

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND 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 School 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 Notes will NOT be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

\$1,358,528



**SKANEATELES CENTRAL SCHOOL DISTRICT
ONONDAGA AND CAYUGA COUNTIES, NEW YORK**

GENERAL OBLIGATIONS

**\$1,358,528 Bond Anticipation Notes, 2021 Series B
(referred to herein as the "Notes")**

Dated: August 17, 2021

Due: August 17, 2022

The Notes are general obligations of the Skaneateles Central School District, Onondaga and Cayuga Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued in book-entry-only format or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for one necessary odd denomination which is or includes \$8,528, as may be determined by such successful bidder.

Alternatively, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, as may be determined by such successful bidder. If the Notes are issued in the name of Cede & Co., payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser 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 Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about August 17, 2021.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on August 4, 2021 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

July 22, 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 OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX - C - MATERIAL EVENT NOTICES" HEREIN.



SKANEATELES

CENTRAL SCHOOL DISTRICT

ONONDAGA AND CAYUGA COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

MICHAEL KELL

President

THOMAS E LAMBDIN

Vice President

KERRY BROGAN

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* * * * *

ERIC KNUTH

Superintendent of Schools

CONNOR BROWN

School Business Manager

TODD STEINBERG

School District Treasurer

REBECCA YORK

School District Clerk

BOND, SCHOENECK & KING PLLC

CAPITAL REGION BOCES

School District Attorneys



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



TRESPASZ & MARQUARDT, LLP

BOND COUNSEL

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
SKANEATELES CENTRAL SCHOOL DISTRICT
ONONDAGA AND CAYUGA COUNTIES, NEW YORK

Relating To
\$1,358,528 Bond Anticipation Notes, 2021 Series B

This Official Statement, which includes the cover page and appendices, has been prepared by the Skaneateles Central School District, Onondaga and Cayuga Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$1,358,528 principal amount of Bond Anticipation Notes, 2021 (the "Notes").

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

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated August 17, 2021 and will mature August 17, 2022. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) the name of the purchaser, in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$8,528, as may be determined by the successful bidder(s) with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and bond resolutions adopted by the District's Board of Education authorizing the purchase of student transport vehicles. The Notes are being issued, along with \$452,826 available funds of the District, to partially redeem and renew the \$1,338,216 bond anticipation notes maturing August 18, 2021 and provide \$473,138 new money for the acquisition of student transport vehicles.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

THE 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 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 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, except for one necessary odd denomination which is or includes \$8,528. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in central upstate New York, primarily in the County of Onondaga, with a lesser portion in the County of Cayuga. The District is situated on Skaneateles Lake, one of the Finger Lakes, with a land area of approximately 76 square miles. The City of Syracuse is approximately 20 miles to the northeast and the City of Auburn is approximately 10 miles to the west.

The Village of Skaneateles is wholly within the District and provides the residents with all commercial and professional services. Employment opportunities are available in the area surrounding the District including the Syracuse and Auburn metropolitan areas. The District is residential and commercial within the Village and agricultural in the outlying areas.

Major highways serving the District include US Route 20 and State highways 41, 41A and 175. Air and rail transportation is available in the Syracuse area. Banking services are provided by the offices of JPMorgan Chase Bank, N.A., Key Bank, N.A., M&T Bank and NY Cooperative Liquid Assets Securities System (Class).

Source: District officials.

Population

The current estimated population of the District is 8,876. (Source: 2019 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Towns of:						
Skaneateles	\$ 28,624	\$ 47,154	\$ 61,471	\$ 69,023	\$ 88,640	\$ 113,313
Spafford	24,014	37,661	51,771	61,250	77,500	102,375
Marcellus	25,628	27,699	38,440	58,188	73,879	96,042
Sennett	19,593	20,946	39,131	57,009	67,287	107,560
Owasco	23,922	35,017	46,755	60,978	83,929	108,625
Niles	20,791	32,800	37,163	47,188	72,500	76,667
County of:						
Cayuga	18,003	22,595	30,509	44,973	58,761	71,907
Onondaga	21,336	27,037	34,002	51,876	65,929	81,171
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

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

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

Five Largest Employers

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

<u>Name</u>	<u>Type</u>	<u>Employees</u> ⁽¹⁾
Tessy Plastics Corporation	Plastics	1,000 ^{(2) (4)}
Hillrom	Medical Equipment	1,000 (estimated)
Skaneateles Central School District	Public Education	250 ⁽³⁾
Chase Design, Inc.	Industrial/Commercial Design	100 (estimated)
Mirbeau Inn & Spa	Hospitality	51-200 (estimated)
Sherwood Inn Restaurant	Hospitality	10-50 (estimated)

(1) The number of employees are estimates and subject to change. Specifically, the recent COVID-19 pandemic may have altered the estimated number of employees for the five larger employers listed, with the exception of the District.

(2) Business Journal News Network estimated number of employees for the Central New York region.

(3) Does not include substitute teachers.

(4) Located outside the District.

Source: District officials.

Unemployment Rate Statistics

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

	<u>Annual Average</u>							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cayuga County	7.4%	6.0%	5.3%	5.0%	5.1%	4.5%	4.1%	7.9%
Onondaga County	6.8%	5.5%	4.9%	4.5%	4.7%	4.0%	3.8%	8.4%
New York State	7.7%	6.3%	5.3%	4.8%	4.7%	4.1%	3.8%	10.0%

	<u>2021 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>
Cayuga County	6.9%	7.1%	6.5%	5.3%	4.7%	N/A	N/A
Onondaga County	7.1%	7.2%	6.4%	5.5%	4.9%	N/A	N/A
New York State	9.4%	9.7%	8.4%	7.7%	7.0%	7.3%	N/A

Note: Unemployment rates for June and July 2021 are unavailable as of the date of this Official Statement. Due to the COVID-19 pandemic, unemployment rates are expected to remain at the increased level for the foreseeable future.

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

Form of School Government

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, School Business Manager, and District Treasurer.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with 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) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller,

by any municipality, school district or district corporation other than the School District; and (6) in the case of the 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 a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

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

The District has adopted its own Investment Policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The Policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

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 School 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 School 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 2020-21 fiscal year was approved by the qualified voters on June 16, 2020 by a vote of 1,937 to 628. The District’s adopted budget for the 2020-21 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 2.14% which is at or below the District tax levy limit of 2.14%.

The budget for the 2021-22 was approved by District voters on May 18, 2021 by a vote of 942 to 303. The District’s budget for the 2021-22 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.78%, which is within the District’s allowable limit of 3.65%.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2021-2022 fiscal year, approximately 21.74% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal aid received by the State.

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 62.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

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

School district fiscal year (2016-2017): The 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 not a part of the Community Schools Grant Initiative (CSGI).

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called “Deficit Reduction Assessment”) as a way to help close the State’s then \$10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately \$5,183,094. 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 2017-18 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor’s plan.

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

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

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding.

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

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

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

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

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

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

State Aid Revenues

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u>
2015-2016	\$ 31,123,221	\$ 6,388,262	20.53%
2016-2017	32,248,093	7,444,819	23.09
2017-2018	32,901,233	7,555,222	22.96
2018-2019	34,480,943	7,808,259	22.65
2019-2020	35,214,840	8,506,038	24.15
2020-2021 (Budgeted)	33,424,121	6,556,590	19.62
2020-2021 (Unaudited)	34,277,401	6,762,249	19.73
2021-2022 (Budgeted)	34,971,044	7,603,968	21.74

⁽¹⁾ General Fund only. Does not include interfund transfers.

Source: Audited financial statements for the 2015-2016 through and including the 2019-2020 fiscal year, estimates for the fiscal year ending June 30, 2021, and the adopted budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Waterman School	K-2	409	1967, 2009
State Street Elementary	3-5	702	1949, 2009
Senior High/Middle School	6-12	1,513	1952, 1966, 2009

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2016-2017	1,351	2021-2022	1,285
2017-2018	1,368	2022-2023	1,307
2018-2019	1,345	2023-2024	1,311
2019-2020	1,294	2024-2025	1,322
2020-2021	1,288	2025-2026	1,320

Source: District officials.

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Employees

The District employs a total of 218 full-time and 103 part-time employees (including 63 substitutes) with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
157	Skaneateles Teachers Association	June 30, 2024
10	Skaneateles Administrators	June 30, 2023
65	Skaneateles CSEA	June 30, 2024
9	Skaneateles Food Service Association ⁽¹⁾	N/A
10	Skaneateles Confidential/Management	N/A
64	Unrepresented ⁽²⁾	N/A

⁽¹⁾ Employees may be in both CSEA and the Skaneateles Food Service Association.

⁽²⁾ Not represented by union (includes 61 substitutes).

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 years and the budgeted figures for the current fiscal year are as shown on the following page.

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2015-2016	\$ 497,170	\$ 1,436,943
2016-2017	401,930	1,321,937
2017-2018	394,132	1,202,954
2018-2019	400,713	1,245,516
2019-2020	358,909	1,021,762
2020-2021 (Budgeted)	425,000	1,287,000
2020-2021 (Unaudited)	397,686	1,129,012
2021-2022 (Budgeted)	425,000	1,287,000

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 does not currently have any early retirement incentive programs.

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

A chart of average ERS and TRS rates as a percent of payroll (2018 to 2022) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80 ⁽¹⁾

⁽¹⁾ Estimated.

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a reserve fund for the purpose of funding the cost of TRS contributions on May 21, 2019 and funded the reserve to the allowable maximum (at that time) with surplus from the 2018-19 fiscal year. The District expects to continue to fund it with surplus.

Other Post Employee Benefits

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

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

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

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

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2019 and 2020.

The table on the following page outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

	Balance beginning at June 30:	2018	2019
		\$ 47,428,499	\$ 38,888,137
<u>Changes for the year:</u>			
Service cost		1,883,359	1,304,048
Interest		1,463,455	1,387,687
Effect of demographic gains or losses		(358,323)	-
Changes in assumptions or other inputs		(10,460,920)	9,052,263
Benefit payments		(1,067,933)	(1,097,430)
Net Changes		\$ (8,540,362)	\$ 10,646,568
	Balance ending at June 30:	2019	2020
		\$ 38,888,137	\$ 49,534,705

Note: The above table is not audited. For additional information see “APPENDIX – D” attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

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

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

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

Other Information

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

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

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

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

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

Financial Statements

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

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

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

Source: District officials.

Unaudited Results of Operations for Fiscal Year Ending June 30, 2021

The District expects to conclude the fiscal year ending June 30, 2021 with an unappropriated unreserved fund balance of approximately \$3,763,386. Summary unaudited projected information for the General Fund for the period ending June 30, 2021 is as follows:

Projected Revenues:	\$ 34,277,401
Projected Expenditures:	<u>33,801,240</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 476,161</u>
Total Fund Balance at June 30, 2020:	\$ 13,862,376
Total Projected General Fund Balance at June 30, 2021:	\$ 14,338,540

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

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 on the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the School District on March 29, 2019. The purpose of the audit was to determine whether District Officials ensured online banking transactions were appropriate and secure.

Key Findings:

- Officials adequately segregated the duties of employees responsible for online banking transactions and adequately established security procedures over online banking. All online payments and transfers totaling \$72 million during our audit period were appropriate.
- The online banking policy does not clearly indicate how online transfers will be authorized and processed.
- None of the employees involved in online banking received Internet security awareness training.

Key Recommendations:

- Update the online banking policy to clearly describe the procedures for authorizing and processing transactions.
- Ensure that employees involved in online banking receive Internet security awareness training.

The District provided a complete response to the State Comptroller's office on March 19, 2019. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2020	No Designation	0.0%
2019	No Designation	3.3%
2018	No Designation	3.3%

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

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Skaneateles	\$ 1,254,387,822	\$ 1,271,729,338 ⁽¹⁾	\$ 1,394,061,353	\$ 1,416,244,323	\$ 1,430,828,835
Spafford	253,250,744	254,858,569	257,832,778	264,154,205	266,402,816
Marcellus	7,511,924	7,505,440	7,473,983	7,517,549	7,746,597
Sennett	64,472,375	65,370,850	66,339,501	66,261,937	66,712,991
Owasco	33,817,731	33,783,166	34,371,727	34,640,853	34,077,415
Niles	16,691,382	16,729,449	16,741,606	18,055,599	18,123,624
Total Assessed Values	<u>\$ 1,630,131,978</u>	<u>\$ 1,649,976,812</u>	<u>\$ 1,776,820,948</u>	<u>\$ 1,806,874,466</u>	<u>\$ 1,823,892,278</u>

State Equalization Rates

Towns of:					
Skaneateles	100.00%	100.00%	100.00%	91.00%	86.00%
Spafford	100.00%	100.00%	90.50%	85.00%	83.00%
Marcellus	99.50%	100.00%	97.00%	95.00%	91.00%
Sennett	90.48%	93.52%	92.00%	98.00%	92.00%
Owasco	85.00%	83.00%	78.50%	75.50%	73.00%
Niles	97.00%	95.00%	95.00%	100.00%	100.00%
Total Taxable Full Valuation	<u>\$ 1,643,437,355</u>	<u>\$ 1,662,306,299</u>	<u>\$ 1,820,181,123</u>	<u>\$ 2,006,547,050</u>	<u>\$ 2,130,553,587</u>

⁽¹⁾ Significant change due to revaluation.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Skaneateles	\$ 14.38	\$ 14.44	\$ 13.69	\$ 14.01	\$ 14.30
Spafford	14.38	14.44	15.12	15.00	14.77
Marcellus	14.45	14.44	14.11	13.42	13.48
Sennett	15.89	15.43	14.88	12.99	13.33
Owasco	16.91	17.40	17.42	16.86	16.80
Niles	14.82	15.20	14.41	12.75	12.26

Tax Collection Procedure

Tax payments are due September 2nd. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 3rd to November 2nd. From November 3rd to November 16th, there is a 3% penalty for Cayuga County towns and from November 3rd to November 16th, there is a 5% penalty for Onondaga County towns. On or about November 15th, uncollected taxes are returnable to the County of Cayuga for collection. On or about November 17th, uncollected taxes are returnable to the County of Onondaga for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy	\$ 23,627,380	\$ 24,010,144	\$ 24,910,524	\$ 25,578,126	\$ 26,126,489
Amount Uncollected ⁽¹⁾	1,017,024	928,314	951,194	976,758	1,081,744
% Uncollected	4.30%	3.87%	3.82%	3.82%	4.14%

⁽¹⁾ See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Total Real Property Tax & Tax Items ⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax & Tax Items</u>
2015-2016	\$ 31,123,221	\$ 23,905,136	76.81%
2016-2017	32,248,093	23,889,791	74.08
2017-2018	32,901,233	24,280,836	73.80
2018-2019	34,480,943	25,139,978	72.91
2019-2020	35,214,840	25,776,955	73.20
2020-2021 (Budgeted)	33,424,121	26,126,489	78.17
2020-2021 (Unaudited)	34,277,401	26,376,828	76.95
2021-2022 (Budgeted)	34,971,044	26,591,541	76.04

⁽¹⁾ General Fund only. Does not include interfund transfers.

Source: Audited financial statements for the 2015-2016 through and including the 2019-2020 fiscal year, estimates for the fiscal year ending June 30, 2021, and the adopted budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

Larger Taxpayers 2020 Tax Roll for 2020-2021

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
LakeLawn Properties	Res w/Comuse - WTRFNT	\$ 17,000,000
Niagara Mohawk Power Corp.	Public Utility	13,063,272
Weitsman, Adam J.	Family Res - WTRFNT	7,066,250
Tennessee Gas Pipeline	Pub Util Vac	8,067,941
Cohlan Jonathan L	Res Multiple/Family res	7,818,528
Sandy Beach NY LLC	Estate - WTRFNT	6,614,831
Brennan Edward J.	Family res	6,590,600
3074 W. Lake Road LLC ⁽¹⁾	Family Res - WTRFNT	6,500,000
Froelich Revocable Trust, Craig A	Res Multiple - WTRFNT	6,278,000
Congel Rev Trust 2/27/07 Robert	Res Multiple - WTRFNT	8,528,000

The ten larger taxpayers listed above have a total estimated full valuation of \$84,996,894, which represents 3.99% of the tax base of the District.

None of the larger taxpayers listed above have filed tax certiorari claims. However, the District currently has tax certiorari claims with a potential total liability of approximately \$300,00 (not including any potential interest) if cases were settled with the requested amount from the taxpayer. However, from past cases, the District generally does not see the settlement for the full amount. The District currently has a balance of \$437,360 in its tax certiorari reserve fund in order to pay any claims.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities (“STAR Adjusted Gross Income”) of \$90,550 or less for 2021, 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 State Budget withheld 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 basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Skaneateles	\$ 60,800	\$ 25,800	4/9/2021
Spafford	58,680	24,900	4/9/2021
Marcellus	70,700	30,000	4/9/2021
Sennett	65,040	27,600	4/9/2021
Owasco	51,610	21,900	4/9/2021
Niles	70,700	30,000	4/9/2021

\$944,818 of the District’s \$26,126,489 school tax levy for the 2020-2021 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2021.

Approximately \$886,748 of the District’s \$26,591,541 school tax levy for the 2021-2022 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, 2022.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential 85.8%, Commercial 5.6%, Agricultural 2.9% and Other 5.7%.

The estimated total annual property tax bill of an average market value residential property of \$300,000 located in the District is approximately \$6,549 including State, County, Town, Highway, Fire, Library and School District taxes. (Does not include STAR exemption and may vary slightly based on the county and town of the residential property).

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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.

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.

Debt Limit. Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any School District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

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

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

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

<u>Fiscal Years Ending June 30th:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$ 24,625,000	\$ 18,200,000 ⁽¹⁾	\$ 16,965,000	\$ 13,040,000	\$ 11,315,000
Bond Anticipation Notes	<u>1,824,511</u>	<u>7,464,597</u>	<u>2,532,821</u>	<u>7,298,234</u>	<u>30,039,216</u>
Total Debt Outstanding	\$ 26,449,511	\$ 25,664,597	\$ 19,497,821	\$ 20,338,234	\$ 41,354,216

⁽¹⁾ On August 10, 2016, the District issued \$3,730,000 refunding serial bonds to realize net present value and budgetary savings. The bonds advance refunded \$3,750,000 outstanding principal of the District's 2009 bonds dated June 30, 2009. As of June 30, 2018, refunded bonds in the amount of \$3,750,000 will be outstanding and are included in the total above. These refunded bonds were redeemed as of their first call date of June 15, 2019.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 22, 2021:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2033	\$ 11,315,000
<u>Bond Anticipation Notes</u>		
Purchase of School Buses	August 18, 2021	1,338,216 ⁽¹⁾
Capital Project	June 29, 2022	<u>30,831,000</u>
	Total Indebtedness	<u>\$ 43,484,216</u>

⁽¹⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$452,826 available funds of the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 22, 2021:

Full Valuation of Taxable Real Property	\$ 2,130,553,587
Debt Limit 10% thereof	213,055,359

Inclusions:

Bonds	\$ 11,315,000	
Bond Anticipation Notes	31,283,826	
Principal of the This Issue	<u>1,358,528</u>	
Total Inclusions		<u>\$ 43,957,354</u>

Exclusions:

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

Total Net Indebtedness	<u>\$ 43,957,354</u>
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Net Debt-Contracting Margin	<u>\$ 169,098,005</u>
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The percent of debt contracting power exhausted is	20.63%
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- ⁽¹⁾ Based on preliminary 2021-2022 building aid estimates, the District anticipates State Building aid of 62.9% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Cash Flow Borrowings

The District has not found it necessary to issue Tax or Revenue Anticipation Notes in the last five years. The District does not currently anticipate issuing tax anticipation notes or revenue anticipation notes in the foreseeable future.

Capital Project Plans

On November 14, 2017, the voters of the District approved a \$36.5 million capital project for the reconstruction and upgrade of the District’s buildings. The project will utilize \$2,250,000 of capital reserves and a private gift of \$110,784. On December 5, 2017 the Board of Education approved a bond resolution authorizing the issuance of \$34,139,188. On June 27, 2019 the District issued \$999,000 bond anticipation notes against the above-mentioned authorization. On June 25, 2020 the District issued \$998,528 bond anticipation notes, which along with \$3,000 available funds partially redeemed and renewed \$999,000 bond anticipation notes maturing June 26, 2020. In addition, on October 17, 2020 the District issued \$5,000,000 bond anticipation notes to provide new monies for the above-mentioned purpose. On July 22, 2020 the District issued \$28,701,000 bond anticipation to fully redeem and renew the \$5,000,000 bond anticipation notes maturing July 23, 2020 and provide \$23,701,000 new monies for the above mentioned project. The District issued \$30,831,000 bond anticipation notes on July 21, 2021 which, along with \$370,000 available funds of the District, partially redeemed and renewed the bond anticipation notes that matured July 22, 2021 and provided \$2,500,000 new money for the aforementioned purpose.

The District issues bond anticipation notes annually for the purchase of school buses. On May 18, 2021, the District voters approved \$478,528 for the purchase of buses. As of the date of this Official Statement, the District has \$1,338,216 bond anticipation notes outstanding and maturing on August 18, 2021. The Notes are being issued, along with \$452,826 available funds of the District to partially redeem and renew the bond anticipation notes maturing August 18, 2021 and provide \$473,138 new money for the purchase of buses.

The District annually takes on a \$100,000 capital outlay exception project for which funding is included within the annual budget of the District and as long as the proper filings are made to the NY State Education Department the aid is received in the year following the expense.

On December 8, 2020 the District voters approved a capital project in the amount \$21,500,000 for reconstruction and upgrade of the District's buildings. The project will utilize \$2,500,000 from the General Construction Capital Reserve and \$375,000 from the Turf Replacement and Track Resurfacing Capital Reserve and borrowed monies not to exceed the principal amount of \$18,625,000. Construction is expected to begin in 2023 pending approval from the state. Borrowings for the project will be pursuant to state approval and construction cash flow needs.

There are presently no other capital projects authorized and unissued by the School District, nor are any contemplated.

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 fiscal year of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Cayuga	12/31/2019	\$ 53,016,258	\$ 28,140,467	\$ 24,875,791	2.72%	\$ 676,622
Onondaga	12/31/2019	668,490,376	308,510,689	359,979,687	5.67%	20,410,848
Towns of:						
Skaneateles	12/31/2019	1,372,400	259,400	1,113,000	95.03%	1,057,684
Spafford	12/31/2019	6,398,521	-	6,398,521	69.83%	4,468,087
Marcellus	12/31/2019	2,658,352	2,533,159	125,193	1.81%	2,266
Sennett	12/31/2019	1,030,000	855,000	175,000	20.07%	35,123
Owasco	12/31/2019	-	-	-	10.73%	-
Niles	12/31/2019	445,347	-	445,347	7.49%	33,356
Village of:						
Skaneateles	5/31/2020	4,965,000	4,700,000	265,000	100.00%	265,000
Total:						<u>\$ 26,948,986</u>

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.

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

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2019 for the counties and towns and 2020 for the village listed above.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 22, 2021:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 43,957,354	\$ 4,952.38	2.06%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	70,906,340	7,988.55	3.33

(a) The current estimated population of the District is 8,876. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2020-2021 fiscal year is \$2,130,553,587. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

(d) Estimated net overlapping indebtedness is \$26,948,986. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

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. 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 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. 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).

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 are set forth in "APPENDIX – E".

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 School 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. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other 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 opinions of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as "APPENDIX – E".

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the financial information in this Official Statement.

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - C", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA" with a stable outlook to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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The District's contact information is as follows: Connor Brown, Business Official, 45 East Elizabeth Street, Skaneateles, New York 13152 Phone (315) 291-2221, Fax (315) 685-0347, Email connorbrown@skanschools.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com and www.fiscaladvisorsauction.com

SKANEATELES CENTRAL SCHOOL DISTRICT

Dated: July 22, 2021

**MICHAEL KELL
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 7,994,715	\$ 9,269,506	\$ 9,010,894	\$ 11,184,477	\$ 14,744,750
Due from Other Governments	-	-	-	-	-
Investments	-	-	-	-	-
Other Receivables	681,939	755,754	840,979	851,823	23,671
Due from Other Funds	153,102	506,548	484,021	223,339	80,145
State and Federal Aid Receivable	-	-	-	-	764,487
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 8,829,756</u>	<u>\$ 10,531,808</u>	<u>\$ 10,335,894</u>	<u>\$ 12,259,639</u>	<u>\$ 15,613,053</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 114,378	\$ 87,596	\$ 672,398	\$ 176,551	\$ 496,553
Accrued Liabilities	42,673	15,065	33,255	36,807	47,702
Due to Other Funds	243	-	28,071	1,997	1,531
Due to Retirement Systems	1,539,082	1,447,666	1,322,036	1,418,346	1,201,905
Due to Other Governments	-	-	-	-	-
Other Liabilities	-	-	1,587	13,311	2,986
Unearned Revenue	-	240	-	-	-
	<u>-</u>	<u>240</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,696,376</u>	<u>1,550,567</u>	<u>2,057,347</u>	<u>1,647,012</u>	<u>1,750,677</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ 11,883	\$ -	\$ -	\$ -
Restricted	5,534,016	7,356,891	6,635,939	8,810,139	8,960,439
Assigned	326,516	314,197	282,219	390,949	855,025
Unassigned	1,272,848	1,298,270	1,360,389	1,411,539	4,046,912
	<u>1,272,848</u>	<u>1,298,270</u>	<u>1,360,389</u>	<u>1,411,539</u>	<u>4,046,912</u>
TOTAL FUND EQUITY	<u>7,133,380</u>	<u>8,981,241</u>	<u>8,278,547</u>	<u>10,612,627</u>	<u>13,862,376</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 8,829,756</u>	<u>\$ 10,531,808</u>	<u>\$ 10,335,894</u>	<u>\$ 12,259,639</u>	<u>\$ 15,613,053</u>

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:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 23,434,021	\$ 23,905,136	\$ 23,889,791	\$ 24,280,836	\$ 25,139,978
Nonproperty Tax Items	91,749	75,214	31,916	34,959	43,342
Charges for Services	114,791	53,327	201,589	155,661	183,402
Use of Money & Property	17,045	72,642	21,072	82,032	344,437
Sale of Property and Compensation for Loss	41,599	31,992	35,581	46,998	52,181
Miscellaneous	624,599	539,239	597,030	707,709	865,803
Revenues from State Sources	6,345,374	6,388,262	7,444,819	7,555,222	7,808,259
Revenues from Federal Sources	40,534	57,409	26,295	37,816	43,541
Total Revenues	<u>\$ 30,709,712</u>	<u>\$ 31,123,221</u>	<u>\$ 32,248,093</u>	<u>\$ 32,901,233</u>	<u>\$ 34,480,943</u>
Other Sources:					
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total Revenues and Other Sources	<u>30,709,712</u>	<u>31,123,221</u>	<u>32,248,093</u>	<u>32,951,233</u>	<u>34,530,943</u>
<u>EXPENDITURES</u>					
General Support	\$ 3,591,932	\$ 3,838,500	\$ 4,063,019	\$ 3,881,299	\$ 3,783,533
Instruction	13,469,258	13,928,157	14,575,741	15,803,365	16,136,498
Pupil Transportation	1,152,705	1,286,702	1,177,743	1,482,113	1,357,210
Community Services	-	-	-	-	-
Employee Benefits	6,278,987	5,962,191	5,935,802	5,780,627	5,918,702
Debt Service	3,989,188	4,067,120	4,164,723	4,253,066	4,789,602
Total Expenditures	<u>\$ 28,482,070</u>	<u>\$ 29,082,670</u>	<u>\$ 29,917,028</u>	<u>\$ 31,200,470</u>	<u>\$ 31,985,545</u>
Other Uses:					
Operating Transfers (Out)	<u>75,000</u>	<u>482,059</u>	<u>483,204</u>	<u>2,453,456</u>	<u>211,318</u>
Total Expenditures and Other Uses	<u>28,557,070</u>	<u>29,564,729</u>	<u>30,400,232</u>	<u>33,653,926</u>	<u>32,196,863</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,152,642</u>	<u>1,558,492</u>	<u>1,847,861</u>	<u>(702,693)</u>	<u>2,334,080</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	3,841,227	5,574,888	7,133,380	8,981,240	8,278,547
Prior Period Adjustments (net)	<u>(418,981)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,574,888</u>	<u>\$ 7,133,380</u>	<u>\$ 8,981,241</u>	<u>\$ 8,278,547</u>	<u>\$ 10,612,627</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:

	2020			2021	2022
	Original Budget	Amended Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 25,578,126	\$ 25,812,697	\$ 25,776,955	\$ 26,126,489	\$ 26,591,541
Nonproperty Taxes	204,571	30,000	48,975	279,096	293,196
Charges for Services	145,000	160,000	154,197	145,000	196,339
Use of Money & Property	108,000	145,585	261,678	-	-
Sale of Property and Compensation for Loss	54,500	54,500	76,081	61,500	123,500
Miscellaneous	257,585	145,000	350,309	225,446	132,500
Revenues from State Sources	8,585,684	8,585,684	8,506,038	6,556,590	7,603,968
Revenues from Federal Sources	30,000	30,000	40,607	30,000	30,000
Total Revenues	\$ 34,963,466	\$ 34,963,466	\$ 35,214,840	\$ 33,424,121	\$ 34,971,044
Other Sources:					
Operating Transfers (In)	100,000	100,000	-	100,000	229,291
Prior Year Encumbrances	75,000	75,000	-	2,775	142,891
Appropriated Fund Balance	150,000	150,000	-	510,644	575,000
Total Revenues and Other Sources	35,288,466	35,288,466	35,214,840	34,037,540	35,918,226
EXPENDITURES					
General Support	\$ 4,472,292	\$ 4,410,648	\$ 4,012,134	\$ 4,066,982	\$ 4,091,770
Instruction	17,614,711	17,693,128	15,930,152	18,186,306	18,749,697
Pupil Transportation	1,460,914	1,460,915	1,158,962	1,462,989	1,501,305
Community Service	-	-	-	-	-
Employee Benefits	6,315,063	6,298,289	5,549,183	6,452,000	6,515,138
Debt Service	5,195,486	5,195,486	5,199,711	3,639,263	4,822,317
Total Expenditures	\$ 35,058,466	\$ 35,058,466	\$ 31,850,142	\$ 33,807,540	\$ 35,680,226
Other Uses:					
Operating Transfers (Out)	230,000	230,000	114,949	230,000	238,000
Total Expenditures and Other Uses	35,288,466	35,288,466	31,965,091	34,037,540	35,918,226
Excess (Deficit) Revenues Over Expenditures	-	-	3,249,749	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	10,612,627	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 13,862,376	\$ -	\$ -

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

APPENDIX - B
Skaneateles CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	\$ 1,765,000	\$ 347,315.00	\$ 2,112,315.00
2023	1,625,000	303,687.50	1,928,687.50
2024	1,600,000	249,375.00	1,849,375.00
2025	920,000	191,225.00	1,111,225.00
2026	870,000	160,425.00	1,030,425.00
2027	650,000	134,175.00	784,175.00
2028	675,000	116,643.75	791,643.75
2029	685,000	97,543.75	782,543.75
2030	705,000	76,993.75	781,993.75
2031	730,000	55,843.75	785,843.75
2032	535,000	33,943.75	568,943.75
2033	555,000	17,281.25	572,281.25
TOTALS	\$ 11,315,000	\$ 1,784,452.50	\$ 13,099,452.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2002			2007		
	Additions/Reconstruction			Renovations/Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 70,000	\$ 3,500.00	\$ 73,500.00	\$ 65,000	\$ 5,290.00	\$ 70,290.00
2023	-	-	-	50,000	2,300.00	52,300.00
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
TOTALS	\$ 70,000	\$ 3,500.00	\$ 73,500.00	\$ 115,000	\$ 7,590.00	\$ 122,590.00

Fiscal Year Ending June 30th	2014		
	Advance Refunding		
	Principal	Interest	Total
2021	\$ 335,000	\$ 46,400.00	\$ 381,400.00
2022	235,000	38,862.50	273,862.50
2023	230,000	32,400.00	262,400.00
2024	230,000	20,900.00	250,900.00
2025	235,000	9,400.00	244,400.00
TOTALS	\$ 1,265,000	\$ 147,962.50	\$ 1,412,962.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2016 Advance Refunding			2017 Construction/Reconstruction		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 725,000	\$ 77,900.00	\$ 802,900.00	\$ 200,000	\$ 56,231.25	\$ 256,231.25
2023	745,000	63,400.00	808,400.00	210,000	52,231.25	262,231.25
2024	765,000	33,600.00	798,600.00	210,000	48,031.25	258,031.25
2025	75,000	3,000.00	78,000.00	215,000	43,831.25	258,831.25
2026	-	-	-	220,000	39,531.25	259,531.25
2027	-	-	-	225,000	35,131.25	260,131.25
2028	-	-	-	230,000	30,350.00	260,350.00
2029	-	-	-	235,000	24,600.00	259,600.00
2030	-	-	-	240,000	17,550.00	257,550.00
2031	-	-	-	250,000	10,350.00	260,350.00
2032	-	-	-	45,000	2,850.00	47,850.00
2033	-	-	-	50,000	1,500.00	51,500.00
2034	-	-	-	-	-	-
	\$ 2,310,000	\$ 177,900.00	\$ 2,487,900.00	\$ 2,330,000	\$ 362,187.50	\$ 2,692,187.50

Fiscal Year Ending June 30th	2018 Construction/Reconstruction		
	Principal	Interest	Total
2021	\$ 370,000	\$ 157,993.75	\$ 527,993.75
2022	385,000	146,893.75	531,893.75
2023	395,000	135,343.75	530,343.75
2024	400,000	123,493.75	523,493.75
2025	415,000	111,493.75	526,493.75
2026	425,000	99,043.75	524,043.75
2027	445,000	86,293.75	531,293.75
2028	450,000	72,943.75	522,943.75
2029	465,000	59,443.75	524,443.75
2030	480,000	45,493.75	525,493.75
2031	490,000	31,093.75	521,093.75
2032	505,000	15,781.25	520,781.25
TOTALS	\$ 5,225,000	\$ 1,085,312.50	\$ 6,310,312.50

MATERIAL EVENT NOTICES

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

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the securities, 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 securities, or other material events affecting the tax status of the Notes
- (g) modifications to rights of security holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the securities
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

With respect to event (d) the School 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 School 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 School 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 School 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 School 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 School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The School District has agreed to provide, or course to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the afordescribed material event notices, if any, on or before the date specified.

The School District reserves the right to terminate its obligation to provide the afordescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School 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 School District’s obligations under its material event notices undertaking and any failure by the School 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 School 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 School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

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

**SKANEATELES CENTRAL SCHOOL DISTRICT
ONONDAGA AND CAYUGA COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

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 Preliminary Official Statement.

SKANEATELES CENTRAL SCHOOL DISTRICT

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITORS' REPORT

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 Skaneateles Central School District, 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, schedule of changes in the District's total OPEB liability and related ratios, schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual - general fund, schedule of district contributions, and the schedule of the District's proportionate share of the net pension liability on pages 4–12 and 55–58 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 Skaneateles Central School District, New York's basic financial statements. The schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets on pages 59-61 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets 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 September 28, 2020 on our consideration of the Skaneateles Central School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Skaneateles Central School District, New York's internal control over financial reporting and compliance.



Syracuse, New York
September 28, 2020

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded its total assets plus deferred outflows (what the district owns) by \$3,553,870 (net position), an increase of \$4,051,988 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$6,115,895, a decrease of \$2,781,640 in comparison with the prior year.

General revenues, which includes Real Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$35,238,021, or 98% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions, accounted for \$883,420, or 2% of total revenues.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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

Fund Financial Statements

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

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

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

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

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

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

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

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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

Notes to the Financial Statements

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

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Government-Wide Statements

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

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

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration.

Property taxes, federal and state aid, and investment earnings finance most of these activities.

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Financial Analysis of the School District as a Whole

Net Position

The District's combined net position was larger on June 30, 2020 than the year before, increasing to \$3,553,870, as shown in the table below.

Table 1:

	Governmental Activities and Total School District		Total Percentage Change
	2020	2019	2019-2020
Current and Other Assets	\$ 18,723,391	\$ 14,602,787	28.22%
Capital Assets	55,863,284	49,984,289	11.76%
Total Assets	74,586,675	64,587,076	15.48%
Deferred Outflow of Resources	14,864,724	7,380,514	101.40%
Total Assets and deferred outflow of resources	\$ 89,451,399	\$ 71,967,590	
Long-Term Debt Obligations	\$ 66,864,977	\$ 57,204,320	16.89%
Other Liabilities	9,559,110	4,490,041	112.90%
Total Liabilities	76,424,087	61,694,361	23.88%
Deferred Inflow of Resources	9,473,442	10,771,347	-12.05%
Net Position:			
Invested in Capital Assets	35,525,050	30,958,369	14.75%
Retirement Contribution	2,138,009	2,108,276	1.41%
Capital Reserve	5,375,000	5,375,000	0.00%
Other Purposes	1,774,780	1,718,406	3.28%
Unrestricted	(41,258,969)	(40,658,169)	1.48%
Total Net Position	3,553,870	(498,118)	-813.46%
Total Liabilities and Net Position	\$ 89,451,399	\$ 71,967,590	

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

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

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Net Position (continued)

needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are three restricted net asset balances, Retirement Contribution, Capital Reserve, and Other Purposes. These are reserves established by the District in accordance with New York State General Municipal Law and New York State Education Law. The capital reserves are established based on a vote by taxpayers in the district. The remaining balance of unrestricted net position is a deficit of \$41,257,232, as a result of the obligation relating to other postemployment benefits (retiree health) and pension obligations.

Changes in Net Position

The School District's total revenue increased 2% to \$36,121,441. State and federal aid (25%) and property taxes (71%) accounted for most of the District's revenue. The remaining (4%) of the revenue comes from operating grants, charges for services, nonproperty taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 7% to \$32,069,453. The School District's expenses are predominately related to education and caring for the students, or instruction (72%). General support, which included expenses associated with the operation, maintenance and administration of the School District, accounted for 17% of the total costs. See table on the following page.

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Table 2:

	Governmental Activities and Total School District		Total Percentage Change
	2020	2019	2019-2020
REVENUES			
Program Revenues:			
Charges for Services	\$ 355,397	\$ 420,920	-15.57%
Operating Grants and Contributions	528,023	539,291	-2.09%
General Revenue:			
Property Taxes	25,776,955	25,139,978	2.53%
Non Property Taxes	48,975	43,342	13.00%
State and Federal Aid	8,581,298	7,851,800	9.29%
Use of Money and Property	297,500	345,643	-13.93%
Compensation for Loss	76,081	52,181	45.80%
Other General Revenues	457,212	1,032,917	-55.74%
Total Revenues	36,121,441	35,426,072	1.96%
PROGRAM EXPENSES			
General Support	5,463,955	4,329,533	26.20%
Instruction	22,878,344	22,561,078	1.41%
Interest	607,969	755,852	-19.57%
Pupil Transportation	2,693,476	1,831,639	47.05%
School Lunch Program	425,709	541,717	-21.41%
Total Program Expenses	32,069,453	30,019,819	
Total Expenses	32,069,453	30,019,819	6.83%
Increase in Net Position	\$ 4,051,988	\$ 5,406,253	-25.05%

Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$6,115,895, which is a decrease of \$2,781,640 compared to previous year. This decrease is primarily from the ongoing capital project (project 2021) at the District.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$13,862,376. Fund balance for the General Fund increased by \$3,249,749 compared with the prior year.

General Fund Budgetary Highlights

The difference between the original budget of \$35,288,466 and the final amended budget was \$240,949. This change is attributable to \$240,949 of carryover encumbrances from the 2018-19 school year. Expenses were under budget by \$3,223,375, primarily related to instruction of \$1,762,980 and employee benefits of \$749,106.

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Capital Asset and Debt Administration

Capital Assets

By the end of the 2019-20 fiscal year, the District had invested \$55,863,284 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The increase in the capital assets is primarily due to the ongoing capital project (project 2021). The change in capital assets, net of accumulated depreciation, is reflected below:

Table 4:	Governmental Activities and Total School District		Total Percentage Change
	2020	2019	2019-2020
Land	\$ 123,351	\$ 123,351	0.00%
Construction in Progress	9,000,504	13,785,097	-34.71%
Buildings and Improvements	66,038,231	53,082,464	24.41%
Machinery and Equipment	4,263,998	4,279,439	-0.36%
Accumulated depreciation	(23,562,800)	(21,286,062)	10.70%
Total	<u>\$ 55,863,284</u>	<u>\$ 49,984,289</u>	11.76%

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

Long-Term Obligations

At year-end, the District had \$65,663,072 in general obligation bonds and other long-term obligations as follows:

Table 5:	Total School District		Total Percentage Change
	2020	2019	2019-2020
Serial Bonds	\$ 13,040,000	\$ 16,965,000	-23.14%
Other Postemployment Benefits	49,534,705	38,888,137	27.38%
Pension Liability	2,327,011	634,224	266.91%
Compensated Absences	761,356	672,809	13.16%
Total Long-term Liabilities	<u>\$ 65,663,072</u>	<u>\$ 57,160,170</u>	14.88%

The increase in other postemployment benefits was primarily due to the estimated discount rate used to value the liability was decreased to 2.21% from 3.5% in the previous year. The increase in the pension liability represents the proportionate share of the pension liability primarily related to the ERS pension (measured as of 3/31/2020) which had a significant decline in the value of plan assets, thus increasing the proportionate share to the District. The TRS pension liability is measured as of 6/30/19, therefore did not reflect the impact of a decline in investments as did the ERS plan. More detailed information can be found in the notes to the financial statements.

**SKANEATELES CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Factors Bearing on the District's Future

Property Tax Cap -During 2011 the Governor signed Chapter 97 of the Laws of 2011, Part A- Property Tax Cap, affecting all local governments and establishing a property tax cap. The tax cap went into effect for the District's 2012-13 budget and under this law the growth in the property tax levy, the total amount to be raised through property taxes charged on the District's taxable assessed value of property, is capped at two percent or the rate of inflation, whichever is less, with some exceptions. The exclusions provided in the formula (pension costs and debt service) can be difficult to forecast and thus, have a dramatic impact on the tax cap limit.

In August 2020, the New York State Division of Budget began withholding 20% of most local aid payments and that all or portion of these amounts withheld may be converted to permanent reductions, depending on the size and timing of any new Federal aid. This reduction may significantly impact the District's 2020-2021 budget.

Contacting the School District's Financial Management

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

Skaneateles Central School District Assistant Superintendent for Business Operations, 45 East Elizabeth Street
Skaneateles, New York 13152

SKANEATELES CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2020

ASSETS

Cash	
Unrestricted	\$ 6,711,128
Restricted	9,286,052
Receivables	
State and federal aid	828,195
Other	36,406
Inventories	15,129
Capital assets, net	55,863,284
Net pension asset- proportionate share	1,846,481
Total assets	<u>74,586,675</u>

DEFERRED OUTFLOW OF RESOURCES

Other postemployment benefits	7,126,250
Pensions	7,738,474
Total deferred outflow of resources	<u>14,864,724</u>
Total assets and deferred outflow of resources	<u>\$ 89,451,399</u>

LIABILITIES

Accounts payable	\$ 2,185,653
Accrued liabilities	72,195
Due to other governments	42
Due to fiduciary funds	2,986
Notes payable	
Bond anticipation notes	7,298,234
Long-term liabilities	
Due and payable within one year	
Bonds payable	1,725,000
Due to teachers' retirement system	1,083,654
Due to employees' retirement system	118,251
Other postemployment benefits payable	1,144,078
Due and payable after one year	
Bonds payable	11,315,000
Other postemployment benefits payable	48,390,627
Compensated absences payable	761,356
Net pension liability- proportionate share	2,327,011
Total liabilities	<u>76,424,087</u>

DEFERRED INFLOW OF RESOURCES

Other postemployment benefits	6,715,693
Pensions	2,757,749
Total deferred inflow of resources	<u>9,473,442</u>

NET POSITION

Investment in capital assets, net of related debt	35,525,050
Restricted	9,287,789
Unrestricted (deficit)	(41,258,969)
Total net position	<u>3,553,870</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 89,451,399</u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2020

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General support	\$ (4,177,226)	\$ (1,286,729)	\$ -	\$ -	\$ (5,463,955)
Instruction	(16,015,790)	(6,862,554)	154,197	417,721	(22,306,426)
Pupil transportation	(2,264,566)	(428,910)	-	-	(2,693,476)
Employee benefits	(8,578,193)	8,578,193	-	-	-
Debt service - interest	(607,969)	-	-	-	(607,969)
School lunch program	(425,709)	-	201,200	110,302	(114,207)
Total functions and programs	<u>\$ (32,069,453)</u>	<u>\$ -</u>	<u>\$ 355,397</u>	<u>\$ 528,023</u>	<u>(31,186,033)</u>
GENERAL REVENUES					
Real property taxes					25,776,955
Nonproperty taxes					48,975
Use of money and property					297,500
Sale of property and compensation for loss					76,081
State sources					8,540,691
Medicaid reimbursement					40,607
Miscellaneous					<u>457,212</u>
Total general revenues					<u>35,238,021</u>
Change in net position					4,051,988
Total net deficit - beginning of year					<u>(498,118)</u>
Total net position - end of year					<u>\$ 3,553,870</u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2020

	General	Capital Projects Fund	Special Aid Fund	Non-major School Lunch Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	\$ 5,784,311	\$ 905,827	\$ 11,468	\$ 9,522	\$ -	\$ 6,711,128
Restricted	8,960,439	-	-	-	325,613	9,286,052
Receivables						
State and federal aid	764,487	-	49,764	13,944	-	828,195
Due from other funds	79,967	-	971	560	1,737	83,235
Due from fiduciary funds	178	-	-	-	-	178
Other	23,671	-	-	12,557	-	36,228
Inventories	-	-	-	15,129	-	15,129
Total assets	<u>\$ 15,613,053</u>	<u>\$ 905,827</u>	<u>\$ 62,203</u>	<u>\$ 51,712</u>	<u>\$ 327,350</u>	<u>\$ 16,960,145</u>
LIABILITIES						
Accounts payable	\$ 496,553	\$ 1,678,154	\$ 1,723	\$ 9,223	\$ -	\$ 2,185,653
Accrued liabilities and deferred revenue	47,702	-	-	24,493	-	72,195
Due to other funds	1,531	3,270	60,480	17,954	-	83,235
Due to other governments	-	-	-	42	-	42
Due to fiduciary funds	2,986	-	-	-	-	2,986
Bond anticipation note payable	-	7,298,234	-	-	-	7,298,234
Due to teachers' retirement system	1,083,654	-	-	-	-	1,083,654
Due to employees' retirement system	118,251	-	-	-	-	118,251
Total liabilities	<u>1,750,677</u>	<u>8,979,658</u>	<u>62,203</u>	<u>51,712</u>	<u>-</u>	<u>10,844,250</u>
FUND BALANCES						
Nonspendable:						
Reserved for inventory	-	-	-	15,129	-	15,129
Restricted for:						
Reserved for tax certiorari	445,093	-	-	-	-	445,093
Reserved for capital reserve	5,375,000	-	-	-	-	5,375,000
Reserved for repairs	5,000	-	-	-	-	5,000
Reserved for retirement	2,138,009	-	-	-	-	2,138,009
Reserved for teacher's retirement contribution	467,045	-	-	-	-	467,045
Reserved for debt	-	-	-	-	327,350	327,350
Reserved for employee benefits	530,292	-	-	-	-	530,292
Assigned to:						
Assigned appropriated fund balance	513,419	-	-	-	-	513,419
Assigned unappropriated fund balance	341,606	(8,073,831)	-	-	-	(7,732,225)
Unassigned:						
Unassigned fund balance	4,046,912	-	-	(15,129)	-	4,031,783
Total fund balances	<u>13,862,376</u>	<u>(8,073,831)</u>	<u>-</u>	<u>-</u>	<u>327,350</u>	<u>6,115,895</u>
Total liabilities and fund balances	<u>\$ 15,613,053</u>	<u>\$ 905,827</u>	<u>\$ 62,203</u>	<u>\$ 51,712</u>	<u>\$ 327,350</u>	<u>\$ 16,960,145</u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position**

June 30, 2020

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash				
Unrestricted	\$ 6,711,128	\$ -	\$ -	\$ 6,711,128
Restricted for reserves	9,286,052	-	-	9,286,052
Receivables				
State and federal aid	828,195	-	-	828,195
Due from other funds	83,235	-	(83,235)	-
Due from fiduciary funds	178	-	-	178
Other	36,228	-	-	36,228
Inventories	15,129	-	-	15,129
Capital assets, net	-	55,863,284	-	55,863,284
Net pension asset- proportionate share	-	1,846,481	-	1,846,481
Total assets	<u>16,960,145</u>	<u>57,709,765</u>	<u>(83,235)</u>	<u>74,586,675</u>
DEFERRED OUTFLOW OF RESOURCES				
Other postemployment benefits	-	7,126,250	-	7,126,250
Pensions	-	7,738,474	-	7,738,474
Total deferred outflow of resources	<u>-</u>	<u>14,864,724</u>	<u>-</u>	<u>14,864,724</u>
	<u>\$ 16,960,145</u>	<u>\$ 72,574,489</u>	<u>\$ (83,235)</u>	<u>\$ 89,451,399</u>
LIABILITIES				
Payables				
Accounts payable	\$ 2,185,653	\$ -	\$ -	\$ 2,185,653
Accrued liabilities	72,195	-	-	72,195
Due to other funds	83,235	-	(83,235)	-
Due to other governments	42	-	-	42
Due to fiduciary funds	2,986	-	-	2,986
Due to teachers' retirement system	1,083,654	-	-	1,083,654
Due to employees' retirement system	118,251	-	-	118,251
Notes payable				
Bond anticipation	7,298,234	-	-	7,298,234
Long-term debt-due within one year				
Bonds payable	-	1,725,000	-	1,725,000
Other postemployment benefits payable	-	1,144,078	-	1,144,078
Long-term debt-due in more than one year				
Bonds payable	-	11,315,000	-	11,315,000
Other postemployment benefits payable	-	48,390,627	-	48,390,627
Compensated absences	-	761,356	-	761,356
Net pension liability- proportionate share	-	2,327,011	-	2,327,011
Total liabilities	<u>10,844,250</u>	<u>65,663,072</u>	<u>(83,235)</u>	<u>76,424,087</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	-	6,715,693	-	6,715,693
Pensions	-	2,757,749	-	2,757,749
Total deferred inflow of resources	<u>-</u>	<u>9,473,442</u>	<u>-</u>	<u>9,473,442</u>
FUND BALANCE/NET POSITION				
Total fund balance/net position	<u>6,115,895</u>	<u>(2,562,025)</u>	<u>-</u>	<u>3,553,870</u>
	<u>\$ 16,960,145</u>	<u>\$ 72,574,489</u>	<u>\$ (83,235)</u>	<u>\$ 89,451,399</u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the Year Ended June 30, 2020

	General	Capital Projects Fund	Special Aid Fund	Non-major School Lunch Fund	Debt Service Fund	Governmental Funds
REVENUES						
Real property taxes and tax items	\$ 25,776,955	\$ -	\$ -	\$ -	\$ -	\$ 25,776,955
Nonproperty taxes	48,975	-	-	-	-	48,975
Charges for services	154,197	-	-	-	-	154,197
Use of money and property	261,678	-	-	15	2,325	264,018
Sale of property and compensation for loss	76,081	-	-	-	-	76,081
State sources	8,506,038	-	30,129	4,524	-	8,540,691
Sales	-	-	-	201,200	-	201,200
Miscellaneous	350,309	106,185	-	718	-	457,212
Premium on obligations issued	-	-	-	-	33,482	33,482
Federal sources	40,607	-	417,721	110,302	-	568,630
Total revenues	<u>35,214,840</u>	<u>106,185</u>	<u>447,850</u>	<u>316,759</u>	<u>35,807</u>	<u>36,121,441</u>
EXPENDITURES						
General support	4,012,134	-	-	-	-	4,012,134
Instruction	15,930,152	-	446,498	-	-	16,376,650
Pupil transportation	1,158,962	538,339	8,884	-	-	1,706,185
School food program	-	-	-	348,052	-	348,052
Employee benefits	5,549,183	-	-	77,657	-	5,626,840
Debt service	-	-	-	-	-	-
Principal	4,591,742	-	-	-	-	4,591,742
Interest	607,969	-	-	-	-	607,969
Capital outlay	-	6,300,251	-	-	-	6,300,251
Total expenditures	<u>31,850,142</u>	<u>6,838,590</u>	<u>455,382</u>	<u>425,709</u>	<u>-</u>	<u>39,569,823</u>
Excess (deficiency) of revenues over expenditures	<u>3,364,698</u>	<u>(6,732,405)</u>	<u>(7,532)</u>	<u>(108,950)</u>	<u>35,807</u>	<u>(3,448,382)</u>
OTHER FINANCING SOURCES AND USES						
BANs redeemed from appropriations	-	666,742	-	-	-	666,742
Interfund transfers	(114,949)	98,467	7,532	108,950	(100,000)	-
Total other sources (uses)	<u>(114,949)</u>	<u>765,209</u>	<u>7,532</u>	<u>108,950</u>	<u>(100,000)</u>	<u>666,742</u>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	<u>3,249,749</u>	<u>(5,967,196)</u>	<u>-</u>	<u>-</u>	<u>(64,193)</u>	<u>(2,781,640)</u>
Fund balance - beginning of year	<u>10,612,627</u>	<u>(2,106,635)</u>	<u>-</u>	<u>-</u>	<u>391,543</u>	<u>8,897,535</u>
Fund balance (deficit) - end of year	<u>\$ 13,862,376</u>	<u>\$ (8,073,831)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,350</u>	<u>\$ 6,115,895</u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

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

For the Year Ended June 30, 2020

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 25,776,955	\$ -	\$ -	\$ -	\$ 25,776,955
Nonproperty taxes	48,975	-	-	-	48,975
Charges for services	154,197	-	-	-	154,197
Use of money and property	264,018	-	-	-	264,018
Sale of property and compensation for loss	76,081	-	-	-	76,081
State sources	8,540,691	-	-	-	8,540,691
Sales - school food programs	201,200	-	-	-	201,200
Miscellaneous	457,212	-	-	-	457,212
Premium on obligations issued	33,482	-	-	-	33,482
Federal sources	568,630	-	-	-	568,630
Total revenues	36,121,441	-	-	-	36,121,441
EXPENDITURES/EXPENSES					
General support	4,012,134	97,982	67,110	-	4,177,226
Instruction	16,376,650	(282,502)	(78,358)	-	16,015,790
Pupil transportation	1,812,370	-	452,196	-	2,264,566
School food programs	348,052	-	-	-	348,052
Employee benefits	5,626,840	3,029,010	-	-	8,655,850
Debt service	5,199,711	-	-	(4,591,742)	607,969
Capital outlay	6,194,066	-	(6,194,066)	-	-
Total expenditures/expenses	39,569,823	2,844,490	(5,753,118)	(4,591,742)	32,069,453
Excess (deficiency) of revenues over expenditures/expenses	(3,448,382)	(2,844,490)	5,753,118	4,591,742	4,051,988
OTHER FINANCING SOURCES AND USES					
BANs redeemed from appropriations	666,742	-	-	(666,742)	-
Interfund transfers	-	-	-	-	-
Total other sources (uses)	666,742	-	-	(666,742)	-
Net change for the year	\$ (2,781,640)	\$ (2,844,490)	\$ 5,753,118	\$ 3,925,000	\$ 4,051,988

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position

June 30, 2020

	<u>Private Purpose Trust</u>	<u>Agency</u>
ASSETS		
Cash and cash equivalents	\$ 192,346	\$ 338,244
Receivables	-	4,040
Due from other funds	-	2,986
	<u> </u>	<u> </u>
Total assets	<u>\$ 192,346</u>	<u>\$ 345,270</u>
 LIABILITIES		
Accounts payable	\$ -	\$ 747
Extraclassroom activity balances	-	77,400
Other liabilities	-	266,945
Due to other funds	-	178
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>345,270</u>
 NET POSITION		
Restricted for scholarships	<u>192,346</u>	<u>-</u>
	<u> </u>	<u> </u>
Total liabilities and net position	<u>\$ 192,346</u>	<u>\$ 345,270</u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	<u>Private Purpose Trust</u>
Additions	
Contributions	\$ 8,400
Investment earnings	<u>226</u>
Total additions	8,626
 Deductions	
Scholarships and awards	<u>6,075</u>
Change in net position	2,551
 Net position, beginning of year	<u>189,795</u>
Net position, end of year	<u><u>\$ 192,346</u></u>

See notes to basic financial statements

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

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

A) Reporting Entity

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

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

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

i) Extraclassroom Activity Funds

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

B) Joint Venture

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

During the year, the District was billed \$3,429,185 for BOCES administrative and program costs. The District's share of estimated BOCES aid amounted to \$864,239. As of June 30, 2020, \$647,158 of this estimated aid is recorded as a receivable in the General Fund.

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

C) Basis of Presentation

i) Districtwide Statements

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

ii) Fund Statements

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

The District reports the following governmental funds:

a. Major Governmental Funds

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

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

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

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

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

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

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

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

D) Measurement Focus and Basis of Accounting

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

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

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

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

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 4 to November 1, 2019.

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

F) Restricted Resources

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

G) Interfund Transactions

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

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

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

H) Estimates

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

I) Cash and Cash Equivalents

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

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

J) Receivables

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

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

K) Inventory and Prepaid Items

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

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

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

L) Capital Assets

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

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

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

M) Unearned Revenue

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

N) Deferred Outflows and Inflows of Resources

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

O) Vested Employee Benefits

i) Compensated Absences

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.

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, per contractual provisions.

An accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the contractual pay rates in effect at year end.

P) Other Benefits

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

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

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

Q) Short-Term Debt

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

R) Accrued Liabilities and Long-Term Obligations

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

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

S) Equity Classifications

i) District-Wide Statements

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

- a. Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- b. Restricted Net Position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Description	
Capital reserves	\$ 5,375,000
Reserved for retirement	2,138,009
Employee benefit accrued liability	530,292
Debt	327,350
Teacher's retirement contribution reserve	467,045
Reserve for tax certiorari	445,093
Repair	5,000
	<u>\$ 9,287,789</u>

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

ii) Fund Statements

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

- a. Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in school lunch totaling \$15,129.
- b. Restricted Fund Balances - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:
Capital Reserve - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year-to- Date Balance</u>
Capital reserve 2020	\$2,500,000	\$0	\$0
Capital reserve 2018	\$2,500,000	\$2,500,000	\$2,500,000
Capital reserve 2017	\$2,500,000	\$2,500,000	\$2,500,000
Capital reserve - turf	\$375,000	\$2,500,000	\$375,000

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Repair Reserve - According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

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

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

Teachers' Retirement Reserve – General Municipal Law §6r was amended effective April 1, 2019. A Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Restricted fund balances include the following:

General fund:

Capital	\$ 5,375,000
Employee retirement contribution	2,138,009
Teacher's retirement contribution	467,045
Tax certiorari	445,093
Repair	5,000
Employee benefit accrued liability	530,292

Debt service fund:

Debt service	<u>327,350</u>
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Total restricted funds	<u>\$ 9,287,789</u>
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- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2020.
- d. Assigned Fund Balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be \$341,606.

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The District exceeded the 4% limitation as of June 30, 2020.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

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

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

iii) Order of Use of Fund Balance

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

T) New Accounting Standards

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

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

GASB has issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which became effective on issuance in May 2020.

U) Future Changes in Accounting Standards

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after June 15, 2021.

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

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

GASB has issued Statement No. 92, *Omnibus 2020*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which will generally be effective for periods beginning after June 15, 2021.

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

Note 2 - Stewardship, Compliance and Accountability

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

A) Budgets

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

The voters of the District approved the proposed appropriation budget for the general fund.

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

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

The general fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 2 - Stewardship, Compliance and Accountability (continued)

B) Encumbrances

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

C) Fund Balance

i) Capital Projects Fund

The Capital Projects Fund had a deficit undesignated fund balance of \$8,073,831 at June 30, 2020, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

ii) New York State Real Property Tax Law §1318

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include funding reserves and utilizing fund balance for operations.

Note 3 - Cash and Cash Equivalents

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

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 3 - Cash and Cash Equivalents (continued)

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, were appropriately collateralized with securities held by the pledging financial institution.

Restricted cash represent cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$9,286,052 within the governmental funds and \$192,346 in the fiduciary funds.

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

The District restricts the securities to the following eligible items:

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 4 - Investments

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, 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. Total investments of the cooperative as of year-end are \$4,404,067.

Note 5 - Receivables

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

	Governmental Activities			
	General Fund	Special Aid Fund	School Lunch Fund	Total
Accounts Receivable	\$ 23,671	\$ -	\$ 12,557	\$ 36,228
Due from State and Federal	117,329	49,764	13,944	181,037
Due from Other Governments	647,158	-	-	647,158
Allowance for uncollectible accounts	-	-	-	-
Total receivables	<u>\$ 788,158</u>	<u>\$ 49,764</u>	<u>\$ 26,501</u>	<u>\$ 864,423</u>

Note 6 - Interfund Receivables, Payables, Revenues and Expenditures

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 80,145	\$ 4,517	\$ 100,000	\$ 214,949
Special Aid Fund	971	60,480	7,532	-
School Lunch Fund	560	17,954	108,950	-
Debt Service Fund	1,737	-	-	100,000
Capital Projects Fund	-	3,270	98,467	-
Total government activities	<u>83,413</u>	<u>86,221</u>	<u>314,949</u>	<u>314,949</u>
Fiduciary Agency Fund	<u>2,986</u>	<u>178</u>	<u>-</u>	<u>-</u>
	<u>\$ 86,399</u>	<u>\$ 86,399</u>	<u>\$ 314,949</u>	<u>\$ 314,949</u>

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 7 - Capital Assets

Capital asset balances and activity were as follows:

	<u>Beginning Balance 7/1</u>	<u>Additions</u>	<u>Reclassifications/ Deletions</u>	<u>Ending Balance 6/30</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 123,351	\$ -	\$ -	\$ 123,351
Construction in progress	<u>13,785,097</u>	<u>6,201,635</u>	<u>(10,986,228)</u>	<u>9,000,504</u>
Total nondepreciable	<u>13,908,448</u>	<u>6,201,635</u>	<u>(10,986,228)</u>	<u>9,123,855</u>
Capital assets that are depreciated:				
Buildings and improvements	53,082,464	1,969,539	10,986,228	66,038,231
Machinery and equipment	<u>4,279,439</u>	<u>617,879</u>	<u>(633,320)</u>	<u>4,263,998</u>
Total depreciable assets	<u>57,361,903</u>	<u>2,587,418</u>	<u>10,352,908</u>	<u>70,302,229</u>
Less accumulated depreciation:				
Buildings and improvements	19,358,482	1,899,918	(390,986)	21,649,386
Machinery and equipment	<u>1,927,580</u>	<u>307,178</u>	<u>321,344</u>	<u>1,913,414</u>
Total accumulated depreciation	<u>21,286,062</u>	<u>2,207,096</u>	<u>(69,642)</u>	<u>23,562,800</u>
Total depreciated assets, net	<u>\$ 49,984,289</u>	<u>\$ 6,581,957</u>	<u>\$ (702,962)</u>	<u>\$ 55,863,284</u>
Depreciation expense was charged to governmental functions as follows:				
General support		\$ 67,110		
Instruction		1,793,975		
Pupil transportation		<u>346,011</u>		
		<u>\$ 2,207,096</u>		

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 8-Short-Term Debt

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

	Original Amount	Maturity	Interest Rate	Beginning Balance	Additions	Deletions	Ending Balance
BAN-Bus Purchase	\$ 1,228,821	2020	2.75%	\$1,228,821	\$ -	\$ 1,228,821	\$ -
BAN-2014 Capital Project	\$ 305,000	2020	3.00%	305,000	-	305,000	-
BAN-2021 Capital Project	\$ 999,000	2020	2.50%	999,000	-	999,000	-
\$5,000,000 Bond Anticipation Notes, 2019 - (a)	\$ 5,000,000	7/23/2020	2.00%	-	5,000,000	-	5,000,000
Bond Anticipation Notes, 2020 (Renewals) - (b)	\$ 996,000	6/25/2021	1.07%	-	996,000	-	996,000
\$1,302,234 Bond Anticipation Notes, 2019 Series B - (c)	\$ 1,302,234	8/19/2020	2.25%	-	1,302,234	-	1,302,234
Total Short-Term Debt				<u>\$2,532,821</u>	<u>\$7,298,234</u>	<u>\$ 2,532,821</u>	<u>\$ 7,298,234</u>

- (a) - The \$5,000,000 notes are general obligations of the District. The notes were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a December 5, 2017 bond resolution of the District authorizing a capital improvement project at a maximum estimated cost of \$36,500,000 and a maximum aggregate borrowing amount of \$34,139,188. The proceeds of the notes are used for this capital project.
- (b) - The \$996,000 notes are general obligations of the District. The notes were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a December 5, 2017 bond resolution of the District authorizing a capital improvement project at a maximum estimated cost of \$36,500,000 and a maximum aggregate borrowing amount of \$34,139,188. The proceeds of the notes, along with \$3,000 of direct payments from the District, partially redeemed and renewed the \$999,000 of notes that matured on June 26, 2020. The proceeds of the notes are used for this capital project.
- (c) - The \$1,302,234 notes are general obligations of the District. The notes were issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law and various bond resolutions duly adopted by the Board of Education authorizing the issuance of serial bonds to finance the purchase of buses. The proceeds of the notes, along with \$358,742 of direct funds from the District, redeemed and renewed the \$1,228,821 notes that matured on August 20, 2019 and provided \$432,155 of new monies for bus purchases.

The District, subsequent to June 30, 2020 issued two new bond anticipation notes. On July 22, 2020, the District issued \$28,701,000 of Bond Anticipation Notes, at an interest rate of 1.25%, maturing on July 22, 2021. These general obligation notes of the District were issued as part of the \$36,500,000 ongoing capital project. The proceeds of the notes will fully redeem and renew the \$5,000,000 bond anticipation notes that matured on July 23, 2020 and provided \$23,701,000 of new monies for the ongoing capital project.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 8–Short-Term Debt (continued)

The District, on August 18, 2020 issued \$1,338,216 of Bond Anticipation Notes, at an interest rate of 1.25%, maturing on August 18, 2021. These general obligation notes of the District. The notes were issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law and various bond resolutions duly adopted by the Board of Education authorizing the issuance of serial bonds to finance the purchase of buses. The proceeds of the notes, along with \$406,336 of direct funds from the District, redeemed and renewed the \$1,302,234 notes that matured on August 19, 2020 and provided \$442,318 of new monies for bus/student transport vehicle purchases.

Total interest paid and expensed on short-term debt totaled \$67,849 for the year ended June 30, 2020.

Note 9–Long-Term Obligations

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Government activities					
Serial bonds	\$ 16,965,000	\$ -	\$ 3,925,000	\$ 13,040,000	\$ 1,725,000
Other obligations					
Net pension liability	634,224	1,692,787	-	2,327,011	-
OPEB	38,888,137	11,743,998	1,097,430	49,534,705	1,144,078
Compensated absences	672,809	88,547	-	761,356	-
Total long-term obligations	<u>\$ 57,160,170</u>	<u>\$ 13,525,332</u>	<u>\$ 5,022,430</u>	<u>\$ 65,663,072</u>	<u>\$ 2,869,078</u>

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 9—Long-Term Obligations (continued)

Existing serial and statutory bond obligations:

Description		Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
School District Refunding		6/15/2007	\$ 850,000	6/15/2023	4.60%	\$ 185,000
School District Refunding (Serial) Bonds, 2014	(a)	9/25/2014	\$ 3,185,000	6/15/2026	2.25%-5.0%	1,590,000
Bus Garage		6/15/2003	\$ 916,000	6/15/2022	5.00%	135,000
School District (Serial) Bonds, 2017	(b)	6/26/2017	\$ 3,100,000	6/15/2033	2.0%-3.0%	2,525,000
School District Refunding (Serial) Bonds, 2016	(c)	7/20/2016	\$ 3,730,000	6/15/2025	2.00%-4.00%	3,015,000
School District (Serial) Bonds, 2018	(d)	7/5/2018	\$ 6,034,299	6/15/2033	3.000%-3.125%	5,590,000
						<u>\$ 13,040,000</u>

(a) - The \$1,590,000 of bonds outstanding (original issuance of \$3,185,000) are general obligations of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and a refunding bond resolution duly adopted by the Board of Education of the District on August 26, 2014. The bonds were issued to refund, prior to maturity, \$835,000 of the Series 2004 bonds and \$2,440,000 of the Series 2006 bonds. The refunding plan required the District to redeem the bonds on the bonds call dates of December 15, 2014 and June 15, 2016, respectively for the Series 2004 and Series 2006 bonds. Both the Series 2004 and Series 2006 bonds were redeemed by the District and are no longer general obligations of the District. The bonds bear interest ranging from 2.25% to 5.0%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before June 15, 2024, totaling \$1,125,000 are not subject to redemption prior to maturity, while bonds maturing after June 15, 2024, totaling \$465,000 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

(b) - The \$2,525,000 of bonds outstanding (original issuance of \$3,100,000) are general obligation of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and bond resolutions duly adopted by the Board of Education of the District.

\$2,330,000 of the bonds issued were issued to finance the December 2013 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,835,299.

The remaining \$770,000 of the bond issuance were issued to finance the May 2014 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building and Waterman Elementary building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,033,000.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 9—Long-Term Obligations (continued)

The bonds bear interest ranging from 2.0% to 3.0%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before June 15, 2025, totaling \$1,030,000 are not subject to redemption prior to maturity, while bonds maturing after June 15, 2026, totaling \$1,495,000 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

- (c) - The \$3,015,000 of bonds outstanding (original issuance of \$3,730,000) are general obligation of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and a refunding bond resolution duly adopted by the Board of Education of the District on June 21, 2016. The bond refunded \$3,750,000 of bonds outstanding pertaining the District's series 2009 bonds which were for additions and renovations to various buildings, facilities, and athletic fields and courts. The series 2009 bonds were redeemed by the District on June 15, 2019 and are no longer general obligations of the District. The bonds bear interest ranging from 2.0% to 4.0%, whereby such interest is payable semi-annually on June 15 and December 15. The bonds are not subject to redemption prior to maturity.
- (d) - The \$5,590,000 of bonds outstanding (original issuance of \$6,034,299) are general obligation of the District. The bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, the Education Law and bond resolutions duly adopted by the Board of Education of the District.

\$300,299 of the bonds issued were issued to finance the December 2013 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,835,299.

\$1,072,000 of the bond issuance were issued to finance the May 2014 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building and Waterman Elementary building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$2,033,000.

\$4,565,000 of the bond issuance were issued to finance the May 2015 approved capital project pertaining to certain renovations, reconstruction, alterations and improvements in the District's existing High School/Middle School building, including all related demolition, roof replacement, site improvements and other capital related items not to exceed \$4,850,000.

The remaining \$97,000 of the bond issuance were issued to finance the May 2016 approved capital project pertaining renovations, reconstruction, alterations and improvements to the District's transportation facility.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 9—Long-Term Obligations (continued)

The bonds bear interest ranging from 3.0% to 3.125%, whereby such interest is payable semi-annually on June 15 and December 15. Bonds maturing on or before June 15, 2026, totaling \$2,330,000 are not subject to redemption prior to maturity, while bonds maturing after June 15, 2027, totaling \$3,260,000 are subject to redemption at the option of the District at par plus accrued interest to the redemption date.

The following is a summary of debt service requirements:

	Principal	Interest	Total
Fiscal year ended June 30,			
2021	\$ 1,725,000	\$ 398,976	\$ 2,123,976
2022	1,765,000	347,316	2,112,316
2023	1,625,000	303,688	1,928,688
2024	1,600,000	249,375	1,849,375
2025	920,000	191,225	1,111,225
2026-2030	3,585,000	585,781	4,170,781
2031-2033	1,820,000	107,069	1,927,069
Totals	<u>\$ 13,040,000</u>	<u>\$ 2,183,430</u>	<u>\$ 15,223,430</u>

Total interest paid on long-term debt was \$540,120 for the year ended June 30, 2020.

Note 10—Pension Plans

A) General Information

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

B) Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 10–Pension Plans (continued)

Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System’s website at www.nystrs.org.

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

C) Funding Policies

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

The District’s share of the required contributions for the current year and two preceding years were equal to 100% of the contributions required, were as follows:

<u>Contributions</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2020	\$ 1,259,877	\$ 388,393
2019	1,298,583	400,713
2018	1,202,954	394,132

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 10–Pension Plans (continued)

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

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

	ERS	TRS
District code	73126	2551
Valuation date	4/1/2019	6/30/2018
Measurement date	3/31/2020	6/30/2019
Net pension asset/ (liability)	\$ (2,327,011)	\$ 1,846,483
District's portion of the Plan's total net pension asset/ (liability)	0.0087876%	0.0710730%

For the year ended June 30, 2020, the District recognized proportionate pension expenses of \$853,609 for ERS and \$2,263,522 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 136,954	\$ 1,251,314	\$ -	\$ 137,308
Changes of assumption	46,855	3,488,254	40,458	850,535
Net difference between projected and actual earnings on pension plan investments	1,192,939	-	-	1,480,784
Changes in proportion and differences between the District's contributions and proportionate share of contributions	102,087	103,237	16,631	232,033
District's contribution subsequent to the measurement date	118,251	1,298,583	-	-
Total	<u>\$ 1,597,086</u>	<u>\$ 6,141,388</u>	<u>\$ 57,089</u>	<u>\$ 2,700,660</u>

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 10–Pension Plans (continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 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:	ERS	TRS
2020	\$ -	\$ 815,403
2021	261,607	33,034
2022	361,404	812,375
2023	445,041	517,724
2024	353,694	33,238
thereafter	-	(69,628)
Net, total	<u>\$ 1,421,746</u>	<u>\$ 2,142,146</u>

E) Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.8%	7.10%
Salary scale	4.2%	4.72%-1.90%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009 & June 30, 2014 System's Experience

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. For TRS, annuitant mortality rates are based on the July 1, 2009-June 30, 2014 system experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 10–Pension Plans (continued)

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

For TRS, 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 of the measurement date of 6/30/19. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

Asset Type	ERS		TRS	
	Target Allocation	Long-term expected Real Rate of Return	Target Allocation	Long-term expected Real Rate of Return
Domestic equity	36%	4.05%	33%	6.30%
International equity	14%	6.15%	16%	7.80%
Real estate	10%	4.95%	11%	4.60%
Private equity	10%	6.75%	8%	9.90%
Domestic fixed income securities	0%	0.00%	16%	1.30%
Global fixed income securities	0%	0.00%	2%	0.90%
Mortgages	17%	0.75%	0%	0.00%
Short-term	0%	0.00%	0%	0.00%
High-yield fixed income securities	0%	0.00%	1%	3.60%
Private debt	0%	0.00%	1%	6.50%
Real estate debt	0%	0.00%	7%	2.90%
Opportunistic portfolio	3%	4.65%	0%	0.00%
Cash	1%	0.00%	1%	0.30%
Inflation-indexed bonds	4%	0.50%	0%	0.00%
Absolute return strategies - *	2%	3.25%	0%	0.00%
Global equity	0%	0.00%	4%	7.20%
Real assets	3%	5.95%	0%	0.00%
	<u>100%</u>	<u>6.80%</u>	<u>100%</u>	<u>7.10%</u>

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

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 10–Pension Plans (continued)

F) Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.8% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1- percentage point lower (5.8% for ERS and 6.10% for TRS) or 1-percentagepoint higher (7.8% for ERS and 8.10% for TRS) than the current rate:

ERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's proportionate share of the net pension asset (liability)	\$ (4,270,723)	\$ (2,327,011)	\$ (536,845)
TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	\$ (8,334,832)	\$ 1,846,483	\$ 10,387,457

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective pension expense includes certain current period changes in the collective net pension asset (liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense is \$8,989,670,000 for ERS and \$3,209,970,774 for TRS.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 10–Pension Plans (continued)

H) Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$118,251.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$1,083,654.

Note 11–Other Postemployment Benefits (OPEB)

A) General Information About the OPEB Plan

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

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 11 – Other Postemployment Benefits (OPEB) (continued)

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

Employee Group	Description of Benefits	Retiree Contributions	Other
Superintendent & Administrators	<ul style="list-style-type: none"> • Medical • Dental 	<ul style="list-style-type: none"> • Individual - 20% • Family - 50% • Dental - 100% • Surviving Spouse - 50% 	<ul style="list-style-type: none"> • Required age - 55 • Required service - 10
Teaching Employees - hired before 12/15/2009	<ul style="list-style-type: none"> • Medical • Dental 	<ul style="list-style-type: none"> • Individual - 20% • Family - 50% • Dental - 100% • Surviving Spouse - 50% 	<ul style="list-style-type: none"> • Required age - 55 • Required service - 10
Teaching Employees - hired on or after 12/15/2009	<ul style="list-style-type: none"> • Medical • Dental 	<ul style="list-style-type: none"> • Individual - 20% • Family - 50% • Dental - 100% • Surviving Spouse - 50% 	<ul style="list-style-type: none"> • Required age - 55 • Required service - 15
CSEA - hired before 7/1/2009	<ul style="list-style-type: none"> • Medical • Dental 	<ul style="list-style-type: none"> • Individual - 20% • Family - 50% • Dental - 100% • Surviving Spouse - 50% 	<ul style="list-style-type: none"> • Required age - 55 • Required service - 12
CSEA - hired on or after 7/1/2009	<ul style="list-style-type: none"> • Medical • Dental 	<ul style="list-style-type: none"> • Individual - 20% • Family - 50% • Dental - 100% • Surviving Spouse - 50% 	<ul style="list-style-type: none"> • Required age - 55 • Required service - 15

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the benefit terms:

Active employees	217
Retirees	173
Beneficiaries	13
Spouses of retirees	59
	<u>462</u>

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 11–Other Postemployment Benefits (OPEB) (continued)

B) OPEB Liability

The District's total OPEB liability of \$49,534,705 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2018. The actuarial valuation as of July 1, 2018 was projected to the measurement date of June 30, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2020 financial reporting valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.60 percent, average, including inflation
Discount Rate	2.21 percent
Healthcare Cost Trend Rates	6.10 percent to 4.10 percent over 57 years

Since the OPEB is not funded, the selection of the discount rate is consistent with the GASB 75 standards discounting unfunded liabilities 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 discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index and decreased from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020. The decrease in the discount rate increased the OPEB liability \$9,052,263 for fiscal year 2020.

Mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2016.

C) Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 38,888,137
<u>Changes for the Year</u>	
Service cost	1,304,048
Interest	1,387,687
Differences between expected and actual experience	-
Changes in assumptions or other inputs	9,052,263
Benefit payments	(1,097,430)
Net Changes	<u>10,646,568</u>
Balance at June 30, 2020	<u>\$ 49,534,705</u>

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 11–Other Postemployment Benefits (OPEB) (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 59,136,169</u>	<u>\$ 49,534,705</u>	<u>\$ 41,970,707</u>

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

	<u>1% Decrease</u>	<u>Healthcare Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 40,349,905</u>	<u>\$ 49,534,705</u>	<u>\$ 61,710,084</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,524,303. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 278,203
Changes of assumptions or other inputs	<u>7,126,250</u>	<u>6,437,490</u>
	<u>\$ 7,126,250</u>	<u>\$ 6,715,693</u>

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 11–Other Postemployment Benefits (OPEB) (continued)

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ (167,432)
2022	(167,432)
2023	(167,432)
2024	919,261
2025	(6,408)
Thereafter	-

Note 12–Risk Management

A) General Information

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

B) Health Plan

For its employee health and accident insurance coverage, the District is a participant in the Cayuga-Onondaga School Employees Healthcare Plan, is a municipal cooperative health plan operating under a limited certificate of authority granted by the New York State superintendent of insurance. The plan is not a licensed insurer and the District is subject to a contingent assessment liability. A contingent assessment liability represents an assessment by the plan to all participating districts to fund the plan to meet minimum statutory reserve and surplus requirements as required by New York State Insurance law. Municipal cooperative health benefit plans are formed under Article 47 of the New York State Insurance Law and are health risk-sharing agreements that permit municipalities to combine to self-fund health benefits for their employees. This public entity risk pool currently has 8 school districts and one BOCES as plan members. The District pays an annual premium to the plan for this health insurance coverage. The Cayuga-Onondaga School Employees Healthcare Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$200,000 per insured event. The Plan uses reinsurance agreements to reduce its exposure to large losses on insured events. The Plan obtains independent coverage for insured events in excess of \$200,000 and the District has essentially transferred all related risk to the plan. As of June 30, 2019, the Plan had a net position of \$29,825,660. The Plan has separate audited financial statements that are not included as a component unit of the District. The District's share of premiums for the year ended June 30, 2020 was \$2,804,844.

SKANEATELES CENTRAL SCHOOL DISTRICT

Notes to the Financial Statement

For the Year Ended June 30, 2020

Note 13–Commitments and Contingencies

A) Litigation

There are currently tax certiorari claims pending against the District for which the financial impact, if any, cannot be determined at this time. The District plans on funding any settlements from the tax certiorari reserve.

B) Grants

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

Note 14–Rental of District Property

The District leases property to BOCES and other individuals. Total rental income for the 2019-20 fiscal year totaled \$78,585.

Note 15–Tax Abatement

The Onondaga County Industrial Development Agency (OCIDA), and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced \$235,989. The District received payments in lieu of tax (PILOT) payments totaling \$205,452 to help offset the property tax reduction.

Note 16–Subsequent Events

On July 22, 2020 and August 18, 2020, the District issued Bond Anticipation Notes. See Note 8 for further description of these Notes. The coronavirus that causes COVID-19 surfaced in December 2019 and early 2020. The spread of this virus globally in early 2020 has caused business disruption domestically in the United States, the area in which the District primarily operates. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of this pandemic. In addition, in August 2020, the New York State Division of Budget (DOB) began withholding 20% of most local aid payments and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. The extent of the financial impact and duration of this matter, including the results of operations or cash flows, cannot be reasonably estimated at this time. Management has evaluated subsequent events through September 28, 2020, which is the date the financial statements were available to be issued.

SKANEATELES CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedules of Changes in the District's Total OPEB Liability and Related Ratios
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Date			
Total OPEB Liability	<u>\$ 49,534,705</u>	<u>\$ 38,888,137</u>	<u>\$ 47,428,499</u>
Service cost	\$ 1,304,048	\$ 1,883,359	\$ 1,716,890
Interest	1,387,687	1,463,455	1,398,963
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	(96,162)
Changes in assumptions or other inputs	9,052,263	(10,819,243)	-
Benefit payments	<u>(1,097,430)</u>	<u>(1,067,933)</u>	<u>(1,005,397)</u>
Net change in total OPEB liability	10,646,568	(8,540,362)	2,014,294
Total OPEB liability - beginning	<u>38,888,137</u>	<u>47,428,499</u>	<u>45,414,205</u>
Total OPEB liability - ending	<u>\$ 49,534,705</u>	<u>\$ 38,888,137</u>	<u>\$ 47,428,499</u>
Covered payroll	\$ 13,378,217	\$ 13,378,217	\$ 13,508,230
Total OPEB liability as a percentage of covered payroll	370.26%	290.68%	351.11%

The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

10 years of historical information is not yet available (implementation in 2018). 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.

See paragraph on required supplementary information included in the auditor's report

SKANEATELES CENTRAL SCHOOL DISTRICT
Required Supplementary Information Schedule of Revenues, Expenditures
and Changes in Fund Balance – Budget (Non –GAAP Basis) and Actual – General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual
REVENUES					
Local sources					
Real property taxes	\$ 25,578,126	\$ 25,578,126	\$ 25,534,659	\$ -	\$ (43,467)
Real property tax items	234,571	234,571	242,296	-	7,725
Nonproperty taxes	30,000	30,000	48,975	-	18,975
Charges for services	160,000	160,000	154,197	-	(5,803)
Use of money and property	145,585	145,585	261,678	-	116,093
Sale of property and compensation for loss	54,500	54,500	76,081	-	21,581
Miscellaneous	145,000	145,000	350,309	-	205,309
Total local sources	26,347,782	26,347,782	26,668,195		320,413
State sources	8,585,684	8,585,684	8,506,038	-	(79,646)
Federal sources - Medicaid	30,000	30,000	40,607	-	10,607
Total revenues	34,963,466	34,963,466	35,214,840	-	251,374
OTHER FINANCING SOURCES					
Transfer from other funds	100,000	100,000	100,000	-	-
Appropriated fund balance	150,000	150,000	-	-	(150,000)
Appropriated reserves	75,000	75,000	-	-	(75,000)
Total revenues and other sources	35,288,466	35,288,466	35,314,840	-	(225,000)
EXPENDITURES					
General support					
Board of education	33,190	33,190	28,717	-	(4,473)
Central administration	264,147	289,652	288,559	-	(1,093)
Finance	636,471	617,640	554,338	-	(63,302)
Staff	214,003	214,003	130,342	-	(83,661)
Central services	2,711,792	2,771,792	2,537,815	105,542	(128,435)
Special items	468,537	484,371	472,367	-	(12,004)
Total general support	4,328,140	4,410,648	4,012,138	105,542	(292,968)
Instruction					
Instruction, administration and improvement	1,552,207	1,504,410	1,416,413	15,266	(72,731)
Teaching - regular school	9,335,090	9,312,562	8,605,402	76,693	(630,467)
Programs for students with disabilities	3,125,265	3,088,062	2,441,574	2,129	(644,359)
Occupational education	350,032	350,032	350,032	-	-
Teaching - special schools	10,440	35,440	30,904	-	(4,536)
Instructional media	1,340,545	1,391,470	1,318,801	23,830	(48,839)
Pupil services	1,939,744	2,011,152	1,767,022	104,161	(139,969)
Total instruction	17,653,323	17,693,128	15,930,148	222,079	(1,540,901)
Pupil transportation	1,460,915	1,460,915	1,158,963	83	(301,869)
Employee benefits	6,420,602	6,298,289	5,549,183	13,902	(735,204)
Debt service	5,195,486	5,195,486	5,199,710	-	4,224
Total expenditures	35,058,466	35,058,466	31,850,142	341,606	(2,866,718)
OTHER FINANCING USES					
Transfer to other funds	230,000	230,000	214,949	-	(15,051)
Total expenditures and other uses	\$ 35,288,466	\$ 35,288,466	\$ 32,065,091	\$ 341,606	\$ (2,881,769)
Net change in fund balance			3,249,749		
Fund balance - beginning			10,612,627		
Fund balance - ending			\$ 13,862,376		

See paragraph on required supplementary information included in the auditor's report

SKANEATELES CENTRAL SCHOOL DISTRICT
Schedule of District Contributions
For the Year Ended June 30, 2020

	<i>Teachers' Retirement System</i>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,259,877	\$ 1,298,583	\$ 1,202,954	\$ 1,321,937	\$ 1,436,943
Contributions in relation to the contractually required contribution	<u>(1,259,877)</u>	<u>(1,298,583)</u>	<u>(1,202,954)</u>	<u>(1,321,937)</u>	<u>(1,436,943)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,526,686	\$ 12,161,831	\$ 11,801,888	\$ 10,719,872	\$ 10,415,423
Contributions as a percentage of covered payroll	10.06%	10.68%	10.19%	12.33%	13.80%
	<i>Employees' Retirement System</i>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 388,393	\$ 400,713	\$ 394,132	\$ 401,930	\$ 497,170
Contributions in relation to the contractually required contribution	<u>(388,393)</u>	<u>(400,713)</u>	<u>(394,132)</u>	<u>(401,930)</u>	<u>(497,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,239,752	\$ 2,937,421	\$ 2,686,702	\$ 2,645,351	\$ 2,584,053
Contributions as a percentage of covered payroll	11.99%	13.64%	14.67%	15.19%	19.24%

See paragraph on required supplementary information included in the auditor's report

SKANEATELES CENTRAL SCHOOL DISTRICT
Schedule of District Proportionate Share of the Net Pension Asset (Liability)
For the Year Ended June 30, 2020

Teachers' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset (liability)	0.0711%	0.0705%	0.0676%	0.0664%	0.0684%	0.0705%
District's proportionate share of the net pension asset (liability)	\$ 1,846,483	\$ 1,275,419	\$ 514,187	\$ 710,744	\$ 7,100,899	\$ 1,691,835
District's covered payroll	\$ 12,526,686	\$ 12,161,831	\$ 11,801,888	\$ 10,719,866	\$ 10,415,423	\$ 10,269,287
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	14.740%	10.487%	4.357%	6.630%	68.177%	16.475%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset (liability)	0.0088%	0.0090%	0.0092%	0.0087%	0.0088%	0.0082%
District's proportionate share of the net pension asset (liability)	\$ (2,327,011)	\$ (634,224)	\$ (296,586)	\$ (815,969)	\$ (1,407,935)	\$ (371,696)
District's covered payroll	\$ 3,025,544	\$ 2,937,421	\$ 2,686,702	\$ 2,645,351	\$ 2,584,053	\$ 2,473,223
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-76.912%	-21.591%	-11.039%	-30.845%	-54.486%	-15.029%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

See paragraph on required supplementary information included in the auditor's report

SKANEATELES CENTRAL SCHOOL DISTRICT
Schedule of Change from Adopted Budget to Final Budget
For the Year Ended June 30, 2020

CHANGE FROM ADOPTED TO REVISED BUDGET

Adopted budget	\$ 35,288,466
Add prior year's encumbrances	<u>240,949</u>
Original budget	35,529,415
Budget revision:	<u>-</u>
Revised budget	<u><u>\$ 35,529,415</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-21 voter-approved expenditure budget	<u>\$ 34,037,540</u>
Maximum allowed (4% of 2020-21 budget)	<u><u>\$ 1,361,502</u></u>

General fund fund balance subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	855,025
Unassigned fund balance	<u>4,046,912</u>
Total unrestricted fund balance	<u><u>4,901,937</u></u>

Less:

Appropriated fund balance	510,644
Appropriated employee benefits reserve	2,775
Encumbrances included in committed and assigned fund balance	<u>341,606</u>
Total adjustments	<u><u>855,025</u></u>

General fund fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 4,046,912</u></u>
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Actual percentage	11.89%
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*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances

See paragraph on other information included in the auditor's report

SKANEATELES CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures – Capital Projects Fund
For the Year Ended June 30, 2020

PROJECT TITLE	Building/ SED Project Number	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance
				Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total	06/30/2020
Project 2021:												
High School/Middle School	0001-027	\$ 28,678,521	\$ 28,678,521	\$ 1,897,384	\$ 4,555,760	\$ 6,453,144	\$ 22,225,377					
State Street Elementary	0002-016	1,721,396	1,721,396	91,057	233,142	324,199	1,397,197					
Waterman Elementary	0007-017	1,610,001	1,610,001	559,874	657,662	1,217,536	392,465					
Waterman Elementary	0007-019	3,441,350	3,441,350	182,114	567,572	749,686	2,691,664					
Transportation facility	5013-003	685,429	685,429	45,529	121,934	167,463	517,966					
Press box	7017-001	363,303	363,303	22,764	43,745	66,509	296,794					
Total - Project 2021		\$ 36,500,000	\$ 36,500,000	\$ 2,798,722	\$ 6,179,815	\$ 8,978,537	\$ 27,521,463	\$ 5,996,000	\$ -	\$ -	\$ 5,996,000	\$ (6,749,628)
Other Capital Expenditures:												
Project 2024		\$ -	\$ -	\$ -	\$ 21,969	\$ 21,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,969)
Capital purchases 2020		100,000	100,000	-	98,467	98,467	-	-	-	98,467	98,467	-
Bus purchase 2020 (replacement)		-	-	-	106,185	106,185	-	-	-	106,185	106,185	-
Bus purchases -2016-2020		-	-	870,080	432,154	1,302,234	-	1,302,234	-	-	1,302,234	(1,302,234)
Total projects		\$ 36,600,000	\$ 36,600,000	\$ 3,668,802	\$ 6,838,590	\$ 10,507,392	\$ 27,521,463	\$ 7,298,234	\$ -	\$ 204,652	\$ 7,502,886	\$ (8,073,831)

See paragraph on other information included in the auditor's report

SKANEATELES CENTRAL SCHOOL DISTRICT
Investment in Capital Assets, Net of Related Debt
For the Year Ended June 30, 2020

Capital assets, net		\$ 55,863,284
Add (deduct):		
Bond anticipation notes payable	(7,298,234)	
Short-term portion of bonds payable	(1,725,000)	
Long-term portion of bonds payable	<u>(11,315,000)</u>	
		<u>(20,338,234)</u>
Net investment in capital assets		<u>\$ 35,525,050</u>

See paragraph on other information included in the auditor's report

FORM OF OPINION OF BOND COUNSEL

August 17, 2021

Skaneateles Central School District
45 East Elizabeth Street
Skaneateles, New York 13152

Re: Skaneateles Central School District
\$1,358,528 Bond Anticipation Notes, 2021 Series B

Ladies and Gentlemen:

As Bond Counsel to the Skaneateles Central School District, Counties of Onondaga and Cayuga, State of New York (the “District”), we have examined a record of proceedings relating to the issuance of \$1,358,528 Bond Anticipation Notes, 2021 Series B (the “Notes”). The Notes are dated August 17, 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 in respect of the Notes and a Certificate of Determination dated on or before August 17, 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 as to 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