scholarships and Awards	16,238
Change in Net Position	(8,983)
Net Position, Beginning of Year	232,180
Net Position, End of Year	$ 223,197

The Accompanying Notes are an Integral Part of These Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

Extraclassroom Activity Funds

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

Joint Venture

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

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

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component 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.

Financial statements for the BOCES' are available from the Madison-Oneida BOCES' administrative office.

Basis of Presentation

(a) District-wide Statements

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

The Statement of Net Position presents the financial position of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits and depreciation, are allocated to functional areas in proportion to payroll or total expenditures expended for those areas, respectively. 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.

(b) Fund Financial Statements

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

General Fund – This is the School District's primary operating fund and is used to account for and report all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds:

Special Aid Fund – This fund accounts for and reports the proceeds of specific revenue sources, such as federal and state grants that are legally restricted for specific educational programs.

School Lunch Fund – This fund is used to account for and report transactions of the School District's food service operations.

Debt Service Fund – This Fund accounts for and reports the accumulation of financial resources that are restricted to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated.

Capital Projects Fund – This fund is used to account for and report the financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Funds

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

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

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

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 School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, 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 state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental 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 School 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, other postemployment benefits, 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.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows or resources, 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, other postemployment benefits (OPEB), potential contingent liabilities, and useful lives of long-lived assets.

Property Taxes

Real property taxes are levied annually by the Board and become a lien no later than September 1. Taxes are collected in two equal installments due October 1 and April 1. Uncollected real property taxes are enforced by the City of Rome, New York, and the County of Oneida. An amount representing uncollected real property taxes must be transmitted by the City and the County within two years from the return of unpaid taxes to the City with the exception of real property taxes due on State and County lands. Real property taxes receivable expected to be collected within 90 days subsequent to June 30 are considered to be available and recognized as revenues. Otherwise, a deferred inflow of resources offsets real property taxes receivable.

Restricted Resources

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

Interfund Transactions

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

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

A detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity is provided subsequently in these Notes to the Financial Statements.

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance 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 and obligations of the state and its municipalities and districts.

Receivables

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

Inventories

The inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the District-wide financial statements and their use is limited by applicable bond covenants.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to 2003, estimated historical costs, based on appraisals 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 progress are not depreciated. The School District uses capitalization thresholds of $5,000, (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Lives	Depreciation Method
Land Improvements	20 Years	Straight Line
Buildings and Improvements	20-40 Years	Straight Line
Furniture and Equipment	5-20 Years	Straight Line
Licensed Vehicles	8-10 Years	Straight Line

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category. The first item is a deferred loss on refunding of debt reported in the District-wide Statement of Net Position. A deferred loss 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 School District's proportion of the collective net pension asset or liability and the difference during the measurement period between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. This also includes the School District contributions to the pension systems (TRS and ERS) subsequent to the measurement date. The third item relates to other postemployment benefits (OPEB) reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and of a change in actuarial assumptions and other inputs.

In addition to liabilities in the Statement of Net Position, the School District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two items that qualify for reporting in this category in the Statement of Net Position. The first item is related to pensions and it represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement periods between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item relates to other postemployment benefits (OPEB) reporting in the District-wide Statement of Net Position. This represents the effect of a change in actuarial assumptions.

In addition to liabilities in the governmental funds balance sheet, the School District will also sometimes report a separate section for deferred inflows of resources. The School District has two types of items, which both arise only under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, these items, unavailable revenues for property taxes, and grants and state aid, are reported only in the governmental funds balance sheet.

Short-Term Debt

The School District may issue Revenue Anticipation Notes (RAN), 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 represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The School District may also 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 BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

Compensated Absences

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

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

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

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

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Other Benefits

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

In addition to providing pension benefits, the School District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if School District employees are eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. The School District recognizes the costs of providing health insurance by recording its share of insurance premiums as an expenditure. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 13).

Insurance

The School District insures against liability for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Accrued Liabilities and Long-Term Obligations

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

Long-term obligations represent the School District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Equity Classifications

(a) District-wide Statements

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

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

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

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

(b) Fund Statements

In the fund financial statements, there are five classifications of fund balance:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventory and prepaid items recorded in the School Lunch Fund.

Restricted

This category 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:

- ***Reserve for Tax Certiorari***

  The Tax Certiorari Reserve [Education Law §3651(1-a)] is used to accumulate funds to pay judgments and claims resulting from tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. If no voter approval is obtained, then any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

- ***Reserve for Employee Benefit Accrued Liability***

  The Reserve for Employee Benefit Accrued Liability (GML §6-p) is used for the payment of any accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Debt Service Fund***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

- ***Capital Projects Fund***

  This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

- ***Reserve for Endowment and Scholarships Awards***

  The School District maintains funds restricted by donors for the benefit of the school and its students. This reserve is accounted for in a Fiduciary Fund.

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

Assigned – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the School District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than Capital Fund, are classified as assigned fund balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General Fund is also classified as assigned fund balance in the General Fund.

Unassigned – Includes all other fund net resources that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Order of Use of Fund Balance

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

Future Changes in Accounting Standards

- GASB Statement No. 84 – Fiduciary Activities — Effective for the year ended June 30, 2021
- GASB Statement No. 87 – Leases — Effective for the year ended June 30, 2022

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

2. EXPLANATION OF 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 resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared to Net Position of Governmental Activities

Total fund balances of the School District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference 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 Sheet.

Statement of Revenues, Expenditures and Changes in Fund Balance Compared to 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 six broad categories:

(a) Long-Term Revenue/Expenditure 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.

(b) 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.

(c) 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.

(d) Pension Differences

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

(e) Other Postemployment Benefit Differences

Other postemployment benefit (OPEB) differences occur as a result of changes in the School District's total OPEB liability and differences between the School District's contributions and OPEB expense.

(f) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balances based on the requirements of New York State. These costs have been allocated in the Statement of Activities based on total salary for each function.

3. STEWARDSHIP AND COMPLIANCE

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The voters of the School 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) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. In addition, the Superintendent is authorized to transfer certain budgeted amounts within departments. No supplemental appropriations occurred during the year.

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

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

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assigned 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.

General Fund – Statutory Unassigned Fund Balance Limit

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. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

At June 30, 2020, the School District's unassigned fund balance was 2.39% of the 2020-2021 budget.

Statutory Debt Limit

At June 30, 2020, the School District was in compliance with the statutory debt limit.

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments (including school districts) can levy. The School District was in compliance with the tax cap for the year ended June 30, 2020.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

A. Uncollateralized,
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the School District's name.

As of June 30, 2020, the School District's total bank balances of $32,077,856 were entirely collateralized or insured by the Federal Deposit Insurance Corporation (FDIC). Of this amount, $965,937 of the deposits were covered by FDIC and $31,111,919 of the deposits were collateralized with securities held by an agent of the pledging financial institution in the School District's name.

Investment and Deposit Policy

The School District follows an investment and deposit policy, the overall objective of which is to provide the School District with the best rate of return available without exposing the principal to an unreasonable risk of loss; to comply with the requirements of all applicable federal and state laws, including the Education Law, General Municipal Law, and Local Finance Law; and to provide sufficient liquidity of invested funds in order to meet obligations as they become due.

Restricted Cash and Cash Equivalents

- Restricted cash and cash equivalents of $2,616,470 in the General Fund represents the restricted reserves described in Note 15.

- Restricted cash and cash equivalents of $1,798,140 in the Debt Service Fund represents the funds required to be used to repay the corresponding liability.

- Restricted cash and cash equivalents of $3,607,556 in the Capital Projects Fund represents bond anticipation note and funds from the energy performance contract held for use on current capital projects.

- Restricted cash and cash equivalents of $223,197 in the Fiduciary Funds represents funds gifted to the School District for scholarships to students. The funds are held in the Private Purpose Trust Fund. Of this amount, $64,599 is nonexpendable.

Investment Pool

Rome City School District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, as amended, and Article 3-A of the General Municipal Law (Chapter 623 of the Laws of 1998), whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The School District has $41,074 included as unrestricted cash equivalents. This amount represents the cost of the investment pool share and is considered to approximate market value.

The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NYLAF available by writing to NYLAF Administration, 2135 CityGate Lane, 7th Floor, Naperville, IL 60563.

5. PARTICIPATION IN BOCES

During the year, the School District was billed $13,539,473 for BOCES' administrative and program costs.

The School District's share of BOCES' aid amounted to $5,922,793.

During the year ended June 30, 2020, the School District issued no debt on behalf of BOCES. However, during 2003, the BOCES issued $15,500,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. During 2020, $800,000 in principal payments were made and the outstanding balance of the refunding bonds at June 30, 2020, was $2,405,000.

6. RECEIVABLES

The amount due from other governments at June 30, 2020, consisted of:

General Fund	
Due from State and Federal	
Excess Cost Aid – August	$ 1,518,778
BOCES Aid – September	2,963,737
Medicaid Claim Reimbursements	10,198
Due from Other Governments	
Due from Other School Districts and BOCES	252,790
	$ 4,745,503
School Lunch Fund	
Due from State and Federal	
Federal – June Claims	$ 80,223
New York State – March Claims	1,373
New York State –April Claims	4,435
New York State – May Claims	3,429
New York State – June Claims	2,885
	$ 92,345
Special Aid Fund	
Due from State and Federal	
Federal Grants	$ 1,901,759
New York State Aid and Grants	924,727
	$ 2,826,486
Capital Projects Fund	
Due from State and Federal	
New York State – Smart Schools Bond Act	$ 1,047,980

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 1,379,922	$	$	$ 1,379,922
Construction in Progress	24,650,282	4,614,492		29,264,774
Total	26,030,204	4,614,492		30,644,696
Capital Assets Being Depreciated				
Land Improvements	6,631,571			6,631,571
Buildings and Improvements	133,124,671			133,124,671
Furniture, Equipment and Vehicles	25,089,423	383,122		25,472,545
Total	164,845,665	383,122		165,228,787
Accumulated Depreciation				
Land Improvements	5,770,272	174,631		5,944,903
Buildings and Improvements	53,741,504	3,144,058		56,885,562
Furniture, Equipment and Vehicles	21,335,306	777,170		22,112,476
Total	80,847,082	4,095,859		84,942,941
Net Capital Assets Being Depreciated	83,998,583	(3,712,737)		80,285,846
Net Capital Assets	$ 110,028,787	$ 901,755	$	$ 110,930,542

8. SHORT-TERM NOTES PAYABLE

The School District had an outstanding Bond Anticipation Note (BAN) and an outstanding Revenue Anticipation Note (RAN) at June 30, 2020, as follows:

Payable From / Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
2019 Renewal BAN	07/19	$ 3,610,958	07/20	2.00%	$ 3,610,958
Revenue Anticipation Note	02/20	$ 8,000,000	02/21	2.00%	$ 8,000,000

Changes in the School District's short-term notes payable for the year ended June 30, 2020, are as follows:

Description	Balance 07/01/19	Issued	Paid	Balance 06/30/20
Capital Project BAN 2018	$ 24,925,000	$	$ 24,925,000	$
Capital Project BAN 2019		3,610,958		3,610,958
Revenue Anticipation Note 2019	6,000,000		6,000,000	
Revenue Anticipation Note 2020		8,000,000		8,000,000
Total	$ 30,925,000	$ 11,610,958	$ 30,925,000	$ 11,610,958

Interest on short-term debt for the year was computed as follows:

Interest Paid	$ 865,438
Plus: Interest Accrued in the Current Year	133,201
Less: Interest Accrued in the Prior Year	(703,318)
Total Interest Expense on Short-Term Debt	$ 295,321

9. NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows:

Description	Beginning Balance	Issued	Paid	Ending Balance	Due Within One Year
Long Term Debt					
Bonds Payable	$ 51,765,000	$	$ 4,090,000	$ 47,675,000	$ 4,790,000
Unamortized Bond Premiums	7,509,192	637,464	758,684	7,387,972	801,180
Energy Performance Contracts	109,651	3,090,000	109,651	3,090,000	35,000
Total Long Term Debt	59,383,843	3,727,464	4,958,335	58,152,972	5,626,180
Other Liabilities					
Other Postemployment Benefits	273,753,077	73,581,222	9,290,388	338,043,911	
Net Pension Liability -Proportionate Share	2,127,397	5,853,899		7,981,296	
Compensated Absences	1,368,981	40,367		1,409,348	
Other Liabilities	153,001			153,001	
Total Other Liabilities	277,402,456	79,475,488	9,290,388	347,587,556	
Total Noncurrent Liabilities	$ 336,786,299	$ 83,202,952	$ 14,248,723	$ 405,740,528	$ 5,626,180

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements.

Details relating to general obligation (serial) bonds and the energy performance contract of the School District outstanding at June 30, 2020, are summarized as follows:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
Ridge Mills Construction	06/11	$ 5,900,000	08/21	3.00-5.00%	$ 820,000
Reconstruction and Additions	06/15	$ 6,870,000	06/28	3.00-5.00%	5,075,000
Reconstruction	08/15	$ 4,876,281	06/27	2.38-3.00%	3,190,000
Refunding Bonds	05/16	$ 2,655,000	06/23	2.00-5.00%	1,230,000
Reconstruction	06/17	$ 7,740,000	06/32	3.00-5.00%	6,900,000
Refunding Bonds	11/17	$ 7,145,000	06/25	2.00-5.00%	7,130,000
Refunding Bonds	11/17	$ 2,100,000	08/26	2.00-5.00%	2,090,000
Reconstruction - Strough Middle Sch(	06/19	$ 21,245,000	06/33	3.00-5.00%	21,240,000
Total					$ 47,675,000

Principal and interest payments due on the serial bonds are as follows:

Fiscal Year Ending	Serial Bonds		
June 30,	Principal	Interest	Total
2021	$ 4,790,000	$ 2,181,056	$ 6,971,056
2022	4,950,000	1,965,681	6,915,681
2023	4,920,000	1,740,275	6,660,275
2024	4,865,000	1,515,275	6,380,275
2025	5,095,000	1,283,750	6,378,750
2026-2030	15,540,000	3,611,350	19,151,350
2031-2033	7,515,000	602,150	8,117,150
Total	$ 47,675,000	$ 12,899,537	$ 60,574,537

Special Provisions Affecting Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest of the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the 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 Bonds.

Unamortized Premium

The original issue premiums on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 6 to 18 years, the remaining time to maturity of the respective bond issue. The current year amortization is $758,682 and is included as a reduction to interest expense on the statement of activities. The remaining balance of the unamortized premiums is calculated as follows:

Deferred Premiums from Debt	$ 8,146,654
Less: Amount Recognized	758,682
Unamortized Premiums	$ 7,387,972

Other Debt – Energy Performance Contracts

The School District entered into an energy performance contract during the year ended June 30, 2004. This contract was subsequently renegotiated in April 2012 at a lower interest rate. The contract is defined in a Section 9-102(4) of the New York State Energy Law as: "an agreement for the provision of energy services, including but not limited to electricity, heating, ventilation, cooling, steam, or hot water, in which a person agrees to install, maintain, or mange energy systems or equipment to improve the energy efficiency of, or produce energy in connection with a building or facility in exchange for a portion of the energy savings or revenues." The contract is accounted for as a capital lease. The final payment on this contract was made during 2020.

The School District entered into a new energy performance contract on June 17, 2020. The contract is also accounted for as a capital lease with interest at 5%.

Principal and interest payments due on the energy performance contract are as follows:

Fiscal Year Ending	Energy Performance Contract		
June 30,	Principal	Interest	Total
2021	$ 35,000	$ 199,133	$ 234,133
2022	155,000	152,750	307,750
2023	165,000	145,000	310,000
2024	170,000	136,750	306,750
2025	180,000	128,250	308,250
2026-2030	1,050,000	496,250	1,546,250
2031-2035	1,335,000	207,000	1,542,000
	$ 3,090,000	$ 1,465,133	$ 4,555,133

Interest expense on the District-wide financial statements is calculated as follows:

Interest Paid on Long-Term Debt	$ 2,635,137
Interest on RAN and BAN	295,321
Amortized Deferred Loss on Refunding	186,370
Amortized Serial Bond Premiums	(758,684)
Plus: Interest Accrued in the Current Year	119,277
Less: Interest Accrued in the Prior Year	(165,127)
Total Interest Expense	$ 2,312,294

10. ADVANCE REFUNDING – PRIOR YEARS

The School District at various times entered into advance refunding transactions related to certain issues of its bonded debt. A portion of the proceeds of the refunding bond issues were placed in an irrevocable trust and used to purchase securities to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. At June 30, 2020, the principal balance on refunded bond issues is as follows:

Bond Issue	Principal Balance
2008 Serial Bonds	$ 1,265,000
2011 Serial Bonds	820,000
Total	$ 2,085,000

11. DEFERRED OUTFLOWS OF RESOURCES

Past advance refunding transactions have resulted in $2,480,369 in deferred losses due to the reacquisition prices exceeding the carrying value of the refunded bonds. This amount is classified as a deferred outflow of resources on the District-wide financial statements in accordance with Governmental Accounting Standards (GASB Statement) No. 63 and GASB Statement No. 65. The deferred losses are being amortized as interest expense over the life of the refunding bond. The remaining unamortized balance of these costs at June 30, 2020 is $746,373. The amortization charged to interest expense for the year ended June 30, 2020, was $186,370.

12. PENSION PLANS

New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3 and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2020, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2018	$ 1,284,825
2019	$ 1,275,184
2020	$ 1,228,906

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

At June 30, 2020, the School District reported a liability of $7,981,296 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in a report provided to the School District.

At June 30, 2020 and 2019, the School District's proportion was .0301402 percent and .0300255 percent, respectively.

For the year ended June 30, 2020, the School District recognized pension expense of $2,791,960.

At June 30, 2020, the School District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 469,732	$
Change of assumptions	160,705	138,766
Net difference between projected and actual earnings on Pensions plan investments	4,091,600	
Changes in proportion and differences between contributions and proportionate share of contributions	200,528	
Contributions subsequent to the measurement date	318,587	
Total	$ 5,241,152	$ 138,766

At June 30, 2020, $318,587 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2021	$ 857,744
2022	$ 1,210,994
2023	$ 1,514,203
2024	$ 1,200,858

(d) Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following significant actuarial assumptions:

Investment rate of return (net of investment expense, including inflation)	6.8%
Cost of Living Adjustments	1.3%
Salary scale	4.2%
Inflation rate	2.5%

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-2018.

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	36%	4.05%
International equity	14%	6.15%
Private equity	10%	6.75%
Real estate	10%	4.95%
Absolute return strategies	2%	3.25%
Opportunistic portfolio	3%	4.65%
Real assets	3%	5.95%
Bonds and mortgages	17%	0.75%
Cash	1%	0.00%
Inflation-indexed bonds	4%	0.50%
	100%	

** Real rates of return are net of the long-term inflation assumption of 2.5%.*

(e) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the School 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 (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Proportionate share of the net pension liability (asset)	$ 14,647,932	$ 7,981,296	$ 1,841,296

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in the amount of $318,587 at June 30, 2020. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2020-2021 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	Amount
2018	$ 3,946,012
2019	$ 4,340,735
2020	$ 3,408,293

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

At June 30, 2020, the School District reported an asset of $6,360,442 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2018. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS System in reports provided to the School District.

At June 30, 2020 and 2019, the School District's proportion was .244820 percent and .247221 percent, respectively. For the year ended June 30, 2020, the School District recognized pension expense of $7,817,553. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	4,310,309	$	472,975
Changes of assumptions		12,015,725		2,929,774
Net difference between projected and actual earnings on Pensions plan investments				5,100,746
Changes in proportion and differences between contributions and proportionate share of contributions		402,652		521,216
Contributions subsequent to the measurement date		3,408,293		
Total	$	20,136,979	$	9,024,711

At June 30, 2020, $3,408,293 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2021. 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 June 30:		Amount
2020	$	2,829,326
2021	$	134,360
2022	$	2,818,896
2023	$	1,891,062
2024	$	217,774
Thereafter	$	(187,443)

(d) Actuarial Assumptions

The total pension asset at June 30, 2019 measurement date was determined by using an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension asset to June 30, 2019.

The actuarial valuation used the following significant actuarial assumptions:

Investment Rate of Return — 7.10 % compounded annually, net of pension plan investment expense, including inflation.

Salary scale — Rates of increase differ based on service.
They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs — 1.3% compounded annually.

Inflation rate — 2.2%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP2018, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	35.0%	5.9%
International equity	18.0%	7.4%
Real estate	11.0%	4.3%
Alternative investments	8.0%	9.0%
Domestic fixed income securities	16.0%	1.6%
Global fixed income securities	2.0%	1.3%
Mortgages	8.0%	2.8%
High-yield fixed income securities	1.0%	3.9%
Short-term	1.0%	0.6%
	100.0%	

** Real rates of return are net of the long-term inflation assumption of 2.2% for 2019.*

(e) Discount Rate

The discount rate used to calculate the total pension asset was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 7.10 percent, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Proportionate share of the net pension liability (asset)	$ 28,710,370	$ (6,360,442)	$ (35,780,895)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in the amount of $3,627,042 in the General Fund at June 30, 2020. This amount represents the contribution for the 2019-2020 fiscal year that will be made in 2020-2021 and the employer share has been accrued as an expenditure in the current year.

13. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(a) Plan Description

The School District provides defined benefit other postemployment benefits for all retired employees and their eligible dependents. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

The School District provides medical, Medicare Part B, dental, vision and life insurance benefits to retirees and their eligible dependents in accordance with the provisions of various employment contracts. Health insurance is provided on a self-insured basis through Madison-Oneida-Herkimer Health Insurance Consortium. The plan is self-insured and administered by a Board of Directors consisting of representation from individual school districts. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements. The Plans can be amended by action of the School District through agreements with the bargaining units. The specifics of each contract are on file at the School District offices and are available upon request.

(c) Employees Covered by Benefit Terms

	Total
Inactive employees currently receiving benefit payments*	1155
Inactive employees entitled to but not yet receiving benefit payments	
Active employees	875
Total	2030

* Inactive employees currently receiving benefit payments includes spouses of retirees and beneficiaries.

(d) Total OPEB Liability

The School District's total OPEB liability of $338,043,911 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

(e) Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance at June 30, 2019	$ 273,753,077
Changes recognized for the year:	
Service cost	9,265,154
Interest on Total OPEB Liability	9,744,454
Changes of Benefit Terms	967,672
Differences Between Expected and Actual Experience	37,770,948
Changes of Assumptions or Other Inputs	15,832,994
Benefit payments	(9,290,388)
Net changes	64,290,834
Balance at June 30, 2020	$ 338,043,911

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.2 percent) or 1 percentage point higher (3.2 percent) than the current discount rate:

	1% Decrease (1.2%)	Current Assumption (2.2%)	1% Increase (3.2%)
Total OPEB liability as of June 30, 2020	$ 403,359,498	$ 338,043,911	$ 286,841,031

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.6 percent decreasing to 3.1%) or 1 percentage point higher (7.6 percent decreasing to 5.1%) than the current healthcare cost trend rate:

	1% Decrease (5.6%-3.1%)	Current Assumption (6.6%-4.1%)	1% Increase (7.6%-5.1%)
Total OPEB liability as of June 30, 2020	$ 279,784,362	$ 338,043,911	$ 415,556,821

(h) OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2020, the School District recognized OPEB expense of $24,543,063. At June 30, 2020, the School District reported deferred outflows of resources of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,494,653	$
Changes of assumptions or other inputs	13,397,149	15,075,538
Total	$ 46,891,802	$ 15,075,538

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

Year ended June 30:	Amount
2021	$ 4,565,783
2022	$ 4,565,783
2023	$ 4,565,783
2024	$ 5,748,773
2025	$ 8,246,760
Thereafter	$ 4,123,382

(f) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Inflation rate	2.6%
Healthcare Cost Trend Rates	6.6 percent scaling down to 4.1 percent over 56 years.
Prior Year Healthcare Cost Trend Rates	7.5 percent scaling down to 4.5 percent over 6 years.
Salary Changes	2.6%, average, including inflation
Discount Rate	2.2%

The School District pays 90-100% of retiree's health insurance premiums and 65-80% of qualified dependents premiums.

The selected discount rate of 2.21% is based on the prescribed discount interest rate methodology under GASB 75 based on a yield or index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The actual rate used is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP 2014 Healthy Male and Female Table adjusted to 2006 Total Dataset Mortality Table generationally projected using Scale MP-Ultimate. The assumption includes a margin for future improvements in longevity.

The actuarial assumptions used are not based on a formal experience study performed.

14. FUND BALANCES

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2020:

Restricted Reserve	Beginning Balance	Increases (Decreases)	Ending Balance
Tax Certiorari	$ 721,375	$ 212,756	$ 934,131
Employee Benefit Accrued Liability	1,483,635	198,704	1,682,339
Total General Fund Restricted	$ 2,205,010	$ 411,460	$ 2,616,470

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	School Lunch	Special Aid	Debt Service	Capital	Total
Nonspendable						
Prepaid Expenditures	$	$ 1,482	$	$	$	$ 1,482
School Lunch Inventory		157,560				157,560
Total Nonspendable		159,042				159,042
Restricted						
Tax Certiorari Reserve	934,131					934,131
Employee Benefit Accrued Liability	1,682,339					1,682,339
Debt Service Fund				1,640,700		1,640,700
Capital Fund					953,768	953,768
Total Restricted	2,616,470			1,640,700	953,768	5,210,938
Assigned						
Encumbrances	1,057,750	11,390				1,069,140
Appropriated for Subsequent Year's Budge	9,651,686					9,651,686
Food Service Program		495,366				495,366
Total Assigned	10,709,436	506,756				11,216,192
Unassigned (Deficit)	2,931,313		(1,021,748)		(1,047,980)	861,585
Total Fund Equity (Deficit)	$ 16,257,219	$ 665,798	$ (1,021,748)	$ 1,640,700	$ (94,212)	$ 17,447,757

15. INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 6,338,200	$ 1,047,358	$	$ 855,818
School Lunch	456,977	2,613	30,886	
Special Aid		2,674,638	824,932	
Debt Service	829,089	986,529		
Capital Projects	642,421	829,089		
Trust and Agency	3,993	2,730,453		
Total	$ 8,270,680	$ 8,270,680	$ 855,818	$ 855,818

- The School District's interfund receivables and payables are temporary and will be repaid within the year.
- The School District typically transfers from the General Fund to the Special Aid Fund, as a required local match for state and local grants.

16. RISK MANAGEMENT

Shared-Risk Pool Health Insurance

The School District participates, with 17 other governmental entities, in the Madison-Oneida-Herkimer Health Insurance Consortium for their health insurance coverage. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plans after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. 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 claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool whereby each entity pays monthly premiums based on the type of coverage selected. The Health Consortium is a minimum premium insured plan through an insurance carrier. Premiums paid to the Health Consortium totaled $20,427,289 for the year ended June 30, 2020. Paid claims are accounted for in the aggregate with individual entity activity not being tracked separately.

Self-Insured Workers' Compensation Insurance

The School District is self-insured for workers' compensation insurance. For the School District's workers' compensation plan, the School District had aggregate and specific loss insurance. The School District currently reports its risk management activities in the fund in which the liability is incurred. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The following is a summary of incurred and paid claims over the last five years:

	Incurred Claims	Claims Payments
2019-2020	$ 618,855	$ 618,855
2018-2019	$ 1,087,607	$ 1,087,607
2017-2018	$ 674,980	$ 674,980
2016-2017	$ 600,409	$ 600,409
2015-2016	$ 608,282	$ 608,282

17. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The School District had various open capital projects during the year ended June 30, 2020, with a total authorization of $35,127,698.

At June 30, 2020, the School District has expended $30,395,881of the authorizations, which are contingent on performance of contractors. If any contract should exceed the original contract, then the excess will be financed from the remaining bond proceeds or current appropriations as approved by the voters. The outstanding construction commitments at June 30, 2020 totaled $3,722,909.

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Litigation Contingencies

The School District is a defendant in various legal matters with an aggregate range of loss from $944,000 to $5,100,000. The School District has estimated and accrued a liability in the General Fund for this liability in the amount of $3,494,987. The following is a description of these legal matters:

- ***Construction Contractor***

  The School District is a defendant is a legal matter in for a potential breach of contract. The School District hired another contractor to correct and complete the contract for the Strough Middle School Capital Project. The range of potential loss to the School District ranges from $244,205 to $1,004,987.

- ***Transportation Service***

  The School District ceased all transportation services in March of 2020 due to the COVID-19 pandemic. Since the transportation contract is based on the bus runs, the School District ceased payments when the bus runs were ceased. Additionally, the Emergency Education Relief Fund provision of the CARES Act (Section 18006) provides, "A local educational agency …that receives funds under "education stabilization fund", shall to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus." Since the transportation contract is based on the bus runs, the School District was not assured by the State the payments were aidable, and the School District did not receive any aid due to the Coronavirus, the School District ceased payments when the bus runs were ceased. The range of liability to the School District is estimated to be between $0 to $2,000,000.

- ***Child Victims Act***

  The School District has been named as a defendant in a lawsuit under the Child Victims Act, including claims for compensatory and punitive damages. The School District is party to one lawsuit dating from 1960 to 1986. The School District has determined its general liability insurance program or its reserves are insufficient to resolve the claim. The range of liability to the School District is estimated to be between $500,000 to $1,000,000.

- ***Potential Tax Certiorari Liabilities***

  The School District has potential liabilities for an estimated maximum amount of approximately $1,088,585 for various real property tax liabilities due to various tax certiorari proceedings. The matters are expected to be settled for less than the above amount. The School District has a tax certiorari reserve to cover a portion of this amount.

18. FUND DEFICITS

Special Aid Fund

The School District deferred recognition of $1,200,000 in revenues during 2020 since the funds did not meet the availability criteria. The deferral is the reason for a fund deficit of $1,021,748 in the Special Aid Fund at the end of the year. The deficit will be eliminated when the revenues become available.

Capital Fund

The School District deferred recognition of $1,047,980 in revenues during 2020 for the Smart School Bond Act capital project since the funds did not meet the availability criteria, resulting in an unassigned deficit for this amount and a total deficit of $94,212. The deficit will be eliminated once the revenues become available.

19. NET POSITION DEFICIT – DISTRICT-WIDE

The District-wide Net Position had an unrestricted deficit at June 30, 2020 of $276,629,702 and a total net position deficit of $217,038,385. The deficit is primarily the result of the recognition of an unfunded liability for OPEB of $338,043,911 at June 30, 2020. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

20. TAX ABATEMENTS

During the year ended June 30, 2020 the School District was subject to tax abatements due to payment in lieu of tax agreements that are granted by the Oneida County Industrial Development Agency (OCIDA) and the City of Rome.

The agreements entered through the City of Rome are to assist in the construction and renovation of low-income housing projects under Section 125 and 577 of the Private Housing Finance Law. A recipient will pay reduced taxes by receiving a lower assessed value on their property which will result in lower the tax levy for the property.

The School District is currently affected by two tax abatement programs under the OCIDA, one of which is to encourage the development of rental property that will house multiple tenants. The other is to promote the construction and improvement of industrial and non-industrial manufacturing projects and commercial projects. Article 18-A of the New York State Municipal Law, "New York State Industrial Development Agency Act" was enacted to provide for the creation of Industrial Development Agencies (IDA's) to facilitate economic development in specific localities, and delineate their powers and status as public benefit corporations. The legislation establishes the power of New York IDA's, including the authority to grant tax abatements and enter into agreements to require payments in lieu of taxes. Each IDA must adopt and follow a tax exemption policy with input from the effected taxing jurisdictions, however once created the IDA can independently grant abatements in conformity with their policy.

Property abatements may be partially offset by an agreement that requires payments in lieu of taxes. These agreements specify the annual amount to be remitted by the property owner and are allocated to the effected jurisdiction based on the proportion of taxes abated. The School District has chosen to disclose information about its tax abatement by purpose. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

Abatement agreements of OCIDA and the City of Rome resulted in a revenue impact to the School District for the year ended June 30, 2020 as follows:

Purpose	Gross Tax Reduction	Payments in Lieu of Taxes	Net Revenue Reduction
Development of Rental Property	$ 127,253	$ 30,846	$ 96,407
Economic Growth and Development	4,249,826	1,398,114	2,851,712
Low Income Housing Projects	1,004,519	163,492	841,027
Total	$ 5,381,598	$ 1,592,452	$ 3,789,146

21. SUBSEQUENT EVENT

In July 2020, New York State Division of the Budget began approving General Support for Public Schools (GSPS) payments to school districts at 80% of the otherwise scheduled amounts. All or a portion of these withholds are currently temporary, but may be converted to permanent reductions depending on the size and timing of new unrestricted Federal aid to be received, if any. The financial statements as of June 30, 2020 have been adjusted accordingly.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	$ 28,497,561	$ 28,497,561	$ 28,315,780		$ (181,781)
Other Real Property Tax Items	8,432,323	8,432,323	7,811,730		(620,593)
Charges for Services	450,901	450,901	284,476		(166,425)
Use of Money and Property	74,650	74,650	85,403		10,753
Sale of Property and Compensation for Loss			4,139		4,139
Miscellaneous	1,405,000	1,405,000	2,500,981		1,095,981
State Aid	74,995,797	74,995,797	73,816,209		(1,179,588)
Federal Aid	300,000	300,000	351,865		51,865
Total Revenues	114,156,232	114,156,232	113,170,583		(985,649)
Other Financing Sources					
Premium on Obligations			82,358		82,358
Appropriated Fund Balance	3,769,322	3,769,322			(3,769,322)
Total Revenues and Other Financing Sources	$ 117,925,554	$ 117,925,554	113,252,941		$ (4,672,613)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 51,509	$ 64,914	53,734	$	$ 11,180
Central Administration	264,195	266,879	263,801		3,078
Finance	1,039,994	1,041,260	966,359	20,006	54,895
Staff	770,032	776,372	716,663	7,956	51,753
Central Services	9,924,693	9,288,034	8,416,679	310,747	560,608
Special Items	1,601,325	5,252,520	5,201,981		50,539
Total General Support	13,651,748	16,689,979	15,619,217	338,709	732,053
Instruction					
Instruction, Administration, and Improvement	4,061,801	4,102,581	3,846,029	103,467	153,085
Teaching - Regular School	25,473,664	26,046,057	24,572,890	135,359	1,337,808
Programs for Children With Special Needs	15,988,965	14,777,584	13,740,110	93,817	943,657
Occupational Education	2,703,450	2,699,163	2,647,830	498	50,835
Teaching - Special School	2,164,746	2,155,744	2,089,728	3,419	62,597
Instructional Media	3,156,331	3,434,049	3,274,703	68,671	90,675
Pupil Services	3,492,986	3,679,314	2,996,001	57,877	625,436
Total Instruction	57,041,943	56,894,492	53,167,291	463,108	3,264,093
Pupil Transportation	7,400,179	5,630,766	4,639,649	187	990,930
Employee Benefits	30,811,182	29,335,013	28,376,999	255,746	702,268
Debt Service - Principal	4,799,652	4,799,652	4,623,722		175,930
Debt Service - Interest	3,600,745	3,600,745	2,930,458		670,287
Total Expenditures	117,305,449	116,950,647	109,357,336	1,057,750	6,535,561
Other Financing Uses					
Transfers to Other Funds	620,105	974,907	855,818		119,089
Total Expenditures and Other Financing Uses	$ 117,925,554	$ 117,925,554	110,213,154	$ 1,057,750	$ 6,654,650
Net Change in Fund Balance			3,039,787		
Fund Balance - Beginning of Year			13,217,432		
Fund Balance - End of Year			$ 16,257,219		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval for the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2020

	2020*	2019*	2018*
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability			
Service cost	$ 9,265,154	$ 9,000,109	$ 8,737,970
Interest	9,744,454	8,774,983	8,459,502
Change in Plan Terms	967,672		
Demographic Gains or Losses	37,770,948		
Differences between expected and actual experience			2,715,099
Changes in assumptions or other inputs	15,832,994	(23,224,478)	
Expected benefit payments	(9,290,388)	(8,530,670)	(10,770,143)
Net change in total OPEB liability	64,290,834	(13,980,056)	9,142,428
Total OPEB liability - beginning of year	273,753,077	287,733,133	278,590,705
Total OPEB liability - ending of year	$ 338,043,911	$ 273,753,077	$ 287,733,133
Covered employee payroll	$ 45,307,426	$ 43,227,951	$ 43,227,951
Total OPEB liability as a percentage of covered payroll	746.11%	633.28%	665.62%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Schedule:

Changes of benefit terms: The duration for the life insurance benefit for the Administrators Group changed from five years after retirement to a lifetime benefit at retirement.

Changes of Assumptions: The discount rate changed from 3.5% to 2.21%.

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

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
For the Year Ended June 30, 2020

ERS Pension Plan

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	$ 1,228,906	$ 1,275,184	$ 1,284,825	$ 1,288,893	$ 1,272,983	$ 1,533,747	$ 1,649,566	$ 1,436,404	$ 1,180,376	$ 884,961
Contributions in Relation to the Contractually Required Contribution	1,228,906	1,275,184	1,284,825	1,288,893	1,272,983	1,533,747	1,649,566	1,436,404	1,180,376	884,961
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 8,854,464	$ 8,878,179	$ 8,703,578	$ 8,576,353	$ 7,832,608	$ 8,181,849	$ 8,408,841	$ 7,556,529	$ 7,371,401	$ 5,581,757
Contributions as a Percentage of Covered-Employee Payroll	13.88%	14.36%	14.76%	15.03%	16.25%	18.75%	19.62%	19.01%	16.01%	15.85%

TRS Pension Plan

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	$ 3,408,293	$ 4,340,735	$ 3,946,012	$ 4,494,262	$ 4,887,420	$ 6,177,740	$ 5,998,323	$ 4,358,016	$ 3,916,809	$ 3,733,228
Contributions in Relation to the Contractually Required Contribution	3,408,293	4,340,735	3,946,012	4,494,262	4,887,420	6,177,740	5,998,323	4,358,016	3,916,809	3,733,228
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 38,468,318	$ 40,873,211	$ 40,265,429	$ 38,346,945	$ 36,858,371	$ 35,240,958	$ 36,912,758	$ 36,807,576	$ 35,254,806	$ 43,308,910
Contributions as a Percentage of Covered-Employee Payroll	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%	11.11%	8.62%

Information is presented only for the years available.

See Independent Auditor's Report.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET / LIABILITY
For the Year Ended June 30, 2020

ERS Pension Plan

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset or liability	0.0301402%	0.0300255%	0.0295022%	0.0294842%	0.0292212%	0.0305776%	0.0305776%
District's proportionate share of the net pension asset (liability)	$ (7,981,296)	$ (2,127,397)	$ (952,167)	$ (2,770,404)	$ (4,690,090)	$ (1,032,986)	$ (1,381,759)
District's covered-employee payroll	$ 8,854,464	$ 8,878,179	$ 8,703,578	$ 8,576,353	$ 7,832,608	$ 8,181,849	$ 8,408,841
District's proportionate share of the net pension asset or liability as a percentage of its covered-employee payroll	90.14%	23.96%	10.94%	32.30%	59.88%	12.63%	16.43%
Plan fiduciary net position as a percentage of total pension asset or liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%

TRS Pension Plan

	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the net pension asset or liability	0.244820%	0.247221%	0.241997%	0.238859%	0.234606%	0.249891%	0.251307%
District's proportionate share of the net pension asset (liability)	$ 6,360,442	$ 4,470,403	$ 1,839,419	$ (2,558,281)	$ 24,368,056	$ 27,836,274	$ 1,654,235
District's covered-employee payroll	$ 40,873,211	$ 40,265,429	$ 38,346,945	$ 36,858,371	$ 35,240,958	$ 36,912,758	$ 36,807,576
District's proportionate share of the net pension asset or liability as a percentage of its covered-employee payroll	15.56%	11.10%	4.80%	6.94%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of total pension asset or liability	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

Information is presented only for the years available.

See Independent Auditor's Report.

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT

For the Year Ended June 30, 2020

Change from Adopted Budget to Revised Budget

Adopted Budget		$ 116,692,438
Add: Prior Year's Encumbrances		1,233,116
Original Budget		117,925,554
Final Budget		$ 117,925,554

Section 1318 of Real Property Tax Law Limit Calculation

2020-21 voter-approved expenditure budget		$ 122,607,537
Maximum allowed (4% of 2020-21 budget)		$ 4,904,301
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	10,709,436	
Unassigned fund balance	2,931,313	
Total unrestricted fund balance	13,640,749	
Less:		
Appropriated fund balance	9,019,686	
Appropriated reserves	632,000	
Encumbrances included in committed and assigned fund balance	1,057,750	
Total adjustments	10,709,436	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,931,313
Actual Percentage		2.39%

See Independent Auditor's Report.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL FUND
For the Year Ended June 30, 2020

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Balance (Deficit) June 30, 2020
2011 Capital Projects ($25.4 Million Authorization)											
STROUGH	$ 25,400,000	$ 25,400,000	$ 24,873,969	$ 553,401	$25,427,370	$ (27,370)	$ 21,245,000	$	$4,458,939	$25,703,939	$ 276,569
Energy Performance Contract	4,900,000	3,610,958	3,130	3,144,467	3,147,597	463,361	3,090,000		637,464	$ 3,727,464	579,867
Smart Schools Bond Act											
Network Upgrade	6,016,740	6,016,740	692,018	1,126,228	1,818,246	4,198,494		770,266		770,266	(1,047,980)
2019 Capital Outlay	100,000	100,000	2,668		2,668	97,332			100,000	100,000	97,332
Totals	$ 36,416,740	$ 35,127,698	$ 25,571,785	$4,824,096	$30,395,881	$ 4,731,817	$ 24,335,000	$ 770,266	$5,196,403	$30,301,669	$ (94,212)

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2020

Capital Assets, Net	$ 110,930,542
Add:	
Unamortized Loss from Refunding of Debt	746,373
Deduct:	
Bond Anticipation Notes	3,610,958
Serial Bonds Payable and Energy Performance Contract	50,765,000
Serial Bond Premiums	7,387,972
Less: Unspent BAN, Serial bond, and Energy Performance Contract Proceeds	(4,467,394)
Total Deductions	57,296,536
Net Investment in Capital Assets	$ 54,380,379

See Independent Auditor's Report.

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Education
City School District of the City of Rome, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of the City of Rome, New York, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City School District of the City of Rome, New York's basic financial statements, and have issued our report thereon dated October 6, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 6, 2020

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
City School District of the City of Rome, New York

Report on Compliance for Each Major Federal Program

We have audited the City School District of the City of Rome, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City School District of the City of Rome, New York's major federal programs for the year ended June 30, 2020. The City School District of the City of Rome, New York's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City School District of the City of Rome, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City School District of the City of Rome, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City School District of the City of Rome, New York's compliance.

Opinion on Each Major Federal Program

In our opinion, the City School District of the City of Rome, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City School District of the City of Rome, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City School District of the City of Rome, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City School District of the City of Rome, New York's internal control over compliance.

D'Arcangelo&Co.,LLP
Certified Public Accountants & Consultants

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

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

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

D'Arcangelo + Co., LLP

October 6, 2020

Rome, New York

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures	Subrecipient
United States Department of Agriculture				
Passed Through New York State Department of Education:				
Child Nutrition Cluster				
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A	$ 207,520	$
Cash Assistance				
School Breakfast Program	10.553	N/A	342,335	
National School Lunch Program	10.555	N/A	995,400	
Summer Food Service Program for Children	10.559	N/A	453,145	
Total Child Nutrition Cluster			1,998,400	
Total Department of Agriculture			1,998,400	
United States Department of Education				
Passed Through New York State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021202040	1,909,913	
Title I Grants to Local Educational Agencies	84.010	0021192040	202,811	
School Improvement Grants	84.010	0011202172	435,078	
School Improvement Grants	84.010	0011192172	64,550	
Total			2,612,352	
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	0032200625	1,679,275	
Special Education - Preschool Grants	84.173	0033200625	27,648	
Total Special Education Cluster (IDEA)			1,706,923	
English Language Acquisition State Grants	84.365	0293192040	10,354	
Supporting Effective Instruction State Grants	84.367	0147202040	289,173	
Supporting Effective Instruction State Grants	84.367	0147192040	82,023	
Total			371,196	
Student Support and Academic Enrichment Program	84.424	0204202040	32,182	
Education for Homeless Children and Youth	84.196	0212203109	35,171	
Education for Homeless Children and Youth	84.196	0212203110	11,896	
Total			47,067	
Total Department of Education			4,780,074	
Total Federal Awards Expended			$ 6,778,474	$

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City School District of the City of Rome, New York under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De Minimis Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the food commodities received. At June 30, 2020, the School District had food commodities totaling $70,993 in inventory.

CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2020

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516 (a).	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Education Special Education Cluster CFDA#84.027 Special Education – Grants to States CFDA#84.173 Special Education – Preschool Grants
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

Findings – Financial Statement Audit

None noted.

Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

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CITY SCHOOL DISTRICT OF THE CITY OF ROME, NEW YORK
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2020

Findings – Financial Statement Audit

None noted.

Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

FORM OF OPINION OF BOND COUNSEL

January 21, 2021

City School District of the City of Rome
409 Bell Road
Rome, New York 13440

Re: City School District of the City of Rome, Oneida County, New York
$7,500,000 Bond Anticipation Notes, 2021

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $7,500,000 Bond Anticipation Notes, 2021 (the "Notes"), of the City School District of the City of Rome, County of Oneida, State of New York (the "District"). The Notes are dated January 21, 2021 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District adopted on December 19, 2019 and a Certificate of Determination dated on or before January 21, 2021 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon subject to applicable statutory limitations. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz & Marquardt, LLP

APPENDIX - H

FORM OF OPINION OF BOND COUNSEL

February 2, 2021

City School District of the City of Rome
409 Bell Road
Rome, New York 13440

Re: City School District of the City of Rome, Oneida County, New York
$8,000,000 Revenue Anticipation Notes, 2021

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $8,000,000 Revenue Anticipation Notes, 2021 (the "Notes"), of the City School District of the City of Rome, County of Oneida, State of New York (the "District"). The Notes are dated February 2, 2021 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District adopted on January 3, 2019 and a Certificate of Determination dated on or before February 2, 2021 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz & Marquardt, LLP