PRELIMINARY OFFICIAL STATEMENT DATED JUNE 23, 2022

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Timothy R. McGill Law Offices, Bond Counsel to the District, assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986 (the "Code"), interest on the Notes is excludable from gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not a specific preference item for purposes of Federal alternative minimum tax. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. Interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein for a discussion of certain Federal taxes applicable to owners of the Notes.

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

$12,285,000

WATERVILLE CENTRAL SCHOOL DISTRICT

ONEIDA AND MADISON COUNTIES, NEW YORK

$12,285,000 Bond Anticipation Notes, 2022 (Renewals)

(the "Notes")

Dated: July 14, 2022 **Due: June 28, 2023**

The Notes are general obligations of the Waterville Central School District, Oneida and Madison 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(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, as may be determined by such successful bidder(s). 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(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Timothy R. McGill Law Offices, Fairport, New York, Bond Counsel. 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 July 14, 2022.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on June 28, 2022 until 10:30 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June __, 2022

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 "CONTINUING DISCLOSURE" HEREIN.

WATERVILLE CENTRAL SCHOOL DISTRICT
ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

STEPHEN STANTON
President

RUSSELL STEWART
Vice President

SUSANNAH QUAYLE
TIM JONES
STEVEN TURNER
LINDA HUGHES
DAVID POYER

* * * * * * * *

JENNIFER SPRING, ED.D.
Superintendent of Schools

TRACY LEONE
School Business Administrator

KIM FANCETT
School District Clerk

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TIMOTHY R. MCGILL, ESQ.
Bond Counsel

No person has been authorized by the Waterville Central School District (the "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 District.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

WATERVILLE CENTRAL SCHOOL DISTRICT
ONEIDA AND MADISON COUNTIES, NEW YORK

Relating To

$12,285,000 Bond Anticipation Notes, 2022 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Waterville Central School District, Oneida and Madison Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $12,285,000 principal amount of Bond Anticipation Notes, 2022 (Renewals) (the "Notes")

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. 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 and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See "MARKET AND RISK FACTORS - COVID-19" 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, subject to applicable statutory limitations.

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal 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 OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Series Notes will be dated July 14, 2022 and will mature, without option of prior redemption, on June 28, 2023. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued in either (i) registered form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, except for one necessary odd denomination, as may be determined by the successful bidder(s) or (ii) at the option of the purchaser(s), as registered book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of 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 constitutional statutes of the State of New York, including among tother, the Education Law and the Local Finance Law and a bond resolution of the District dated March 24, 2020 authorizing the issuance of up to $12,310,000 serial bonds for the reconstruction and improvement of various District buildings and facilities.

The proceeds of the Notes together with $25,000 available funds of the District will redeem $12,310,000 bond anticipation notes outstanding and maturing on July 15, 2022 and issued for the aforementioned capital project.

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, a limited-purpose trust company organized under the New York Banking Law, is 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.

Redemption proceeds, distributions, and dividend 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 redemption proceeds, distributions, and dividend 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, as may be determined by such successful bidder(s). Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York and is situated principally in the County of Oneida, with a small portion situated in Madison County. The City of Utica is approximately 14 miles north. The District encompasses and area approximately 68 square miles. Major highways of service to the District include U.S. #20 and State highways #8 and #12. Exchanges to the New York State Thruway are within one-half hour from the District, as is the Oneida and Madison Counties Airport.

The District is primarily residential and agricultural in nature. Many of its residents are employed in the Utica metropolitan area. Professional and commercial services are available to residents in the incorporated Village of Waterville as well as the City of Utica.

Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Source: District officials.

District Population

The 2020 estimated population of the District is 5,730. (Source: U.S. Census Bureau, 2016-2020 American Community Survey data).

Larger Employers

Name of Employer	Nature of Business	Approximate Number Employed
Waterville Central School District	Public Education	135
Harding Nursing Home	Nursing Home	100
Champion Home Builders	Modular Homes	90
Hanson Aggregates	Gravel Pit	75
Gallagher Farms	Farm	40

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Augusta	$ 16,367	$ 21,270	$ 30,405	$ 41,302	$ 53,900	$ 54,239
Kirkland	21,164	27,665	36,477	58,958	77,774	108,721
Marshall	19,133	27,719	38,282	47,214	74,571	99,625
Paris	18,446	28,617	38,695	50,379	65,129	96,034
Sangerfield	17,068	23,384	32,002	44,871	56,790	79,083
Vernon	19,523	24,579	37,618	44,951	59,563	90,541
Brookfield	13,719	20,344	27,977	35,915	50,417	66,958
Madison	18,468	26,747	32,429	41,630	55,579	78,103
Counties of:						
Oneida	18,516	23,458	30,678	45,341	58,017	74,796
Madison	19,105	24,311	32,443	47,889	61,828	78,812
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 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 2016-2020 American Community Survey data.

Unemployment Rate Statistics

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

	Annual Average							
	2014	2015	2016	2017	2018	2019	2020	2021
Oneida County	6.2%	5.4%	4.9%	5.0%	4.4%	4.1%	7.8%	5.1%
Madison County	6.5%	5.7%	5.4%	5.5%	4.8%	4.3%	7.5%	4.5%
New York State	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%

	2021-22 Monthly Figures											
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Oneida County	5.5%	5.2%	4.8%	4.1%	3.8%	3.5%	3.1%	4.0%	4.2%	3.9%	3.3%	N/A
Madison County	4.9%	4.7%	4.2%	3.5%	3.3%	3.0%	2.9%	4.0%	4.2%	3.9%	3.0%	N/A
New York State	7.5%	7.1%	6.7%	5.7%	5.3%	4.9%	4.5%	5.3%	5.1%	4.7%	4.2%	N/A

Note: Unemployment rates for the month of May 2022 are not available as of the date of this Official Statement.

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

Form of School Government

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

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to 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 School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) 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 2021-22 fiscal year was adopted by qualified voters on May 18, 2021 by a vote of 216 yes to 56 no. The District's adopted budget for the 2021-22 fiscal year included a total tax levy increase of 2.50%, which was above the District's tax levy limit of 0.109% for the 2021-22 fiscal year.

The budget for the 2022-23 fiscal year was adopted by qualified voters on May 17, 2022 by a vote of 315 yes to 133 no. The District's adopted budget for the 2021-22 fiscal year included a total tax levy increase of 3.4%, which equaled the District's tax levy limit of 3.4% for the 2022-23 fiscal year.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2022-23 fiscal year, approximately 67.1% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

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.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. 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 adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. The State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State’s 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in 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.

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.

Federal aid received by the State.

Since March 2020, the State has been awarded over $14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (“CRRSA”); and the American Rescue Plan (“ARP”) Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $2,281,413 of ARP funds and $698,366 of CRRSA funds.

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2022-23 preliminary building aid ratios, the District expects to receive State building aid of approximately 89.8% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

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

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

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6% 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% lower than in the State's 2019-2020 Enacted Budget 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 approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. 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 is continued under existing aid formulas. Out-year growth in School Aid reflected then 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% 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% 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. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school 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 of foundation aid is now scheduled to occur as listed in the following paragraph.

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. On October 14, 2021 Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2021-22 and 2022-23 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 17,448,342	$ 11,730,540	67.23%
2017-2018	17,506,780	11,858,667	67.74
2018-2019	17,814,298	11,869,855	66.63
2019-2020	18,196,214	12,093,495	66.46
2020-2021	19,191,879	12,586,729	65.58
2021-2022 (Budgeted)	19,096,357	12,811,246	67.09
2022-2023 (Budgeted)	20,043,141	13,452,808	67.12

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Memorial Park Elementary School	K-6	894	1959, '06
Middle / High School	7-12	933	1973, '06

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-17	772	2021-22	700
2017-18	783	2022-23	775
2018-19	804	2023-24	775
2019-20	810	2024-25	775
2020-21	770	2025-26	775

Source: District officials.

Employees

The District employs approximately 114 full-time and 23 part-time employees. Certain employees are represented by the following unions:

Number	Union	Contract Expiration Date
80	NYSUT	June 30, 2020 (1)
45	Service Employees International Union	June 30, 2023

(1) Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

On March 16, 2012, a new Tier VI pension program was signed into law, 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 2022-2023 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	$ 224,377	$ 500,650
2018-2019	217,774	546,084
2019-2020	223,767	461,105
2020-2021	221,202	465,691
2021-2022	255,000	550,000
2022-2023 (Budgeted)	200,000	525,000

Source: District officials.

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 currently does not have any early retirement incentive programs for its employees.

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 employer contribution rates as a percent of payroll (2016-17 to 2022-23) is shown below:

Fiscal Year	ERS	TRS
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated. The TRS Retirement Board is expected to adopt the 2022-23 employer contribution rate at its August 3, 2022 meeting.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows 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 TRS reserve fund during the 2021-22 fiscal year.

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.

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.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at:	July 1, 2019	July 1, 2020
	$ 39,374,786	$ 41,813,545
Changes for the year:		
Service cost	1,567,473	1,515,904
Interest	1,567,828	1,500,488
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	(4,452,376)
Changes in assumptions or other inputs	163,246	9,387,550
Benefit payments	(859,788)	(916,724)
Net Changes	$ 2,438,759	$ 7,034,842
Balance ending at:	**June 30, 2020**	**June 30, 2021**
	$ 41,813,545	**$ 48,848,387**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability, see "APPENDIX - E" attached hereto.

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as "APPENDIX – E". Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for 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.

New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on December 9, 2016. The purpose of the audit was to determine if District official performed proper criminal history background checks for the period July 1, 2014 through November 17, 2015. Key findings and recommendations from the audit report are summarized below:

<u>Key Findings:</u>

- District officials properly performed criminal history background checks, which helped ensure the safety of their students.

<u>Key Recommendations:</u>

- There are no recommendations in the report.

The District provided a complete response to the State Comptroller's office on December 6, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The State Comptroller's office recently completed a routine audit of the District which focused on information technology. The audit report is still pending release as of the date of this Official Statement.

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

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 2016-17 through 2020-21 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	Susceptible	6.7
2020	Susceptible	25.0
2019	No Designation	3.3
2018	No Designation	10.0
2017	No Designation	13.3

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

Other Information

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

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

No principal or interest upon any obligation of the District is past due. On August 15, 2017 the District had a principal and interest payment due related to its $342,00 School, District Serial Bonds, 2016 in the amount of $62,000 and $5,488.33, respectively. The principal amount of $62,000 and a $919.66 portion of the interest due was paid in a timely manner. However, due to a clerical oversight, the remaining balance of interest in the amount of $4,568.67 was not paid until August 22, 2017 upon notification of the payment discrepancy. The District had the funds available on hand to make the payment at the time it was due. On August 14, 2020 the District had a principal and interest payment due related to its $416,000 Bond Anticipation Notes, 2019 in the amount of $416,000 and $7,010.87, respectively. The interest due of $7,010.87 was paid in a timely manner, however, due to a clerical oversight only $83,200 principal was paid to the holder of the notes. Upon notice of the payment error, the remaining principal balance was paid on August 28, 2020. The District had the funds available on hand to make the payment at the time it was 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.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Augusta	$ 23,568,510	$ 23,662,134	$ 23,743,981	$ 23,754,281	$ 23,795,676
Brookfield	12,175,355	12,363,248	12,466,831	12,471,596	12,657,681
Kirkland	3,457,317	3,441,896	3,531,737	3,508,724	3,513,671
Madison	3,257,604	3,381,644	3,635,911	3,673,028	3,631,701
Marshall	64,433,897	65,446,206	65,988,295	66,551,660	66,372,179
Paris	18,359	17,800	17,582	16,968	16,901
Sangerfield	73,358,967	73,503,241	73,645,406	73,697,034	73,844,709
Vernon	51,183	52,201	53,265	48,967	48,617
Total Assessed Values	$ 180,321,192	$ 181,868,370	$ 183,083,008	$ 183,722,258	$ 183,881,135
State Equalization Rates					
Towns of:					
Augusta	62.00%	62.00%	58.00%	58.00%	57.00%
Brookfield	98.00%	97.00%	94.00%	92.00%	94.00%
Kirkland	63.00%	60.00%	57.00%	57.00%	54.00%
Madison	78.50%	75.50%	74.50%	71.85%	72.50%
Marshall	66.00%	66.00%	64.00%	62.00%	59.00%
Paris	95.00%	92.00%	87.00%	85.00%	79.50%
Sangerfield	60.50%	59.00%	55.90%	54.50%	54.10%
Vernon	73.50%	73.50%	66.20%	64.50%	61.00%
Total Taxable Full Valuation	$ 279,045,746	$ 284,958,893	$ 300,229,225	$ 308,440,656	$ 315,821,326

Source: District officials.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Augusta	$ 29.25	$ 29.55	$ 30.51	$ 30.39	$ 30.95
Brookfield	18.51	18.88	18.83	19.16	18.77
Kirkland	28.79	30.53	31.05	30.93	32.68
Madison	23.10	24.26	23.75	24.53	24.34
Marshall	27.48	27.75	27.65	28.43	29.91
Paris	19.09	19.91	20.34	20.74	22.20
Sangerfield	29.98	31.05	31.66	32.34	32.62
Vernon	24.67	24.92	26.73	27.33	32.62

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge from September 1st through September 30th, but a 2% penalty is charged from October 1st to October 31st and from then on until November 15th when uncollected taxes are returnable to the Counties of Oneida and Madison for collection. The District receives this amount of uncollected taxes from said Counties on or before April 30th, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 5,060,775	$ 5,219,848	$ 5,312,878	$ 5,437,168	$ 5,573,097
Amount Uncollected (1)	440,499	413,593	587,264	527,718	323,565
% Uncollected	8.70%	7.92%	11.05%	9.71%	5.81%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 17,448,342	$ 4,975,259	28.51%
2017-2018	17,506,780	5,083,892	29.04
2018-2019	17,814,298	5,239,527	29.41
2019-2020	18,196,214	5,339,083	29.34
2020-2021	19,191,879	5,459,498	28.45
2021-2022	19,096,357	5,573,097	29.18
2022-2023 (Budgeted)	20,043,141	5,762,582	28.75

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

Ten Larger Taxpayers - 2021 Assessment for 2021-22 Tax Roll

Name	Type	Taxable Assessed Valuation
NYSEG	Utility	$ 3,799,896
Dominion Resources	Utility – Gas	2,668,976
Tenneco Inc.	Utility – Gas Pipeline	2,148,058
NYS Elec & Gas Corp.	Utility	2,138,020
Titan Homes	Commercial	1,845,000
Hanson Aggregates New York, Inc.	Real Estate	1,169,000
Tower Street Realty, LLC	Stone Quarry	1,085,000
Collins Farm Realty, LLC	Apartments	1,025,475
Conifer Waterville Associates	Commercial	919,600
Gold Star Feed and Grain, LLC	Real Estate	885,862

The ten larger taxpayers listed above have a total assessed valuation of $17,684,887, which represents 9.6% of the tax base of the District.

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

Source: District officials.

Additional Tax Information

Real property located in the District is assessed by the applicable towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-62%, Agricultural-15%, Commercial -13% and Vacant-10%

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $3,500 including County, Town, School District and Fire District taxes.

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.

<u>STAR – School Tax Exemption.</u> The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provides $2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Augusta	$ 42,690	$ 17,100	4/7/2022
Brookfield	70,410	28,200	4/7/2022
Kirkland	40,450	16,200	4/7/2022
Madison	54,300	21,750	4/7/2022
Marshall	44,190	17,700	4/7/2022
Paris	59,550	23,850	4/7/2022
Sangerfield	40,520	16,230	4/7/2022
Vernon	45,690	18,300	4/7/2022

$872,697 of the District's $5,437,168 school tax levy for the 2020-21 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2021.

$867,204 of the District's $5,573,097 school tax levy for the 2021-22 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2022.

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.

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 federal 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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation 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 one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness is contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. 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, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

The Board of Education, as the finance board of the School 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 School District, pursuant to the Local Finance Law.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except in certain circumstances, the District complies with such procedure. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

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

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of 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.

STATUS OF INDEBTEDNESS

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
Bonds	$ 14,087,000	$ 12,360,000	$ 11,145,000	$ 10,665,000	$ 8,830,000
Bond Anticipation Notes	1,581,500	1,560,000	1,490,000	416,000	2,683,800
Total Debt Outstanding	$ 15,668,500	$ 13,920,000	$ 12,635,000	$ 11,081,000	$ 11,513,800

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 23, 2022:

Type of Indebtedness	Maturity		Amount
Bonds	2022-2035		$ 7,115,000
Bond Anticipation Notes			
Capital Project	July 15, 2022		12,310,000 (1)
Purchase of Buses	August 12, 2022		851,205
		Total Indebtedness:	$ 20,276,205

(1) To be redeemed at maturity with the proceeds of the Notes and $25,000 in available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 23, 2022:

Full Valuation of Taxable Real Property			$ 315,821,326
Debt Limit 10% thereof			31,582,133
Inclusions:			
Bonds	$ 7,115,000		
Bond Anticipation Notes	13,161,205		
Total Inclusions		$ 20,276,205	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 20,276,205
Net Debt-Contracting Margin			$ 11,305,928
The percent of debt contracting power exhausted is			64.20%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2022-23 Building Aid Ratios, the School District anticipates State Building aid of 89.8% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Cash Flow Borrowings

The School District has not issued tax and/or revenue anticipation notes or budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Capital Project Plans

On March 5, 2020, the qualified voters of the District approved a capital project consisting of improvements and reconstruction to District buildings and facilities at a maximum estimated cost of $12,800,000 (the "Capital Project"), including the expenditure of $550,000 Capital Reserve funds. To date, the District has issued $12,310,000 pursuant to this authorization, of which $12,310,000 bond anticipation notes are currently outstanding and will mature of July 15, 2022. The proceeds of the Notes will renew a $12,285,000 portion of the bond anticipation notes through June 2023.

The District typically borrows annually for the purchase of school buses. The District anticipates issuing $447,815 in new money to finance the purchase of buses.

There are presently no other capital projects authorized and unissued by the 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 respective fiscal year for the municipalities.

Municipality	Status of Debt as of	Outstanding Indebtedness [1]	Exclusions [2]	Net Indebtedness	% Within District	Applicable Net Indebtedness
County of:						
Oneida	12/31/2020	$ 412,877,539	$ 251,880,165	$ 160,997,374	2.37%	$ 3,815,638
Madison	12/31/2020	47,062,956	1,983,269	45,079,687	0.42%	189,335
Town of:						
Augusta	12/31/2020	-	-	-	39.73%	-
Brookfield	12/31/2020	531,942	58,417	473,525	10.00%	47,353
Kirkland	12/31/2020	3,648,744	463,744	3,185,000	0.98%	31,213
Madison	12/31/2020	-	-	-	2.05%	-
Marshall	12/31/2020	-	-	-	83.62%	-
Paris	12/31/2020	510,600	460,000	50,600	0.01%	5
Sangerfield	12/31/2020	81,600	-	81,600	99.57%	81,249
Vernon	12/31/2020	-	-	-	0.02%	-
Village of:						
Waterville	5/31/2021	1,596,318	-	1,596,318	100.00%	1,596,318
Clayville	5/31/2021	210,946	29,944	181,002	100.00%	181,002
Madison	5/31/2021	-	-	-	100.00%	-
					Total:	$ 5,942,112

Notes:

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

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

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and towns and 2021 for villages.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 23, 2022:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 20,276,205	$ 3,538.60	6.42%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	26,218,317	4,575.62	8.30

(a) The 2020 estimated population of the District is 5,730. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2021-22 tax roll is $315,821,326. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is $4,437,859. (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. On August 15, 2017 the District had a principal and interest payment due related to its $342,00 School, District Serial Bonds, 2016 in the amount of $62,000 and $5,488.33, respectively. The principal amount of $62,000 and a $919.66 portion of the interest due was paid in a timely manner. However, due to a clerical oversight, the remaining balance of interest in the amount of $4,568.67 was not paid until August 22, 2017 upon notification of the payment discrepancy. The District had the funds available on hand to make the payment at the time it was due. On August 14, 2020 the District had a principal and interest payment due related to its $416,000 Bond Anticipation Notes, 2019 in the amount of $416,000 and $7,010.87, respectively. The interest due of $7,010.87 was paid in a timely manner, however, due to a clerical oversight only $83,200 principal was paid to the holder of the notes. Upon notice of the payment error, the remaining principal balance was paid on August 28, 2020. The District had the funds available on hand to make the payment at the time it was due.

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

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, as well as resulting in a delay or reduction of sales tax receipts or other revenues of the District. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the State has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and business have since reopened. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities 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 also "*State Aid*" and "*State Aid History*" herein).

Outside of certain additional expenses incurred primarily in the areas of staffing due to recent requirements to provide certain paid leave under the Families First Coronavirus Response Act, the District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 2021-22 fiscal year or for the foreseeable future under current conditions.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes and Notes be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The District has covenanted to comply with such requirements. Failure by the District to comply with such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactive to the date of initial issuance of the Notes. In the opinion of Bond Counsel, to be delivered at the time of initial issuance of the Notes, under existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code and will continue to be so excluded if the District complies with all such requirements; and under the Code, interest on the Notes is not a specific item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the Notes.

Among other things, the Code requires that, under certain circumstances, the yield on investments acquired with the proceeds of debt obligations be restricted and that an amount equal to the net arbitrage earnings from the investment of the proceeds thereof be paid to the Federal Government. If, in those circumstances, the School District intentionally failed to restrict the yield on such investments, or failed to make the required payments to the Federal Government within the periods and in the manner specified by the Code with regard to both the Notes and any obligations refunded with proceeds of the Notes, or failed to comply with certain other provisions of the Code, interest on the Notes would be subject to the Federal Government on a timely basis, such noncompliance was not due to willful disregard and relief was sought from, and granted by, the Internal Revenue Service. The School District will covenant in its arbitrage and closing certificate with respect to the Notes that it will take all actions on its part necessary under the Code to cause interest on the Notes not be includable in the gross income of the owners thereof for Federal income tax purposes, including compliance with the requirements set forth above, to the extent the same are applicable, and refrain from taking any action which would cause interest on the Notes to be includable in the gross income of the owners thereof for Federal income tax purposes, The opinion of Bond Counsel described herein with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable Federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition to the matters referred to in the preceding paragraph, prospective purchasers of the Notes should be aware of other federal income tax consequences of acquiring the Notes, including, without limitation, that (i) with respect to certain insurance companies, the Code reduces the deduction for loss reserves by a portion of the sum of certain items, including interest on the Notes, (ii) interest on the Notes earned by certain foreign corporations doing business in the United States may be subject to a branch profits tax imposes by the Code, (iii) passive investment income, including interest on the Notes, may be subject to federal income taxation under the Code for certain S corporations that have certain earnings and profits, and (iv) the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Notes. In addition, the Code, subject to the limited exception hereinafter described, denies the interest deduction for indebtedness, incurred or continued by banks, thrift institutions and certain other financial institutions to purchase or carry tax-exempt obligations, such as the Notes. The denial to such financial institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such financial institutions after August 7, 1986, for taxable years ending after December 31, 1986. The Code, however, contains a limited exception to this provision which permits a deduction for interest for such financial institutions to the extent that they purchase, directly or in the secondary market, obligations of certain governmental units that together with all subordinate or "on behalf of" entities thereof (and other governmental units with respect to which they are an "behalf of" entity) do not reasonably expect to issue in the aggregate more than $10,000,000 of tax-exempt obligations [other than certain current refunding obligations and private activity bonds except for qualified 501(c)(3) bonds] in a calendar year and that designate such obligations as qualifying for such exception, unless such obligations are deemed so designated pursuant to the Code. In the record of proceedings providing for the issuance of the Notes, the District has (i) represented that there is no other governmental unit with respect to which the District would be a subordinate or "on behalf of" entity, (ii) represents that it reasonably expects that it, together with any subordinate or "on behalf of" entity thereof, will issue in the aggregate more than $10,000,000 of such tax-exempt obligations during the relevant calendar year, and (iii) does NOT designate the Notes as qualifying for such exception, and the Notes are not deemed so designated pursuant to the Code for such purpose.

The Code has been continuously subject to legislative modifications, amendments and revisions and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. Future or pending proposals, if enacted into law, regulations, rulings or court decisions may cause interest on the Bonds to be subject, directly or indirectly to federal income taxation or to State or local taxation, or may otherwise prevent beneficial owners from realizing the full benefit of the tax status of such interest. No representation is made as to the likelihood of such proposals being enacted in the current or similar form, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership on the Bonds. Prospective purchasers should consult their tax advisors regarding any pending or proposed federal or State tax legislations, regulations, rulings or litigation.

For example, various proposals have been made in Congress and by the President (the “Proposed Legislation”) which, if enacted, would subject interest on the bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Bonds to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of thresholds specified in the Proposed Legislation. It is unclear if the Proposed Legislation would be enacted, whether in its current or amended form, or if other legislation that would subject interest on the Bonds to a tax or cause interest on the Bonds to be included in the computation of a tax, will be introduced or enacted. Prospective purchasers should consult their tax advisors as to the effect of the Proposed Legislation, if enacted in its current form or as it may be amended, or such other legislation on their individual situations.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The validity of the Notes will be covered by the unqualified legal opinion of Timothy R. McGill, Esq., Fairport, New York, Bond Counsel to the District, such opinions to be delivered with the Notes. The proposed form of such opinion is attached hereto as "APPENDIX – D".

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications; (ii) the scope of Bond Counsel's 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 therein; (iii) the opinions expressed therein 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 District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the 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 the light of the circumstances under which they were made, not misleading. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the District, or (ii) on the market price and fair market value of the Notes at initial issuance or at any time thereafter.

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 ("The Rule"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A" with a Stable outlook to the District's outstanding general obligation 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 outstanding 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.

Timothy R. McGill Law Offices, Fairport, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

The District's contact information is as follows: Ms. Tracy Leone, School Business Official, 381 Madison Street, Waterville, New York 13480, Phone: (315) 841-3913, Fax: (315) 841-3939, Email: tleone@watervillecsd.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., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

WATERVILLE CENTRAL SCHOOL DISTRICT

Dated: June 23, 2022

STEPHEN STANTON
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Unrestricted Cash	$ 1,004,608	$ 831,674	$ 1,030,468	$ 810,710	$ 2,013,531
Restricted Cash	2,162,495	2,163,575	2,005,700	1,734,374	1,184,463
Taxes Receivable	9,449	16,247	16,688	18,521	17,313
Accounts Receivable	15,283	883,086	-	-	-
Other Receivables	-	-	53	53	235,353
Due from Fiduciary Funds	-	-	-	-	-
Due from Other Governments	-	-	800,344	788,557	1,270,481
Due from Other Funds	124,649	287,633	138,464	517,295	417,912
Due from State & Federal	960,203	5,753	-	-	-
TOTAL ASSETS	$ 4,276,687	$ 4,187,968	$ 3,991,717	$ 3,869,510	$ 5,139,053
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 81,432	$ 187,421	$ 96,169	$ 187,539	$ 480,836
Accrued Liabilities	366,820	224,328	127,187	186,524	398,396
Deferred Revenue	200,026	200,026	200,026	357,737	200,026
Due to Other Funds	3,277	125,105	219,460	244,289	335,896
Due to Teachers' Retirement System	594,617	524,596	567,927	480,789	466,233
Due to Employees' Retirement System	55,484	57,922	55,942	58,870	62,711
TOTAL LIABILITIES	1,301,656	1,319,398	1,266,711	1,515,748	1,944,098
FUND EQUITY					
Restricted	$ 2,162,495	$ 2,163,575	$ 2,005,700	$ 1,734,374	$ 1,184,463
Assigned	30,678	10,969	110,849	247,190	138,234
Unassigned	781,858	694,026	608,457	372,198	1,872,258
TOTAL FUND EQUITY	2,975,031	2,868,570	2,725,006	2,353,762	3,194,955
TOTAL LIABILITIES & FUND EQUITY	$ 4,276,687	$ 4,187,968	$ 3,991,717	$ 3,869,510	$ 5,139,053

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 3,988,269	$ 4,122,934	$ 4,278,326	$ 4,407,468	$ 4,564,135
Other Real Property Tax Items	986,990	960,958	961,201	931,615	895,363
Nonproperty Taxes	-	-	-	-	-
Charges for Services	13,449	12,338	20,715	15,416	26
Use of Money & Property	92,811	92,451	127,314	127,906	113,250
Sale of Property and Compensation for Loss	8,899	18,538	15,477	587	2,400
Miscellaneous	553,367	385,987	407,563	480,840	789,470
Revenues from State Sources	11,730,540	11,858,667	11,869,855	12,093,495	12,586,729
Revenues from Federal Sources	74,017	54,907	133,847	138,887	240,506
Total Revenues	$ 17,448,342	$ 17,506,780	$ 17,814,298	$ 18,196,214	$ 19,191,879
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	17,448,342	17,506,780	17,814,298	18,196,214	19,191,879
EXPENDITURES					
General Support	$ 1,943,273	$ 1,920,559	$ 1,943,830	$ 1,974,398	$ 1,970,142
Instruction	8,463,537	8,819,659	9,138,287	9,556,860	8,802,882
Pupil Transportation	769,919	789,446	795,020	756,180	728,935
Community Services	-	-	-	-	-
Employee Benefits	3,557,090	3,655,171	3,769,703	3,893,092	3,882,502
Debt Service	2,509,788	2,394,906	2,301,022	2,210,928	2,333,025
Total Expenditures	$ 17,243,607	$ 17,579,741	$ 17,947,862	$ 18,391,458	$ 17,717,486
Other Uses:					
BAN'S Redeemed From Appropriations	-	21,500	-	125,000	83,200
Interfund Transfers	-	12,000	10,000	51,000	550,000
Total Expenditures and Other Uses	17,243,607	17,613,241	17,957,862	18,567,458	18,350,686
Excess (Deficit) Revenues Over Expenditures	204,735	(106,461)	(143,564)	(371,244)	841,193
FUND BALANCE					
Fund Balance - Beginning of Year	2,770,296	2,975,031	2,868,570	2,725,006	2,353,762
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 2,975,031	$ 2,868,570	$ 2,725,006	$ 2,353,762	$ 3,194,955

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2021			2022	2023
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 4,487,168	$ 4,487,168	$ 4,564,135	$ 5,573,097	$ 5,762,582
STAR & Other Real Property Tax Items	960,000	960,000	895,363	-	-
Nonproperty Taxes	-	-	-	-	-
Charges for Services	29,000	29,000	26	-	-
Use of Money & Property	125,000	125,000	113,250	-	-
Sale of Property and Compensation for Loss	-	-	2,400	-	-
Miscellaneous	423,000	552,000	789,470	712,014	827,751
Revenues from State Sources	12,388,466	12,388,466	12,586,729	12,811,246	13,452,808
Revenues from Federal Sources	90,000	90,000	240,506	-	-
Total Revenues	$ 18,502,634	$ 18,631,634	$ 19,191,879	$ 19,096,357	$ 20,043,141
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	18,502,634	18,631,634	19,191,879	19,096,357	20,043,141
EXPENDITURES					
General Support	$ 2,192,260	$ 2,196,512	$ 1,970,142	$ 2,354,839	$ 2,263,080
Instruction	9,472,295	9,605,633	8,802,882	9,219,853	9,863,450
Pupil Transportation	907,443	908,854	728,935	883,033	938,900
Community Services	-	-	-	-	-
Employee Benefits	4,179,705	4,169,704	3,882,502	4,244,500	4,303,000
Debt Service	2,419,578	2,419,578	2,333,025	2,352,132	2,629,711
Total Expenditures	$ 19,171,281	$ 19,300,281	$ 17,717,486	$ 19,054,357	$ 19,998,141
Other Uses:					
BAN'S Redeemed From Appropriations	-	-	83,200	-	-
Interfund Transfers	12,000	12,000	550,000	42,000	45,000
Total Expenditures and Other Uses	19,183,281	19,312,281	18,350,686	19,096,357	20,043,141
Excess (Deficit) Revenues Over Expenditures	(680,647)	(680,647)	841,193	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	680,647	680,647	2,353,762	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 3,194,955	$ -	$ -

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

BONDED DEBT SERVICE
(as of June 23, 2022)

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	$ 1,715,000	$ 400,013	$ 2,115,013
2023	1,105,000	326,900	1,431,900
2024	1,060,000	278,750	1,338,750
2025	1,105,000	228,225	1,333,225
2026	835,000	181,850	1,016,850
2027	655,000	148,400	803,400
2028	465,000	117,750	582,750
2029	490,000	94,500	584,500
2030	510,000	70,000	580,000
2031	535,000	44,500	579,500
2032	90,000	17,750	107,750
2033	100,000	13,250	113,250
2034	105,000	8,250	113,250
2035	60,000	3,000	63,000
TOTALS	$ 8,830,000	$ 1,933,138	$ 10,763,138

CURRENT BONDS OUTSTANDING
(as of June 23, 2022)

Fiscal Year Ending June 30th	2011 DASNY - Reconstruction			2017 Refunding of 2003, 2006 & 2007 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	370,000	57,400	427,400	280,000	50,800	330,800
2024	390,000	38,400	428,400	285,000	39,600	324,600
2025	405,000	18,525	423,525	295,000	28,200	323,200
2026	210,000	4,200	214,200	200,000	16,400	216,400
2027	-	-	-	210,000	8,400	218,400
TOTALS	$ 1,375,000	$ 118,525	$ 1,493,525	$ 1,270,000	$ 143,400	$ 1,413,400

Fiscal Year Ending June 30th	2017A DASNY - Capital Projects			2020A DASNY - Capital Projects		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ -	$ -	$ -	$ -	$ -	$ -
2023	310,000	165,650	475,650	60,000	50,500	110,500
2024	320,000	153,250	473,250	65,000	47,500	112,500
2025	340,000	137,250	477,250	65,000	44,250	109,250
2026	355,000	120,250	475,250	70,000	41,000	111,000
2027	370,000	102,500	472,500	75,000	37,500	112,500
2028	390,000	84,000	474,000	75,000	33,750	108,750
2029	410,000	64,500	474,500	80,000	30,000	110,000
2030	430,000	44,000	474,000	80,000	26,000	106,000
2031	450,000	22,500	472,500	85,000	22,000	107,000
2032	-	-	-	90,000	17,750	107,750
2033	-	-	-	100,000	13,250	113,250
2034	-	-	-	105,000	8,250	113,250
2035	-	-	-	60,000	3,000	63,000
TOTALS	$ 3,375,000	$ 893,900	$ 4,268,900	$ 1,010,000	$ 374,750	$ 1,384,750

Fiscal Year Ending June 30th	2018 Buses		
	Principal	Interest	Total
2022	$ -	$ 5,100	$ 5,100
2023	85,000	2,550	87,550
TOTALS	$ 85,000	$ 7,650	$ 92,650

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

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

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

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

FORM OF BOND COUNSEL'S OPINION – SERIES B NOTES

LAW OFFICES

OF

Timothy R. McGill

248 WILLOWBROOK OFFICE PARK
FAIRPORT, NEW YORK 14450

Kristine M. Bryant
Paralegal

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July 14, 2022

Board of Education of the
Waterville Central School District
Oneida and Madison Counties, New York

Re: ***Waterville Central School District, Oneida and Madison Counties, New York***
$12,285,000 Bond Anticipation Notes, 2022 (Renewals)

Dear Board Members:

I have examined a record of proceedings relating to the issuance of $12,285,000 aggregate principal amount of Bond Anticipation Notes, 2022 (Renewals) of the Waterville Central School District, a school district of the State of New York. The Notes are [registered to ________________/ in book-entry-only form registered to "Cede & Co.,"] are dated July 14, 2022, are numbered 2022A-__, bear interest at the rate of ________________ per centum (___%) per annum payable at maturity, mature June 28, 2023, and are issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted March 24, 2020. The proposition approving the matters set forth in the bond resolution was approved by the voters of the School District on March 5, 2020. The Notes are not subject to redemption prior to maturity. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Notes are valid and legally binding obligations of the Waterville Central School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the School District without limitation as to rate or amount.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my 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. Such opinions 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 and interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Notes for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, 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 the light of the circumstances under which they were made, not misleading. In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the School District, or (ii) on the market price and fair market value of the Bonds at initial issuance or at any time thereafter.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Notes is not a specific preference item for purposes of the Federal alternative minimum tax. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Notes. Further, in my opinion, interest on the Notes is exempt from New York State and New York City personal income taxes under existing statutes.

Very truly yours,

Timothy R. McGill, Esq.

TRM:

WATERVILLE CENTRAL SCHOOL DISTRICT
ONEIDA AND MADISON COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

WATERVILLE CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Waterville Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Waterville Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Waterville Central School District, as of June 30, 2021, 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.

New Accounting Standard

As discussed in Notes 1 and 16 to the financial statements, the District changed accounting policies related to the accounting and reporting of fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*. The new pronouncement changes the criteria used to determine which government activities are considered fiduciary and provides guidance on accounting and reporting for the fiduciary activities identified. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterville Central School District's basic financial statements. The other supplementary information on pages 52 through 54 is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, on our consideration of the Waterville Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Waterville Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 12, 2021

Utica, New York

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

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

Board of Education
Waterville Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waterville Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Waterville Central School District's basic financial statements, and have issued our report thereon dated October 12, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 12, 2021

Utica, New York

The Waterville Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

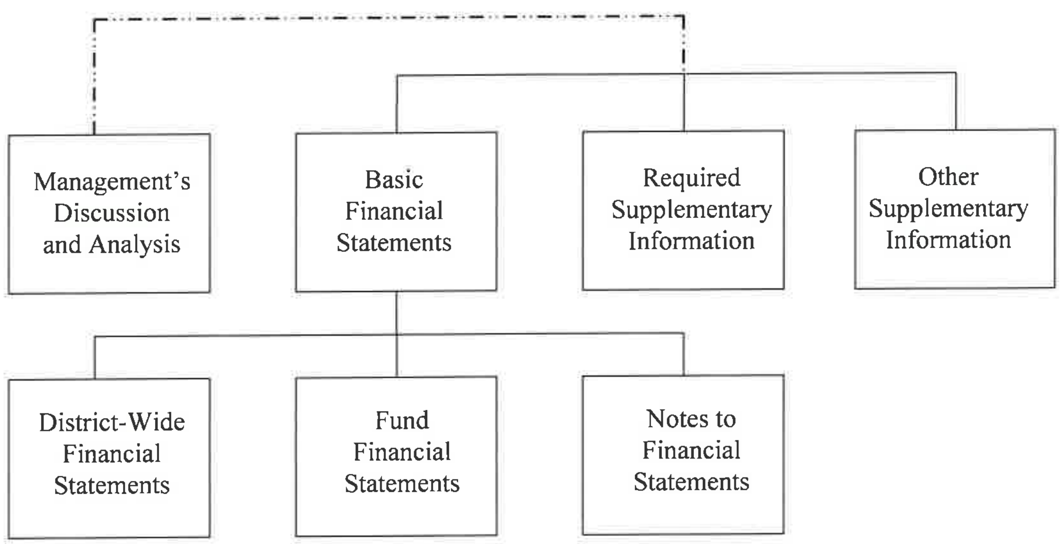
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021, are as follows:

- The District's Liabilities and Deferred Inflows exceeded its Assets and Deferred Outflows at the close of the fiscal year by $21,834,462 Net Position (Deficit). This represents an increase of $474,847 from the prior year's Net Position (Deficit).
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $19,053,053. Of this amount, $26 was offset by program charges for services and $459,707 by operating grants and contributions. General revenues of $19,068,167 amount to 97.6% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 16 and 18, increased by $841,193 to $3,194,955. This was due to an excess of revenues over expenditures based on the modified accrual basis of accounting.
- State and federal revenue increased by $241,685 to $12,653,542 in 2021 from $12,411,857 in 2020, mainly due to an increase in Basic State Aid and CARES grant funding.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. District-wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Fund Financial Statements

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

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

Governmental Funds

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

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

The District maintains six individual governmental funds; general fund, school lunch fund, special aid fund, miscellaneous special revenue, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased $474,847 between fiscal year 2020 and 2021. A summary of the District's Statement of Net Position for June 30, 2021 and 2020, is as follows:

	2021	Restated 2020	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 6,526,021	$ 5,915,649	$ 610,372	10.3%
Capital Assets, (Net of Depreciation)	33,258,755	31,857,862	1,400,893	4.4%
Total Assets	39,784,776	37,773,511	2,011,265	5.3%
Deferred Outflows of Resources - Pensions	3,988,277	3,495,781	492,496	14.1%
Deferred Outflows of Resources - OPEB	9,126,448	1,242,950	7,883,498	634.3%
Deferred Outflows of Resources - Refunding Bond	67,798	79,198	(11,400)	(14.4%)
Total Assets and Deferred Outflows	$ 52,967,299	$ 42,591,440	$ 10,375,859	24.4%
Current Liabilities	$ 5,126,835	$ 2,830,593	$ 2,296,242	81.1%
Non-Current Liabilities	58,626,217	53,546,626	5,079,591	9.5%
Total Liabilities	63,753,052	56,377,219	7,375,833	13.1%
Deferred Inflows of Resources - OPEB	9,145,871	7,377,587	1,768,284	24.0%
Deferred Inflows of Resources - Pensions	1,902,838	1,145,943	756,895	66.0%
Total Liabilities and Deferred Inflows	74,801,761	64,900,749	9,901,012	15.3%
Net Position				
Net Investment in Capital Assets	21,395,965	20,079,952	1,316,013	6.6%
Restricted	2,335,266	2,115,566	219,700	10.4%
Unrestricted (Deficit)	(45,565,693)	(44,504,827)	(1,060,866)	(2.4%)
Total Net Position (Deficit)	(21,834,462)	(22,309,309)	474,847	2.1%
Total Liabilities, Deferred Inflows, and Net Position	$ 52,967,299	$ 42,591,440	$ 10,375,859	24.4%

Current assets increased by $610,372 as compared to the prior year. This increase is mainly due to an increase of $1,216,904 in cash offset by a decrease in the net pension asset for TRS in the amount of $800,344.

Capital assets (net of depreciation) increased by $1,400,893 as compared to the prior year. This increase is primarily due to additions exceeding depreciation expense amounts. Note 6 to the Financial Statements provides additional information.

Deferred Outflows increased by $8,364,594 primarily due to amounts provided by the actuaries for pension and OPEB.

Non-Current liabilities increased by $5,079,591, as compared to the prior year. This increase is the result of an increase in the OPEB liability in the amount of $7,034,842. This increase was offset by the payment of bond principal in the amount of $1,835,000.

Current liabilities increased by $2,296,242 as compared to the prior year. This increase was primarily due to an increase in the bond anticipation notes of $2,267,800.

Deferred inflows of resources increased by $2,525,179 due to amounts provided by the Retirement Systems and OPEB.

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

The restricted portion of the net position at June 30, 2021 is $2,335,266, which represents the amount of the District's restricted funds in the General, Miscellaneous Special Revenue, and Debt Service funds. See the chart on page 10 for additional details.

The unrestricted (deficit) portion of the net position at June 30, 2021, is $45,565,693, and represents the amount by which the District's total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources, excluding restricted assets, capital assets and debt related to capital construction. This deficit is primarily a result of the requirement to accrue other postemployment benefits. The accrued liability for the OPEB obligation is $48,848,387 at June 30, 2021.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows:

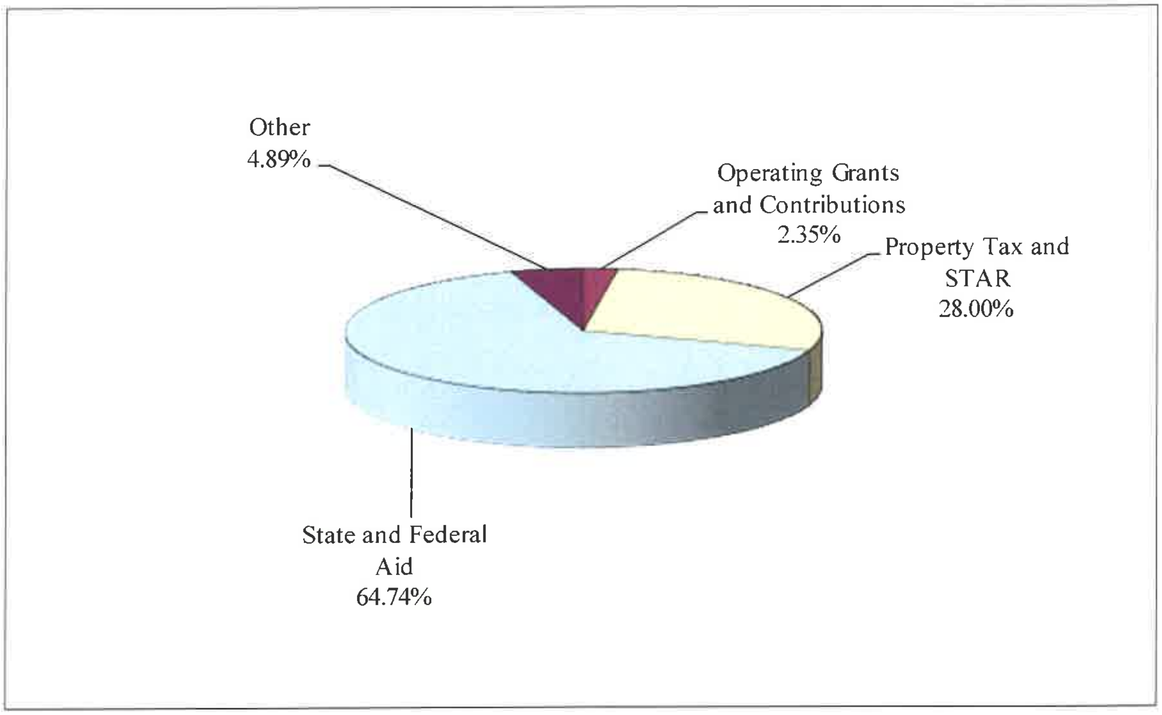
Revenues	2021	2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 26	$ 15,416	$ (15,390)	(99.8%)
Operating Grants and Contributions	459,707	737,912	(278,205)	(37.7%)
General Revenues				
Property Taxes and STAR	5,459,498	5,339,083	120,415	2.3%
State and Federal Sources	12,653,542	12,411,857	241,685	1.9%
Other	955,127	644,406	310,721	48.2%
Total Revenues	19,527,900	19,148,674	379,226	2.0%
Expenses				
General Support	2,811,785	2,338,912	472,873	20.2%
Instruction	14,096,106	15,081,208	(985,102)	(6.5%)
Pupil Transportation	1,723,376	1,746,897	(23,521)	(1.3%)
Debt Service-Unallocated Interest	358,881	418,747	(59,866)	(14.3%)
Food Service Program	62,905	66,307	(3,402)	(5.1%)
Total Expenses	19,053,053	19,652,071	(599,018)	(3.0%)
Total Change in Net Position	$ 474,847	$ (503,397)	$ 978,244	194.3%

The District's revenues increased by $379,226 in 2021 or 2.0%. The major factors that contributed to the increase were additional State and federal aid received by the District of $241,685, primarily due to an increase in Basic State Aid and CARES grant funding, and an increase in Property Taxes and STAR in the amount of $120,415. Other revenues increased by $310,923, this increase was primarily the result of an increase in refunds of prior year expenditures. These increases were offset by a decrease of $278,205 in operating grants related to the smart schools bond act money that was received in the prior year.

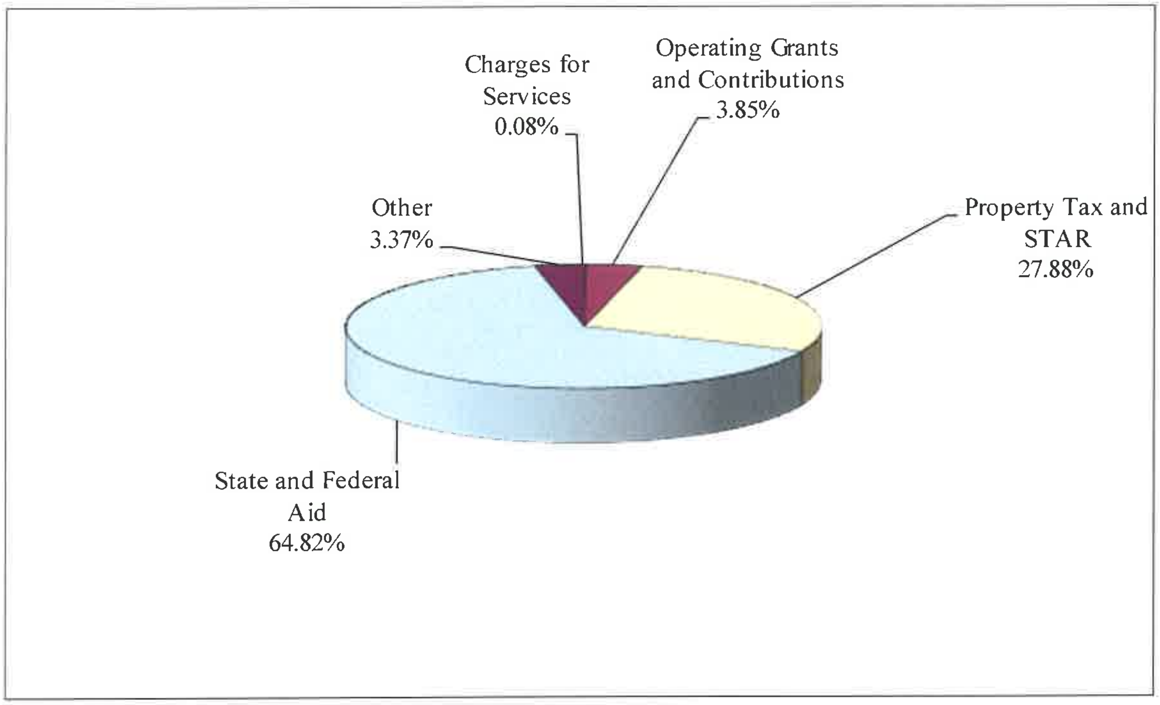
The District's expenditures for the year decreased by $599,018 or 3.0% mainly due to decreased number of positions and decreases in services due to COVID. This also impacted the allocation of the OPEB and Pension expenses amongst the programs.

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

For the Year Ended June 30, 2021

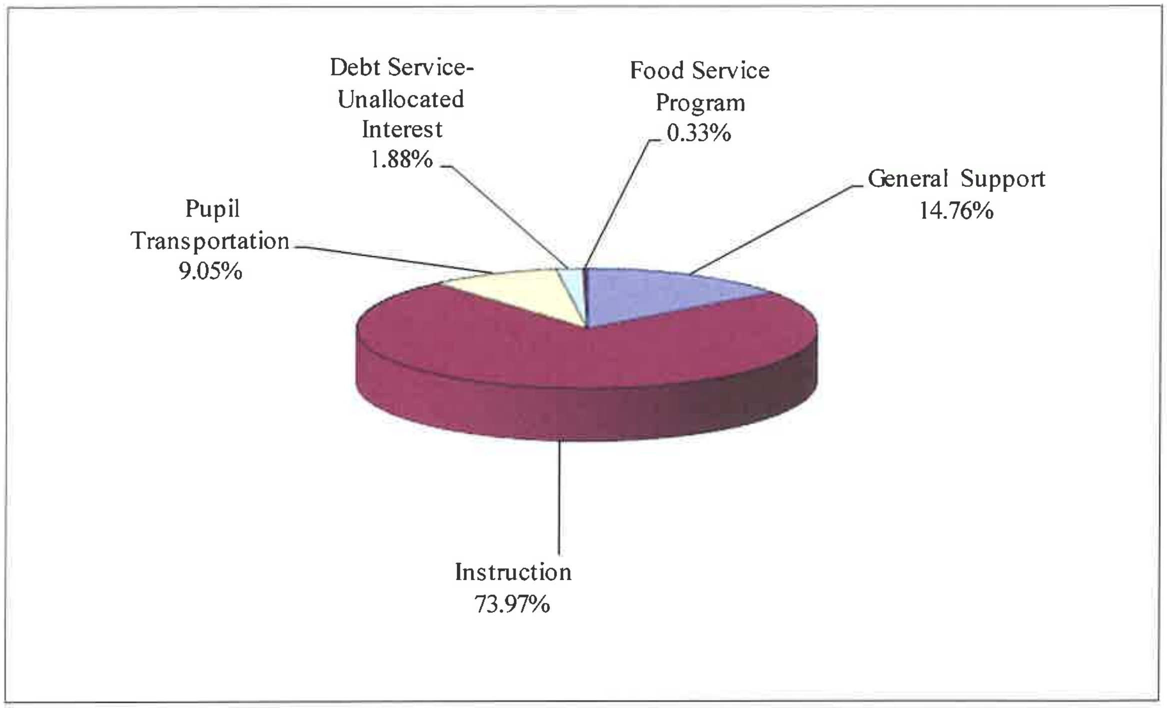


For the Year Ended June 30, 2020

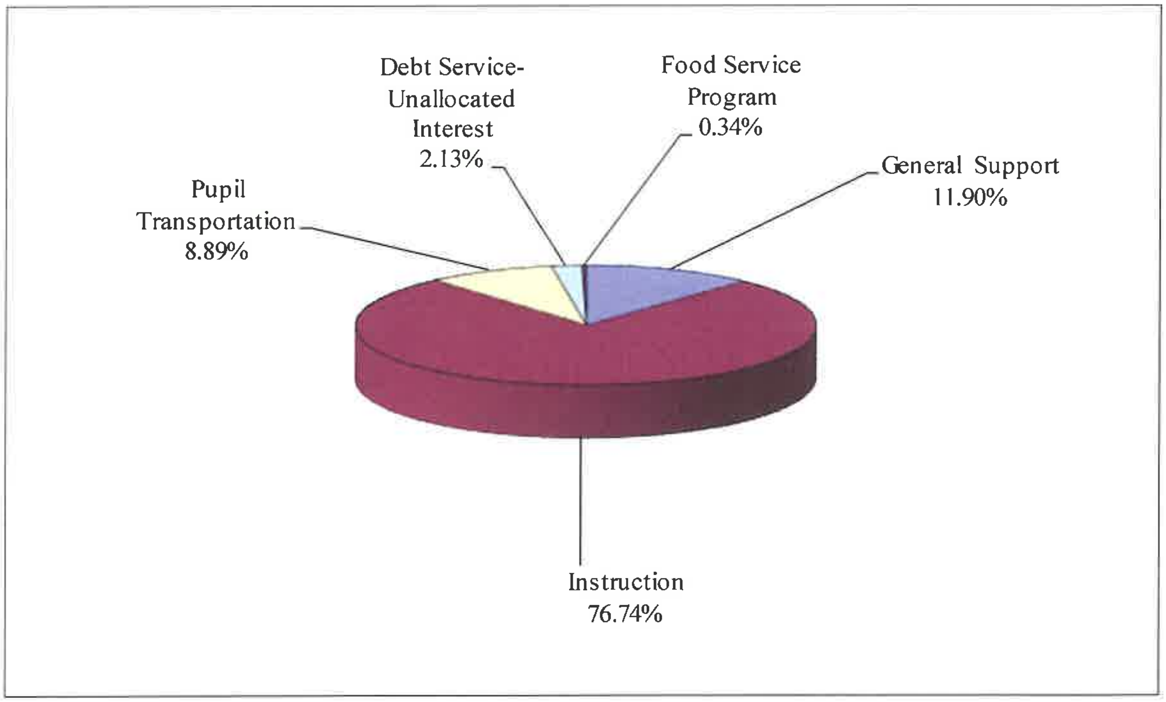


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2021



For the Year Ended June 30, 2020



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2021, the District's governmental funds reported a combined fund balance of $2,167,805 which is a decrease of $1,154,582 from the prior year. A summary of the change in fund balance by fund is as follows:

	2021	Restated 2020	Increase (Decrease)
General Fund			
Restricted			
Repair Reserve	$ 25,807	$ 25,806	$ 1
Employee Benefit Accrued Liability Reserve	78,642	78,638	4
Liability Reserve	124,610	124,604	6
Retirement Contribution Reserve	803,213	803,166	47
Workers' Compensation Reserve	64,023	64,020	3
Unemployment Insurance Reserve	62,596	62,593	3
Capital Reserve	25,572	575,547	(549,975)
Total Restricted	1,184,463	1,734,374	(549,911)
Assigned			
Encumbrances	138,234	47,190	91,044
Appropriated for Subsequent Year's Budget		200,000	(200,000)
Total Assigned	138,234	247,190	(108,956)
Unassigned	1,872,258	372,198	1,500,060
Total General Fund	3,194,955	2,353,762	841,193
School Lunch Fund			
Assigned	76,936	65,295	11,641
Total School Lunch Fund	76,936	65,295	11,641
Special Aid Fund			
Unassigned (Deficit)	(19,474)	(21,764)	2,290
Total Special Aid Fund	(19,474)	(21,764)	2,290
Miscellaneous Speical Revenue Fund			
Restricted	843,533	825,905	17,628
Total Miscellaneous Special Revenue Fund	843,533	825,905	17,628
Debt Service Fund			
Restricted	307,270	303,219	4,051
Total Debt Service Fund	307,270	303,219	4,051
Capital Projects Fund			
Restricted		77,973	(77,973)
Unassigned (Deficit)	(2,235,415)	(282,003)	(1,953,412)
Total Capital Projects Fund	(2,235,415)	(204,030)	(2,031,385)
Total Fund Balance- All Funds	$ 2,167,805	$ 3,322,387	$ (1,154,582)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2020-2021 Budget

The District's General Fund adopted budget for the year ended June 30, 2021, was $19,136,091. This is an increase of $348,610 over the prior year's adopted budget.

The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was $5,447,168 in estimated property taxes and STAR and State Aid in the amount of $12,388,466.

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

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

Opening, Unassigned Fund Balance	$ 372,198
Prior Year Encumbrances	47,190
Revenues and Other Financing Sources Under Budget	(120,402)
Expenditures and Encumbrances Under Budget	823,361
Net Decrease to Restricted Funds	549,911
Decrease in Appropriated Fund Balance	200,000
Closing, Unassigned Fund Balance	$ 1,872,258

Opening, Unassigned Fund Balance

The $372,198 shown in the table above is the portion of the District's June 30, 2020, fund balance that was retained as unassigned. This was 1.96% of the District's 2020-2021 approved operating budget.

Revenues and Other Financing Sources Under Budget

The 2020-2021 final budget for revenues was $19,312,281. The actual revenues and other financing sources received for the year were $19,191,879. The actual revenue and other financing sources were under budget by $120,402. This variance contributes directly to the change to the unassigned portion of the General Fund, fund balance from June 30, 2020 to June 30, 2021.

Expenditures and Encumbrances Under Budget

The 2020-2021 final budget for expenditures and other financing uses was $19,312,281. The actual expenditures, other financing uses and encumbrances were $18,488,920. The final budget was under expended by $823,361. This under expenditure contributes to the change to the unassigned portion of the General Fund, fund balance from June 30, 2020 to June 30, 2021.

Net Decrease to Restricted Funds

In the current year the District Restricted funds decreased in the amount of $549,911. This amount particularly pertains to the use of the Capital Reserve to offset capital project related costs incurred by the District in the current year.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2021-2022 fiscal year with an unassigned fund balance of $1,872,258. This is an increase of $1,500,060 from the unassigned fund balance from the prior year. This was 9.80% of the District's approved operating budget for 2021-2022.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2021, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, machinery and equipment, and licensed vehicles. The net increase in capital assets is due to amounts expended for capital additions exceeding depreciation for the year ended June 30, 2021. A summary of the District's capital assets, net of depreciation at June 30, 2021 and 2020, is as follows:

	2021	2020	Increase (Decrease)
Land	$ 84,705	$ 84,705	$
Construction in Progress	10,117,564	7,729,439	2,388,125
Land Improvements	147,963	165,504	(17,541)
Buildings and Improvements	21,590,226	22,548,448	(958,222)
Machinery and Equipment	197,413	229,772	(32,359)
Licensed Vehicles	1,120,884	1,099,994	20,890
Capital Assets, Net	$ 33,258,755	$ 31,857,862	$ 1,400,893

B. Debt Administration

At June 30, 2021, the District had total bonds payable of $8,830,000. A summary of the outstanding bonds at June 30, 2021 and 2020, is as follows:

Issue Date	Interest Rate	2021	2020	Increase (Decrease)
Serial Bonds				
2011	3.0-5.0%	$ 1,725,000	$ 2,060,000	$ (335,000)
2015	1.00-2.10%		90,000	(90,000)
2016	1.50-1.75%	70,000	140,000	(70,000)
2019	3.00%	170,000	255,000	(85,000)
2017	2.00-4.00%	2,125,000	2,950,000	(825,000)
2017	3.00-5.00%	3,670,000	3,955,000	(285,000)
2020	5.00%	1,070,000	1,215,000	(145,000)
		$ 8,830,000	$ 10,665,000	$ (1,835,000)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Expenses - The District has had to make difficult decisions regarding the educational program which it will offer. All facets of expenses are continuing to be reviewed and adjusted as necessary to ensure that the needs of taxpayers and the needs of students are balanced.

Revenue - The two main revenue streams the District has to support its educational programs continue to be State Aid and the property taxes. The District is heavily dependent on state aid as approximately 66% of the revenue is derived from this source while approximately 28% of the revenue comes from property taxes. The remaining revenue is made up of appropriated fund balance and other small revenue streams.

State Aid - There are two types of State aid, formula-based aid and expense driven aid. The District continues to maximize expense driven aid categories. A main focus for the District going into 2020-21 will be the continuation of securing grant opportunities.

Tax Levy - The Property Tax Cap Calculation under Chapter 97 of the Laws of 2011 enacted places restrictions on the District's ability to increase revenue through the levy. The District was legally allowed to increase the tax levy by 1.77% in 2019-20 and 2.34% in 2020-21. The District has stayed at or under the tax cap since the enactment of the law in 2011. In order to maintain the educational programs in the subsequent year, the District obligated an amount to the appropriated fund balance from the reserve funds for 2019-20 and 2020-21. No appropriated fund balance was allocated to the 2021-2022 school year.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at 381 Madison Street, Waterville, NY 13480.

WATERVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

Assets		
Cash and Cash Equivalents	$	2,035,327
Restricted Cash and Cash Equivalents		2,637,130
Receivables		
Tax Receivables		17,313
Other Governments		1,600,236
Other Receivables		236,015
Capital Assets (Net of Accumulated Depreciation)		33,258,755
Total Assets		39,784,776
Deferred Outflows of Resources		
Pensions		3,988,277
OPEB		9,126,448
Deferred Charge on Refunding of Debt (Net of Amortization)		67,798
Total Deferred Outflows of Resources		13,182,523
Total Assets and Deferred Outflows of Resources	$	52,967,299
Liabilities		
Accounts Payable	$	514,679
Accrued Liabilities		398,396
Retainage Payable		40,879
Accrued Interest Payable		81,426
Due To		
Other Governments		26,500
Teachers' Retirement System		466,233
Employees' Retirement System		62,711
Bond Anticipation Notes		2,683,800
Net Pension Liability - Proportionate Share		852,211
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable		1,715,000
Unamortized Bond Premiums		107,520
Due in More Than One Year		
Unamortized Bond Premiums		757,653
Compensated Absences		82,657
Other Postemployment Benefits		48,848,387
Bonds Payable		7,115,000
Total Liabilities		63,753,052
Deferred Inflows of Resources		
OPEB		9,145,871
Pensions		1,902,838
Total Deferred Inflows of Resources		11,048,709
Net Position (Deficit)		
Net Investment in Capital Assets		21,395,965
Restricted		2,335,266
Unrestricted (Deficit)		(45,565,693)
Total Net Position (Deficit)		(21,834,462)
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	$	52,967,299

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

WATERVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 2,811,785	$	$	$ (2,811,785)
Instruction	14,096,106	26	429,667	(13,666,413)
Pupil Transportation	1,723,376			(1,723,376)
Food Service	62,905		30,040	(32,865)
Interest on Debt	358,881			(358,881)
Total Functions/Programs	$ 19,053,053	$ 26	$ 459,707	(18,593,320)
General Revenues				
Real Property Taxes				4,564,135
STAR and Other Real Property Tax Items				895,363
Use of Money and Property				168,244
Loss on Sale of Property and Compensation for Loss				(29,303)
State and Federal Sources				12,653,542
Miscellaneous				816,186
Total General Revenues				19,068,167
Change in Net Position				474,847
Net Position (Deficit), Beginning of Year				(23,135,214)
Cumulative Effect of Change in Accounting Principle				825,905
Net Position (Deficit), Beginning of Year (Restated)				(22,309,309)
Net Position (Deficit), End of Year				$ (21,834,462)

WATERVILLE CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	$ 2,013,531	$ 7,546	$ 14,250	$	$	$	$ 2,035,327
Restricted Cash and Cash Equivalents	1,184,463			842,871	246,734	363,062	2,637,130
Receivables							
Tax Receivables	17,313						17,313
Other Governments	1,270,481	44,350	285,405				1,600,236
Due from Other Funds	417,912	30,040	125,966		60,536	169,923	804,377
Other Receivables	235,353			662			236,015
Total Assets	$ 5,139,053	$ 81,936	$ 425,621	$ 843,533	$ 307,270	$ 532,985	$ 7,330,398
Liabilities							
Payables							
Accounts Payable	$ 480,836	$	$	$	$	$ 33,844	$ 514,680
Accrued Liabilities	398,396						398,396
Deferred Revenue	200,026		5,870				205,896
Due To							
Other Governments			26,500				26,500
Other Funds	335,896	5,000	412,725			50,756	804,377
Teachers' Retirement System	466,233						466,233
Employees' Retirement System	62,711						62,711
Bond Anticipation Note						2,683,800	2,683,800
Total Liabilities	1,944,098	5,000	445,095			2,768,400	5,162,593
Fund Balance (Deficit)							
Restricted	1,184,463			843,533	307,270		2,335,266
Assigned	138,234	76,936					215,170
Unassigned (Deficit)	1,872,258		(19,474)			(2,235,415)	(382,631)
Total Fund Balance (Deficit)	3,194,955	76,936	(19,474)	843,533	307,270	(2,235,415)	2,167,805
Total Liabilities and Fund Balance	$ 5,139,053	$ 81,936	$ 425,621	$ 843,533	$ 307,270	$ 532,985	$ 7,330,398

WATERVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Governmental Funds		$ 2,167,805
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Revenues that do not provide current financial resources that are recognized in the Statement of Net Position but not the fund financial statements.		
	Deferred Revenue	205,897
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.		
	Original Cost of Capital Assets	62,735,718
	Accumulated Depreciation	(29,476,963)
		33,258,755
Proportionate share of long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.		
	Deferred Outflows of Resources, Pensions	3,988,277
	Deferred Inflows of Resources, Pensions	(1,902,838)
	Net Pension Liability - Proportionate Share	(852,211)
		1,233,228
A defeasance loss from refunding of debt is recorded as a deferred outflow of resources in the Statement of Net Position but recorded as an expenditure in the governmental funds. The defeasance loss is net of accumulated amortization.		67,798
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
	Bonds Payable	(8,830,000)
	Unamortized Bond Premiums	(865,173)
	Accrued Interest on Bonds Payable	(81,426)
	Deferred Outflows of Resources, OPEB	9,126,448
	Deferred Inflows of Resources, OPEB	(9,145,871)
	Other Post Employment Liabilities	(48,848,387)
	Compensated Absences Payable	(82,657)
		(58,767,945)
Total Net Position (Deficit)		$ (21,834,462)

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

WATERVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	$ 4,564,135	$	$	$	$	$	$ 4,564,135
STAR and Other Real Property Tax Items	895,363						895,363
Charges for Services	26						26
Use of Money and Property	113,250	44,120			4,051	6,823	168,244
Sale of Property and Compensation for Loss	2,400						2,400
Miscellaneous	789,558			26,628			816,186
State Aid	12,586,641	30,040	47,359				12,664,040
Federal Aid	240,506		382,308				622,814
Total Revenues	19,191,879	74,160	429,667	26,628	4,051	6,823	19,733,208
Expenditures							
General Support	1,970,142			9,000			1,979,142
Instruction	8,802,882		427,377				9,230,259
Pupil Transportation	728,935					303,735	1,032,670
Food Service Program		62,519					62,519
Employee Benefits	3,882,502						3,882,502
Capital Outlay						2,367,673	2,367,673
Debt Service - Principal	1,835,000						1,835,000
Debt Service - Interest	498,025						498,025
Impairment Loss							
Total Expenditures	17,717,486	62,519	427,377	9,000		2,671,408	20,887,790
Excess (Deficit) Revenues Over Expenditures	1,474,393	11,641	2,290	17,628	4,051	(2,664,585)	(1,154,582)
Other Financing Sources (Uses)							
BANs Redeemed from Appropriations	(83,200)					83,200	
Transfers from Other Funds						550,000	550,000
Transfers to Other Funds	(550,000)						(550,000)
Total Other Financing Sources (Uses)	(633,200)					633,200	
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	841,193	11,641	2,290	17,628	4,051	(2,031,385)	(1,154,582)
Fund Balance (Deficit), Beginning of Year	2,353,762	65,295	(21,764)		303,219	(204,030)	2,496,482
Cumulative Effect of Change in Accounting Principle				825,905			825,905
Fund Balance (Deficit), Beginning of Year (Restated)	2,353,762	65,295	(21,764)	825,905	303,219	(204,030)	3,322,387
Fund Balance (Deficit), End of Year	$ 3,194,955	$ 76,936	$ (19,474)	$ 843,533	$ 307,270	$ (2,235,415)	$ 2,167,805

WATERVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net Changes in Fund Balance - Total Governmental Funds		$ (1,154,582)
Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of Net Position and allocated over their useful lives as depreciation expenses in the statement of activities. This is the amount of capital outlays and depreciation in the period.		
Depreciation Expense	(1,259,264)	
Loss on Disposal	(31,703)	
Capital Outlays	2,650,981	1,360,014
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position. This is the amount of Bond repayments.		
Repayment Bond Principal	1,835,000	1,835,000
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Serial Bonds	27,639	
Amortization of Bond Premium	122,905	
Amortization of Deferred Charge	(11,400)	
Change in Other Post Employment Liabilities and Deferred Outflows/Inflows	(919,628)	
Change in Compensated Absences	(2,652)	
Change in Pension Expense	(608,844)	(1,391,980)
Revenues that did not provide current financial resources that were recognized in the Statement of Net Position in the prior year but not the fund financial statements.		
Unavailable Revenue		(173,605)
Change in Net Position Governmental Activities		$ 474,847

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

WATERVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

	Custodial
Assets	
Cash and Cash Equivalents - Restricted	$ 49,744
Total Assets	$ 49,744
Net Position	
Restricted for Extraclassroom	$ 49,744
Total Net Position	$ 49,744

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

WATERVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2021

		Custodial
Additions		
Extraclassroom Fundraising	$	27,168
Deductions		
Extraclassroom Expenditures		22,184
Change in Net Position		4,984
Net Position, Beginning of Year		
Cumulative Effect of Change in Accounting Principle		44,760
Net Position, Beginning of Year (Restated)		44,760
Net Position, End of Year	$	49,744

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all, activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal members.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a custodial fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's administrative offices.

Joint Venture

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

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

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

During the year ended June 30, 2021, the District was billed $3,870,894 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,266,035. Financial statements for the BOCES are available from the Oneida-Herkimer-Madison BOCES administrative office.

Basis of Presentation

(a) District-Wide Statements

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

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

(b) Fund Financial Statements

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

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

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

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as federal and State grants, that are legally restricted to expenditures for specified purposes.

Miscellaneous Special Revenue: These funds are used to account for and report arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditures for principal and interest on debt. Debt service funds should be used to report resources if legally mandated.

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

(c) Fiduciary Funds

This fund is used to account for and report activities on a custodial nature. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District, and are not available to be used. There is one class of fiduciary funds:

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the School District as agent for various student groups or extraclassroom activity funds.

Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, 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 statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by the counties of Oneida and Madison. The Counties pays an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the School District no later than the following April 1.

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions at year end is shown in Note 10 to the financial statements.

Estimates

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

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Receivables

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

Deferred Outflow 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 (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first 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 and difference during the measurement period between the District's contributions and its proportionate share of total contributions not included in pension expense. The second item has to deal with the refunding of school district debt. These issuance costs associated with the refunding of debt are amortized over the life of the bond. The third item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of $5,000, (the dollar value above which asset acquisitions are added to the capital asset accounts). The School District uses the straight-line method of depreciation over the following estimated useful lives of capital assets reported in the District-wide statements:

Land Improvements	20 Years
Machinery and Equipment	5-20 Years
Buildings and Improvements	25-50 Years
Licensed Vehicles	8 Years

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first 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 or asset 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 second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Vested Employee Benefits – Compensated Absences

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

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

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

Consistent with GASB, 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 pay rates in effect at year end.

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

Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are 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 postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 11).

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

Accrued Liabilities and Long-Term Obligations

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

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

Equity Classifications

(a) District-wide Financial Statements

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

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

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

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

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District has no non-spendable fund balance at June 30, 2021.

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Reserve for Repairs***

  Repair Reserve (GML §6-d) is used to accumulate funds through voter approval to finance future costs of major repairs to capital improvements or equipment. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two-thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding fiscal years. The reserve is accounted for in the General Fund.

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

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

- ***Liability Reserve***

  Liability Insurance Reserve is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve was established by Board action, and may be funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the General Fund.

- ***Reserve for Retirement Contribution***

  According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. 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. This reserve is accounted for in the General Fund. 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 sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

- ***Reserve for Workers' Compensation***

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

- ***Reserve for Unemployment Insurance***

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

- ***Reserve for Capital Projects***

  Capital reserve (Education law §3651) is used to accumulate funds to finance all or a portion of future capital projects 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. Total expenditures over the life of each capital reserve may not exceed the voter approved maximum. Funds may be transferred to other reserves only with voter approval. The reserve is accounted for in the General Fund.

  - In March 2014, the Board and voters established a capital reserve fund to reserve up to $1 million for the purpose of capital improvements. The reserve was established with a probable term of ten years. The fund can be used to offset the local share of future capital project work. This proposition only establishes the capital reserve fund and does not obligate the district to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2021, the District has funded $996,000 into this reserve.

  - In May 2019, the Board and voters established a capital reserve fund to reserve up to $10 million for the purpose of capital improvements. The reserve was established with a probable term of ten years. The fund can be used to offset the local share of future capital project work. This proposition only establishes the capital reserve fund and does not obligate the district to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2021, the District has not yet funded this reserve.

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

  This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue fund.

- ***Debt Service Fund***

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

- ***Capital Projects Fund***

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

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District had no committed fund balances as of June 30, 2021.

- ***Assigned*** – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund balances that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Reserve for Extraclassroom Activities

This reserve is used to account for various student groups or extraclassroom activities. This reserve is accounted for in the custodial fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

New Accounting Standard

GASB Statement No. 84 – *Fiduciary Activities* was implemented effective July 1, 2020. The District previously accounted for payroll withholdings and related items, and other items in a Trust and Agency Fund. These items are now required to be reported in the governmental funds. In addition, certain donations and grants were accounted for in an Expendable Trust Fund. Due to the District's administrative involvement over these funds, the new standard requires these funds to also be accounted for in the governmental funds. The District uses the Custodial Fund to account for the Extraclassroom activities.

Future Changes in Accounting Standards

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

The School District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

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

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

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

Total fund balances of the School District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories.

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

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

(e) Pension Differences

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

(f) OPEB Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. At June 30, 2021 the District's unassigned fund balance was 9.80% of the 2021-2022 budget which is not in compliance with laws and regulations.

Statutory Debt Limit

At June 30, 2021, the School District was in compliance with the statutory debt limit.

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

The voters of the School District approved the proposed appropriations budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. During the year ended June 30, 2021, the District did not make any supplemental appropriations.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2021.

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

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

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.

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments (including school districts) can levy. The tax levy for the 2020-2021 school year was within the NYS Tax Cap Limit. The excess, including interest earned, must be deducted from the prior year levy to begin the calculation of the coming year's tax levy limit.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

As of June 30, 2021, the School District's bank balances totaling $5,748,123 were fully collateralized by securities held by an agent of the pledging financial institution in the School District's name, and FDIC insurance and were not exposed to custodial credit risk.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $1,184,463 in the General Fund represents amounts in the following reserves: $25,807 for Repair, $64,023 for Workers' Compensation, $62,596 for Unemployment Insurance, $124,610 for Liability, $78,642 for Employee Benefit Liability Reserve, $25,572 for capital projects, and $803,213 for Retirement Contribution Reserve.

Restricted cash of $363,062 in the Capital Fund represents cash restricted towards the District's capital projects.

Restricted cash of $246,734 in the Debt Service Fund represents reserves for future debt service.

Restricted cash and cash equivalents of $842,871 in the miscellaneous special revenue funds represent funds gifted to the School District for scholarships to students and funds for the Curtis Loan Student Loan Program.

5. DUE FROM OTHER GOVERNMENTS

Due from other governments in the General Fund at June 30, 2021, consisted of:

General Fund		
New York State – Excess Cost Aid	$	332,766
New York State – General Aid		42,984
CARES Grant Aid		88,295
BOCES Aid		806,436
Total Due from Other Governments	$	1,270,481

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 84,705	$	$	$ 84,705
Construction in Progress	7,729,439	2,388,125		10,117,564
Total	7,814,144	2,388,125		10,202,269
Capital Assets Being Depreciated				
Land Improvements	895,223			895,223
Buildings and Improvements	48,543,494			48,543,494
Machinery and Equipment	868,781			868,781
Licensed Vehicles	2,186,651	303,735	264,435	2,225,951
Total	52,494,149	303,735	264,435	52,533,449
Accumulated Depreciation				
Land Improvements	729,719	17,541		747,260
Buildings and Improvements	25,995,046	958,222		26,953,268
Machinery and Equipment	639,009	32,359		671,368
Licensed Vehicles	1,086,657	251,142	232,732	1,105,067
Total	28,450,431	1,259,264	232,732	29,476,963
Net Capital Assets Being Depreciated	24,043,718	(955,529)	31,703	23,056,486
Net Capital Assets	$ 31,857,862	$ 1,432,596	$ 31,703	$ 33,258,755

Depreciation expense of $1,259,264 was allocated based on estimated usage by function as follows:

Function/Program	
General Support	$ 194,303
Instruction	834,368
Pupil Transportation	230,207
Food Service Program	386
Total Depreciation	$ 1,259,264

7. SHORT-TERM DEBT

The following is a summary of the BAN outstanding at June 30, 2021:

Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
2020 BAN	08/20	$ 332,800	08/21	0.83%	$ 332,800
2020 BAN	11/20	351,000	08/21	1.50%	351,000
2021 BAN	04/21	2,000,000	08/21	1.50%	2,000,000
		$ 2,683,800			$ 2,683,800

Changes in the School District's short-term outstanding debt for the year ended June 30, 2021 are as follows:

Description	Balance 07/01/20	Refinanced	Issued	Paid	Balance 06/30/21
2021 BAN	$	$	$ 2,000,000	$	$ 2,000,000
2020 BAN			351,000		351,000
2020 BAN			332,800		332,800
2020 BAN	416,000	332,800		83,200	
Total	$ 416,000	$ 332,800	$ 2,683,800	$ 83,200	$ 2,683,800

Interest expensed on the BAN for the year ended June 30, 2021 totaled $7,011.

8. NONCURRENT LIABILITIES

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. In the event of a default in the payment of the principal and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Noncurrent liability balances and activity are as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds	$ 10,665,000	$	$ 1,835,000	$ 8,830,000	$ 1,715,000
Unamortized Bond Premiums	988,078		122,905	865,173	107,520
Other Liabilities					
Compensated Absences	80,005	2,652		82,657	
Other Postemployment Benefit Liability	41,813,545	12,403,942	5,369,100	48,848,387	
Total Long Term Liabilities	$ 53,546,628	$ 12,406,594	$ 7,327,005	$ 58,626,217	$ 1,822,520

The following is a statement of the School District's serial bonds with corresponding maturity schedules:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
2011 Serial Bonds	12/11	$ 4,160,000	07/25	3.00-5.00	$ 1,725,000
2016 Serial Bonds	08/16	$ 342,000	08/22	1.50-1.75	70,000
2017 Refunding Bond	04/17	$ 5,400,000	06/27	2.00-4.00	2,125,000
2017 Bond	06/17	$ 4,675,000	06/31	3.00-5.00	3,670,000
2019 Serial Bonds	10/18	$ 420,000	06/23	3.00	170,000
2020 Bond	06/20	$ 1,215,000	06/35	5.00	1,070,000
Total					$ 8,830,000

Total principal and interest payments due on long-term debt are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Serial Bonds Total
2022	$ 1,715,000	$ 400,013	$ 2,115,013
2023	1,105,000	326,900	1,431,900
2024	1,060,000	278,750	1,338,750
2025	1,105,000	228,225	1,333,225
2026	835,000	181,850	1,016,850
2027-2031	2,655,000	475,150	3,130,150
2032-2035	355,000	42,250	397,250
Total	$ 8,830,000	$ 1,933,138	$ 10,763,138

Total interest for the year was as follows:

Interest Paid	$ 491,014
Less: Bond Premium Amortization	(122,905)
Plus: Deferred Charge Amortization	11,400
Less: Interest Accrued in the Prior Year	(109,065)
Plus: Interest Accrued in the Current Year	81,426
Total Interest Expense on Long-Term Debt	$ 351,870

Prior-Year Defeasance of Debt

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2021, $2,125,000 of bonds outstanding are considered defeased.

Deferred Charge from Refunding of Debt

The cost of issuing the serial bonds has been capitalized and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using a straight-line method over 10 years, the remaining time to maturity of the bonds. The current year amortization is $11,400 and is included as an addition to interest expense on the statement of activities.

Deferred Charge from Refunding of Debt	$113,398
Less: Amount Recognized	(45,600)
Net Deferred Charge from Refunding	$ 67,798

Unamortized Premiums

The original issue premiums on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over a period of 10 to 14 years, the remaining time to maturity of the respective bond issue. The current year amortization is $122,905 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Refunding of Debt	$448,150
Deferred Premium from DASNY Bond	662,484
Deferred Premium from DASNY Bond	153,849
Less: Amount Recognized	(399,310)
Unamortized Premiums	$ 865,173

9. PENSION PLANS

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

(a) Plan Description

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

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

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 but before April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2021, were paid.

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

		Amount
2019	$	217,774
2020	$	223,767
2021	$	221,202

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

At June 30, 2021, the School District reported a liability of $4,942 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 the School District's proportion was 0.0049636 percent which was an increase of 0.0000237 percent from its proportion at June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of $78,755. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 60,361	$
Change of Assumptions	908,758	17,139
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		1,419,764
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	73,859	4,746
Contributions Subsequent to the Measurement Date	62,711	
Total	$ 1,105,689	$ 1,441,649

Amounts reported as deferred outflows/inflows related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2022	$	(57,009)
2023	$	(9,740)
2024	$	(62,370)
2025	$	(269,552)

(d) Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

Significant actuarial assumptions used in the April 1, 2020 valuation were as follows:

Investment Rate of Return (Net of Investment Expense, including Inflation)	5.90%
Salary Scale	4.40%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation Rate	2.70%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32%	4.05%
International Equity	15%	6.30%
Private Equity	10%	6.75%
Real Estate	9%	4.95%
Opportunistic/Absolute Return Strategies	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
	100%	

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Proportionate Share of the Net Pension Liability (Asset)	$ 1,371,834	$ 4,942	$ (1,255,652)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of $62,711 at June 30, 2021. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2021-2022 billing cycle and has recorded as a liability in the current year.

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

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-benefits.

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

(b) Contributions

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

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

	Amount
2019	$ 546,084
2020	$ 461,105
2021	$ 465,691

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

At June 30, 2021, the School District reported a liability of $847,269 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020, the School District's proportion was 0.030662 percent, which was a decrease of 0.000144 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized a pension expense of $709,442. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 742,378	$ 43,421
Changes of Assumptions	1,071,599	381,968
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	553,341	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	70,706	35,800
Contributions Subsequent to the Measurement Date	444,564	
Total	$ 2,882,588	$ 461,189

Amounts reported as deferred outflows/inflows related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2021	$ 343,602
2022	679,819
2023	553,682
2024	337,740
2025	20,869
Thereafter	41,123

(d) Actuarial Assumptions

The total pension liability at June 30, 2020 measurement date was determined by using an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Investment Rate of Return	7.10 % Compounded Annually, Net of Pension Plan Investment Expense, Including Inflation.
Salary Scale	Rates of Increase Differ Based on Service. They Have Been Calculated Based Upon Recent NYSTRS Member Experience.

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

Projected COLAs	1.3% Compounded Annually.
Inflation Rate	2.20%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2018, applied for a generational basis. Active member mortality rates are based on plan member experience.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	33.0%	6.3%
International Equity	16.0%	7.8%
Global Equities	4.0%	7.2%
Real Estate Equities	11.0%	4.6%
Private Equities	8.0%	9.9%
Domestic Fixed Income Securities	16.0%	1.3%
Global Fixed Income Securities	2.0%	0.9%
Private Debt	1.0%	3.6%
Real Estate Debt	7.0%	6.5%
High-Yield Fixed Income Securities	1.0%	2.9%
Short-term	1.0%	0.3%
	100.0%	

**Real rates of return are net of the long-term inflation assumption of 2.2% for 2020.*

(e) *Discount Rate*

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

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

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

	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Proportionate Share of the Net Pension Liability (Asset)	$ 5,351,909	$ 847,269	$ (2,933,265)

(g) *Pension Plan Fiduciary Net Position*

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

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of $444,564, less the employee share in the General Fund at June 30, 2021. This amount represents contribution for the 2020-2021 fiscal year that will be made in 2021-2022 and has been recorded as a liability in the current year.

10. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund			
Fund	Receivables	Payables	Revenues	Expenditures
General	$ 417,912	$ 335,896	$	$ 550,000
School Lunch	30,040	5,000		
Special Aid	125,966	412,725		
Debt Service	60,536			
Capital Fund	169,923	50,756	550,000	
Total	$ 804,377	$ 804,377	$ 550,000	$ 550,000

- The interfund payables and receivables will be repaid within the next fiscal year and are for cash flow purposes.
- Interfund revenues and expenditures between the General Fund and Capital Fund were for the payment of outstanding Bond Anticipation notes.

11. OTHER POSTRETIREMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District administers a self-insured Minimum Premium Traditional Indemnity Plan to eligible retirees and dependents. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements as described below.

The Plan does not issue a stand alone publicly available financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Benefits Provided

Waterville Teachers Association who retired prior to July 1, 1978

Benefit Cost Sharing: Retirees are required to contribute 50% of the individual plan premium.

Spouse Benefit: Spouses are required to contribute 65% of the difference between the individual and two-person or family plan premium amounts.

Surviving Spouse: Surviving spouses may continue coverage for two years at 65% of the cost of the individual plan premium.

Medicare Part B: The District reimburses 90% of the Medicare Part B premium to Medicare eligible retirees, spouses and surviving spouses only for members who had been Medicare eligible as of July 1, 2014.

Waterville Teachers Association who retired between July 1, 1978 and July 1, 1998

Benefit Cost Sharing: Retirees are required to contribute 45% of the individual plan premium.

Spouse Benefit: Spouses are required to contribute 60% of the difference between the individual and two-person or family plan premium amounts.

Surviving Spouse: Surviving spouses may continue coverage for two years at 60% of the cost of the individual plan premium.

Medicare Part B: The District reimburses 90% of the Medicare Part B premium to Medicare eligible retirees, spouses and surviving spouses only for members who had been Medicare eligible as of July 1, 2014.

Waterville Teachers Association (WTA) who retire on or after July 1, 1998 under incentive*

Eligibility: Must reach the age of 55 with at least 10 years of service with the District and be eligible to retire as a member of the New York State Teachers' Retirement System (NYSTRS).

Benefit Cost Sharing: Retirees are required to contribute 10% of the individual plan premium.

Spouse: Spouses are required to contribute 10% of the difference between the individual and two-person or family plan premium amounts.

Surviving Spouse: Surviving spouses may continue coverage for two years at 10% of the cost of the individual plan premium.

Medicare Part B: The District reimburses same percentages of the Medicare Part B premium to Medicare eligible retirees, spouses and surviving spouses as it contributes towards health insurance premiums only for members who had been Medicare eligible as of July 1, 2014.

***Retirement Incentive:** As of July 1, 1998, all instructional employees who retire are offered a retirement incentive in the form of a lower contribution rate (10%) for retirees, dependents and surviving spouses throughout retirement. To be eligible for the incentive members must elect to retire within the first 2 years of full eligibility with the New York State Teachers' Retirement System (NYSTRS).

Administration

Eligibility: Must reach the age of 55 with at least 10 years of service with the District and be eligible to retire as a member of the New York State Teachers' Retirement System (NYSTRS).

Benefit Cost Sharing: Retirees are required to contribute 10% of the individual plan premium.

Spouse: Spouses are required to contribute 10% of the difference between the individual and two-person or family plan premium amounts.

Surviving Spouse: Surviving spouses may continue coverage for two years at 10% of the cost of the individual plan premium.

Medicare Part B: The District reimburses same percentages of the Medicare Part B premium to Medicare eligible retirees, spouses and surviving spouses as it contributes towards health insurance premiums only for members who had been Medicare eligible as of July 1, 2014.

Service Employees International Union

Eligibility: Must reach the age of 55 with at least 10 years of service with the District and be eligible to retire as a member of the New York State Employees' Retirement System (NYSERS).

Benefit Cost Sharing: Retirees are required to contribute 45% of the individual plan premium.

Spouse: Spouses are required to contribute 60% of the difference between the individual and two-person or family plan premium amounts.

Surviving Spouse: Surviving spouses may continue coverage for two years at 60% of the cost of the individual plan premium.

Medicare Part B: The District does not reimburse the Medicare Part B premium to Medicare eligible retirees, spouses and surviving spouses.

(c) Employees Covered by Benefit Terms

	Total
Inactive employees currently receiving benefit payments	78
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	126
Total	204

(d) Total OPEB Liability

The District's total OPEB liability of $48,848,387 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

(e) Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balances, June 30, 2020	$ 41,813,545
Changes recognized for the year:	
Service cost	1,515,904
Interest on Total OPEB Liability	1,500,488
Differences between expected and actual experience	(4,452,376)
Changes in Assumptions	9,387,550
Benefit payments	(916,724)
Net changes	7,034,842
Balances, June 30, 2021	$ 48,848,387

(f) 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:

	1% Decrease (1.21%)	Current Assumption (2.21%)	1% Increase (3.21%)
Total OPEB liability	$ 59,034,841	$ 48.848.387	$ 40,858,085

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

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

	1% Decrease (5.50%)	Current Assumption (6.50%)	1% Increase (7.50%)
Total OPEB liability	$ 39,846,657	$ 48,848,387	$ 60,826,601

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

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

For the year ended June 30, 2021, the District recognized OPEB expense of $919,628. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 146,544	$ 3,763,154
Changes of assumptions or other inputs	8,047,693	5,382,717
Contributions subsequent to the measurement date	932,211	
Total	$ 9,126,448	$ 9,145,871

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

Year ended June 30:	Amount
2022	$ (1,164,553)
2023	(1,164,553)
2024	(110,759)
2025	359,372
2026	777,439
2027 and Thereafter	351,420

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021, the reporting date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2020
Measurement Date	July 1, 2020
Reporting Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal-Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Healthcare Cost Trend Rates	6.50% decreasing to an ultimate rate of 3.94% by 2091
Discount Rate	2.21%
Rate of Compensation Increase	3.00%
Mortality	RPH-2014 Adjusted to 2006 using scale MP-2014 and Projected forward with Scale MP-2020

The selected discount rate of 2.21% was based on the Bond Buyer Weekly 20-Bond GO Index.

The following changes in actuarial assumptions have been made since the prior measurement date:

- Changed the discount rate from 3.50% to 2.21% The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.
- Updated the mortality tables to the RPH-2014 SAO Mortality Tables adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2020.
- Updated the New York State Retirement System rates for withdrawals and retirements.

The following changes in experience have been made since the prior measurement date:

- Demographic (gain)/loss comes from many sources, such as rates of termination, retirement, and election of health care benefits. Some Demographic shifts occurred between 2018 and 2020. There are 11 fewer actives and the same number of retirees in this valuation.
- Age-adjusted pre-65 premiums are between 3% and 5% lower than the previously assumed trend and age-adjusted post-65 premiums are 11.3% lower than the assumed trend.

12. CONTINGENCIES

Risk Financing and Related Insurance

(a) General Information

The Waterville Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions and natural disasters. 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 three years.

(b) Workers' Compensation Pool

Waterville Central School District participates with 12 other school districts and BOCES in the Central New York Workers' Compensation Consortium administered by the Oneida-Herkimer-Madison BOCES for its workers' compensation insurance coverage. Voluntary withdrawal from the Plan is effective only once annually on the last day of the Plan year. Notice of intent to withdraw must be submitted in writing no later than March 30 of the plan year. Additional members may be admitted by a majority vote of the Plan's Board of Directors. Membership is effective on the first day of the month following the Board's resolution to accept a new participant. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The Plan insures against catastrophic losses for amounts over $600,000 up to $1,000,000 for claims during the lifetime of an eligible member. The Plan does not insure amounts in excess of $1,000,000 per lifetime. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Waterville Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the current year, the School District paid $51,718 in net fees.

Potential Grantor Liability

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

Construction Commitments

Voters and the Board of Education authorized $25,382,000 in capital projects. Through June 30, 2021, the School District has cumulative project expenses of $14,822,145, with the remaining in outstanding construction commitments.

13. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance
Repair Reserve	$ 25,806	$ 1	$	$ 25,807
Employee Benefit Accrued Liability	78,638	4		78,642
Liability Reserve	124,604	6		124,610
Retirement Contribution	803,166	47		803,213
Capital Reserve	575,547	25	550,000	25,572
Workers' Compensation	64,020	3		64,023
Unemployment Insurance	62,593	3		62,596
Total	$ 1,734,374	$ 89	$ 550,000	$ 1,184,463

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

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Restricted							
Repair Reserve	$ 25,807	$	$	$	$	$	$ 25,807
Employee Benefit Accrued Liability Reserve	78,642						78,642
Liability Insurance Reserve	124,610						124,610
Retirement Contribution Reserve	803,213						803,213
Workers' Compensation Reserve	64,023						64,023
Unemployment Insurance Reserve	62,596						62,596
Restricted for Schalorships				843,533			843,533
Debt Service					307,270		307,270
Capital Reserve	25,572						25,572
Total Restricted	1,184,463			843,533	307,270		2,335,266
Assigned							
Encumbrances	138,234						138,234
Food Service Program		76,936					76,936
Total Assigned	138,234	76,936					215,170
Unassigned (Deficit)	1,872,258		(19,474)			(2,235,415)	(382,631)
Total Fund Balance (Deficit)	$ 3,194,955	$ 76,936	$ (19,474)	$ 843,533	$ 307,270	$ (2,235,415)	$ 2,167,805

14. NET POSITION DEFICIT

The District-wide net position had an unrestricted deficit at June 30, 2021 of $45,565,693, and a total Net Position deficit of $21,834,462. The deficit is the result of GASB Statement 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,*" which requires the recognition of an unfunded liability of $48,848,387 at June 30, 2021. Since New York State Law provides no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

15. DEFICIT FUND BALANCE

The Capital Fund had a deficit fund balance at June 30, 2021 in the amount of $2,235,415. The deficit is due to the current capital project being funded with a short-term bond anticipation note. The deficit will be eliminated when the note is refinanced with long-term debt.

The Special Aid Fund had a deficit fund balance at June 30, 2021 in the amount of $19,474. The deficit is due to the district awaiting state funding due to programs that were administered in the current year. This deficit will be eliminated once the revenues are received.

16. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD

The following adjustments were made to the prior year's net position and fund balance due to the implementation of GASB 84, Fiduciary Activities:

- The Government-wide and Miscellaneous Special Revenue Fund's prior year's net position and fund balance were increased by $825,905 for donated revenues for scholarships administered by the District, previously accounted for in the Fiduciary Fund, Private Purpose Trust.
- The Fiduciary Custodial Fund is a new fund required by the new accounting standard. The beginning net position was increased by $44,760. This beginning balance consisted of Extraclassroom activity funds held by the District but administered by the student clubs within the District.

WATERVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	$ 4,487,168	$ 4,487,168	$ 4,564,135		$ 76,967
STAR and Other Real Property Tax Items	960,000	960,000	895,363		(64,637)
Charges for Services	29,000	29,000	26		(28,974)
Use of Money and Property	125,000	125,000	113,250		(11,750)
Sale of Property and Compensation for Loss			2,400		2,400
Miscellaneous	423,000	552,000	789,470		237,470
State Aid	12,388,466	12,388,466	12,586,729		198,263
Federal Aid	90,000	90,000	240,506		150,506
Total Revenues	18,502,634	18,631,634	19,191,879		560,245
Other Financing Sources					
Appropriated Fund Balance	680,647	680,647			(680,647)
Total Revenues and Other Financing Sources	$ 19,183,281	$ 19,312,281	19,191,879		$ (120,402)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 17,200	$ 19,152	12,489	$ 155	$ 6,508
Central Administration	171,320	173,385	202,534		(29,149)
Finance	283,600	285,521	288,756		(3,235)
Staff	44,782	54,782	53,593	1,692	(503)
Central Services	1,407,887	1,396,201	1,150,623	61,395	184,183
Special Items	267,471	267,471	262,147		5,324
Total General Support	2,192,260	2,196,512	1,970,142	63,242	163,128
Instruction					
Instruction, Administration, and Improvement	723,025	717,899	640,116	50,210	27,573
Teaching - Regular School	4,032,637	4,122,171	3,961,546	7,141	153,484
Programs for Children With Special Needs	2,589,400	2,568,069	2,341,094		226,975
Occupational Education	607,427	607,427	528,349		79,078
Teaching - Special School	151,105	151,105	122,091		29,014
Instructional Media	534,500	542,757	523,401	3,718	15,638
Pupil Services	834,201	896,205	686,285	8,995	200,925
Total Instruction	9,472,295	9,605,633	8,802,882	70,064	732,687
Pupil Transportation	907,443	908,854	728,935	2,077	177,842
Employee Benefits	4,179,705	4,169,704	3,882,502	2,851	284,351
Debt Service - Principal	1,939,819	1,939,819	1,835,000		104,819
Debt Service - Interest	479,759	479,759	498,025		(18,266)
Total Expenditures	19,171,281	19,300,281	17,717,486	138,234	1,444,561
Other Financing Uses					
BAN's Redeemed from Appropriations			83,200		(83,200)
Transfers to Other Funds	12,000	12,000	550,000		(538,000)
Total Expenditures and Other Financing Uses	$ 19,183,281	$ 19,312,281	18,350,686	$ 138,234	$ 823,361
Net Change in Fund Balance			841,193		
Fund Balance - Beginning of Year			2,353,762		
Fund Balance - End of Year			$ 3,194,955		

Notes to Required Supplementary Information:

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

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

WATERVILLE CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2021

Measurement Date	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 1,515,904	$ 1,567,473	$ 1,499,976	$ 2,064,886
Interest on Total OPEB Liability	1,500,488	1,567,828	1,611,651	1,416,944
Change in assumptions and other inputs	9,387,550	163,246	(5,473,019)	(7,052,325)
Change in benefit terms			(1,384,193)	
Differences between expected and actual experience	(4,452,376)		270,735	
Benefit payments	(916,724)	(859,788)	(836,954)	(790,733)
Net change in total OPEB Liability	7,034,842	2,438,759	(4,311,804)	(4,361,228)
Total OPEB Liability - Beginning	41,813,545	39,374,786	43,686,590	48,047,818
Total OPEB Liability - Ending	$ 48,848,387	$ 41,813,545	$ 39,374,786	$ 43,686,590
Covered payroll	$ 6,955,527	$ 7,164,000	$ 7,057,477	$ 5,892,772
Total OPEB Liability as a percentage of covered payroll	702.30%	583.66%	557.92%	741.36%

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

Notes to Required Supplementary Information:

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Actuarial Assumptions
The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 11 to the financial statements.

Changes to Assumptions and Terms -
• Changed the discount rate from 3.50% to 2.21%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

WATERVILLE CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2021

ERS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 221,202	$ 223,767	$ 217,774	$ 221,938	$ 275,089	$ 244,633	$ 312,567	$ 265,194	$ 224,306	$ 118,431
Contributions in Relation to the Contractually Required Contribution	221,202	223,767	217,774	221,938	275,089	244,633	312,567	265,194	224,306	118,431
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered- ERS Employee Payroll	$ 1,672,721	$ 1,798,379	$ 1,717,371	$ 1,630,768	$ 1,611,401	$ 1,503,734	$ 1,513,343	$ 1,283,615	$ 1,153,122	$ 1,025,815
Contributions as a Percentage of Covered-Employee Payroll	13.2%	12 4%	12 7%	13.6%	17 1%	16.3%	20 7%	20 7%	19.5%	11 5%

TRS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 465,691	$ 461,105	$ 546,084	$ 524,596	$ 567,650	$ 636,780	$ 839,507	$ 759,340	$ 560,699	$ 496,111
Contributions in Relation to the Contractually Required Contribution	465,691	461,105	546,084	524,596	567,650	636,780	839,507	759,340	560,699	496,111
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered- TRS Employee Payroll	$ 4,886,579	$ 5,204,345	$ 5,142,034	$ 5,353,020	$ 4,844,565	$ 4,648,029	$ 4,788,971	$ 4,672,858	$ 4,735,633	$ 4,465,445
Contributions as a Percentage of Covered-Employee Payroll	9 5%	8 9%	10 6%	9 8%	11 7%	13 7%	17 5%	16 3%	11 8%	11 1%

WATERVILLE CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
For The Year Ended June 30, 2021

ERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0049636%	0.0049399%	0.0045866%	0.0048042%	0.0047862%	0.0049563%	0.0053168%	0.0053168%
District's proportionate share of the net pension liability	$ 4,942	$ 1,308,111	$ 324,972	$ 155,052	$ 449,724	$ 795,506	$ 179,615	$ 240,260
District's covered-employee payroll	1,672,721	1,798,379	1,717,371	1,630,768	1,611,401	1,503,734	1,513,343	1,283,615
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.30%	72.74%	18.92%	9.51%	27.91%	52.90%	11.87%	18.72%
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%

TRS Pension Plan

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension asset/liability	0.030662%	0.030806%	0.031369%	0.030564%	0.031121%	0.031881%	0.031634%	0.031634%
District's proportionate share of the net pension (asset)/liability	$ 847,269	$ (800,344)	$ (567,232)	$ (232,319)	$ 333,317	$ (3,311,429)	$ (3,523,848)	$ (212,812)
District's covered-employee payroll	5,204,345	5,142,034	5,353,020	4,844,565	4,648,029	4,788,971	4,672,858	4,735,633
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	16.28%	15.56%	10.60%	4.80%	7.17%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of total pension asset/liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

Information is presented only for the years available.

WATERVILLE CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2021

Change from Adopted Budget to Revised Budget

Adopted Budget		$ 19,136,091
Add: Prior Year's Encumbrances		47,190
Original and Final Budget		$ 19,183,281

Section 1318 of Real Property Tax Law Limit Calculation

2021-22 Voter-Approved Expenditure Budget		$ 19,096,357
Maximum Allowed (4% of 2021-22 budget)		$ 763,854
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 138,234	
Unassigned Fund Balance	1,872,258	
Total Unrestricted Fund Balance		2,010,492
Less:		
Encumbrances Included in Assigned Fund Balance	138,234	
Total adjustments		138,234
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 1,872,258
Actual Percentage		9.80%

WATERVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2021

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Balance (Deficit) June 30, 2021
EXCEL Project	$ 4,822,000	$ 4,822,000	$ 4,704,319	$	$ 4,704,319	$ 117,681	$ 4,400,000	$ 241,100	$ 29,085	$ 4,670,185	$ (34,134)
SSBA			44,183		44,183			45,973		45,973	$ 1,790
2017 Renovation Project	7,700,000	7,700,000	7,705,970		7,705,970	(5,970)	6,552,484		1,312,869	7,865,353	159,383
2020 Renovation Project	12,860,000	12,860,000		2,367,673	2,367,673	10,492,327			556,823	556,823	(1,810,850)
Total Projects	25,382,000	25,382,000	12,454,472	2,367,673	14,822,145	10,604,038	10,952,484	287,073	1,898,777	13,138,334	(1,683,811)
Buses	2,600,093	2,600,093	2,660,973	303,735	2,964,708	(364,615)	2,247,505		334,000	2,581,505	(383,203)
Totals	$ 27,982,093	$ 27,982,093	$ 15,115,445	$ 2,671,408	$ 17,786,853	$ 10,239,423	$ 13,199,989	$ 287,073	$ 2,232,777	$ 15,719,839	(2,067,014)
									Transfer to Debt Service		168,401
									Total		$ (2,235,415)

WATERVILLE CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2021

Capital Assets, Net	$	33,258,755
Add:		
Deferred Charge on Refunding of Debt (Net of Amortization)		67,798
Capital Fund Assets, Net		448,385
		516,183
Deduct:		
Premium on Bonds Payable		865,173
Serial Bonds Payable		8,830,000
BAN Payable		2,683,800
		12,378,973
Net Investment in Capital Assets	$	21,395,965

See Independent Auditor's Report.