PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 22, 2015

REFUNDING ISSUE | **SERIAL BONDS**

STANDARD & POOR'S: "AA-" (Negative Outlook) | **See "BONDING RATING" herein**

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

The Bonds will be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

$8,170,000*

CAZENOVIA CENTRAL SCHOOL DISTRICT

MADISON AND ONONDAGA COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 149830

$8,170,000* School District Refunding (Serial) Bonds, 2016

(the "Bonds")

Dated: Dated of Delivery | **Due: January 1, 2017-2026**

MATURITIES

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2017	$ 40,000	%	%		2021	$ 1,115,000	%	%		2024	$ 1,190,000	%	%	
2018	25,000				2022	1,140,000				2025	1,080,000			
2019	1,025,000				2023	1,170,000				2026	320,000			
2020	1,065,000													

The Bonds are not subject to redemption prior to maturity.

The Bonds are general obligations of the Cazenovia Central School District, Madison and Onondaga Counties, New York, and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" and "THE BONDS - Nature of Obligation" herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable on July 1, 2016 and semi-annually thereafter on January 1 and July 1 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. Certain legal matters will be passed on for the Underwriter by its Counsel, Harris Beach PLLC, Rochester, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about January 27, 2016.

ROOSEVELT & CROSS INCORPORATED

January __, 2016

* Preliminary, subject to change.

CAZENOVIA CENTRAL SCHOOL DISTRICT
MADISON AND ONONDAGA COUNTIES, NEW YORK

DISTRICT OFFICIALS

2015-2016 BOARD MEMBERS

JAN WOODWORTH
President

LEIGH BALDWIN
Vice President

KATHRINE HAHN
LOUIS ORBACH

LISA LOUNSBURY

DAVID MEHLBAUM
JENNIFER PARMALEE

* * * * * * *

ADMINISTRATION

MATTHEW P. REILLY
Superintendent of Schools

THOMAS P. FINNERTY
Assistant Superintendent

SHERYL CONLEY
School District Treasurer

PATRICIA MARZESKI
School District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKETS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

CAZENOVIA CENTRAL SCHOOL DISTRICT

MADISON AND ONONDAGA COUNTIES, NEW YORK

Relating To

$8,170,000* School District Refunding (Serial) Bonds, 2016

This Official Statement, which includes the cover page, has been prepared by the Cazenovia Central School District, Madison and Onondaga Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $8,170,000* principal amount of School District Refunding (Serial) Bonds, 2016 (the "Bonds").

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

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

THE BONDS

Nature of the Obligation

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

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

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

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

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

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

* Preliminary, subject to change.

"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.

Description of the Bonds

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

The Bonds will be dated their date of delivery and will mature in the principal amounts as set forth on the cover page. The Bonds are not subject to redemption prior to maturity as described on the following page. The "Record Date" of the Bonds will be the fifteenth day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on July 1, 2016 and semi-annually thereafter on January 1 and July 1 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on July 1, 2016 and semi-annually thereafter on January 1 and July 1 in each year until maturity. in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the fifteenth day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

AUTHORIZATION AND PLAN OF REFUNDING

Authorization and Purposes

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly section 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Board of Education on October 26, 2015 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto. The Refunding Bond Resolution authorizes the refunding of all or a portion of the $765,000 principal amount of the School District (Serial) Bonds, 2009, dated June 1, 2009, originally issued by the School District in the aggregate principal amount of $1,652,430 that mature in the years 2019 and thereafter, and all or a portion of the $7,255,000 principal amount of the School District (Serial) Bonds, 2010, dated July 1, 2010 that mature in the years 2019 and thereafter, originally issued by the School District in the aggregate principal amount of $12,585,000 (collectively the "Refunded Bonds") and authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds.

The Refunded Bonds were authorized by the Board of Education pursuant to a bond resolution adopted to provide funds for the following purposes and amounts:

$1,652,430 School District (Serial) Bonds, 2009 – June 1, 2009

Purpose	Amount Originally Issued
Renovations of the District's High School Roof, roof cornice moldings & HVAC System	$ 1,652,430

$12,585,000 School District (Serial) Bonds, 2010 – July 1, 2010

Purpose	Amount Originally Issued
Various Capital Improvements	$ 12,585,000

The proceeds of the Bonds are intended to be used to purchase a portfolio of non-callable direct obligations of the United States of America (the "Government Obligations") and pay certain costs of issuance related to the Bonds. The principal of and investment income on the portfolio of Government Obligations together with other available cash on deposit in the Escrow Deposit Fund (as hereinafter defined) are expected to be sufficient to pay the maturing principal of and interest on the Refunded Bonds.

The Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the District's refunding financial plan (the "Refunding Financial Plan") dated October 26, 2015. The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds) are to be applied to the purchase of the Government Obligations. The Government Obligations are to be placed in an irrevocable trust fund (the "Escrow Deposit Fund") with The Bank of New York Mellon (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the District and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, to meet interest payments with respect to the Refunded Bonds on the dates such payments are due and pay the redemption price of the Refunded Bonds upon their respective earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and securities necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

The District is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the District and will continue to be payable from District sources legally available therefore. However, inasmuch as the Government Obligations and cash held in the Escrow Deposit Fund will have been verified to be sufficient to meet all required payments of principal and interest on the Refunded Bonds, it is not anticipated that such District sources of payment will be used.

The list of Refunded Bond maturities set forth below may be changed by the District in its sole discretion due to market or other factors considered relevant by the District at the time of pricing of the Bonds and no assurance can be given that any particular series of bonds listed or that any particular maturity thereof will be refunded.

CUSIP BASE #: 149830

$1,652,430 School District (Serial) Bonds, 2009 – June 1, 2009

Due June 1st	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CSP
2019	$ 115,000	3.750%	06/01/2018	100.00%	HE4
2020	120,000	3.750	06/01/2018	100.00	HF1
2021	125,000	3.750	06/01/2018	100.00	HG9
2022	130,000	4.000	06/01/2018	100.00	HH7
2023	135,000	4.000	06/01/2018	100.00	HJ3
2024	140,000	4.000	06/01/2018	100.00	HK0
	$ 765,000				

$12,585,000 School District (Serial) Bonds, 2010 – July 1, 2010

Due January 1st	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CSP
2019	$ 890,000	3.000%	01/01/2018	100.00%	HY0
2020	915,000	3.500	01/01/2018	100.00	HZ7
2021	950,000	3.500	01/01/2018	100.00	JA0
2022	980,000	3.500	01/01/2018	100.00	JB8
2023	1,015,000	3.500	01/01/2018	100.00	JC6
2024	1,050,000	4.000	01/01/2018	100.00	JD4
2025	1,095,000	4.000	01/01/2018	100.00	JE2
2026	360,000	4.000	01/01/2018	100.00	JF9
	$ 7,255,000				
Total	**$ 8,020,000**				

The proceeds of the Refunded Bonds have been expended.

Verification of Mathematical Computations

Causey Demgen & Moore PC, a firm of independent public accountants, will deliver to the District, on or before the date of delivery of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the District and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal of and interest on the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not “arbitrage bonds” under the Code and the regulations promulgated thereunder.

The verification performed by Causey Demgen & Moore PC will be solely based upon data, information and documents provided to Causey Demgen & Moore PC by the District and its representatives. Causey Demgen & Moore PC reports of its verification will state Causey Demgen & Moore PC has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	Par Amount of the Bonds		$
	Original Issue Premium (Discount)		
		Total	$
Uses:	Deposit to Escrow Fund		$
	Underwriter's Discount		
	Costs of Issuance and Contingency		
		Total	$

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York, in the geographical location known as Central New York. It is situated principally in the County of Madison, with a small portion of its western sector located in Onondaga County. The City of Syracuse is approximately 20 miles to the northwest, and the City of Utica, 40 miles to the northeast.

The District encompasses a land area of approximately 112 square miles. The center of population is the Town of Cazenovia, which had a 2010 U.S. Census of 7,086.

Major highways serving the District include U.S. Route 20 and State Highways #13 and #92. The New York State Thruway is located to the north. Commercial air transportation is available at the Syracuse Hancock International Airport.

The District is generally residential and agricultural in nature. Residential neighborhoods are concentrated mainly in and around the Village of Cazenovia, which is situated at the southern tip of Cazenovia Lake. Professional and retail services, as well as employment opportunities, are available in and around the Village of Cazenovia and in the Syracuse metropolitan area.

Higher educational institutions within, and in close proximity to the District, include Cazenovia College, Colgate University, Le Moyne College, State University of New York College at Morrisville and Syracuse University.

Source: District Officials.

Population

The current estimated population of the District is 10,390. (Source: 2013 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2009-2013	2000	2006-2010	2009-2013
Towns of:						
Cazenovia	$ 28,957	$ 39,056	$ 32,715	$ 73,590	$ 90,855	$ 79,063
Fenner	19,409	22,276	30,323	46,447	58,158	63,056
Georgetown	11,825	16,257	20,807	38,804	49,643	58,000
Lincoln	20,751	30,055	29,850	50,000	67,321	72,375
Nelson	21,378	29,863	32,275	55,458	69,196	75,417
Sullivan	20,982	24,982	27,758	50,262	64,101	75,437
Pompey	27,970	37,053	41,704	64,442	96,731	97,151
Counties of:						
Madison	19,105	24,311	25,230	33,644	61,828	66,688
Onondaga	21,336	27,037	28,746	38,816	65,929	70,143
State of:						
New York	23,389	30,948	32,382	51,691	67,405	70,670

Note: 2010-2014 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 2009-2013 American Community Survey data.

Largest Employers

The following are the six largest employers located within or in close proximity to the District.

Name	Type	Employees
Marquardt Switches, Inc.	Manufacturing	500
GHD, Inc.	Engineers	340
Cazenovia College	Education	247
Cazenovia Central School District	Education	234
Dielectric Labs, Inc.	Manufacturing	154
Continental Cordage	Manufacturing	48

Source: District officials.

Unemployment Rate Statistics

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

	Annual Average						
	2008	2009	2010	2011	2012	2013	2014
Madison County	5.7%	8.1%	8.3%	8.3%	8.6%	7.8%	6.4%
Onondaga County	5.2%	7.6%	8.1%	7.8%	8.0%	7.0%	5.6%
New York State	5.4%	8.3%	8.6%	8.3%	8.5%	7.7%	6.3%

	Monthly Figures											
	2015											2016
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
Madison County	7.3%	7.1%	6.5%	5.8%	5.5%	5.5%	5.6%	5.0%	5.0%	4.6%	N/A	N/A	N/A
Onondaga County	5.9%	5.6%	5.1%	4.9%	5.0%	5.0%	5.2%	4.7%	4.8%	4.4%	N/A	N/A	N/A
New York State	6.5%	6.4%	5.8%	5.55	5.3%	5.2%	5.4%	5.0%	4.8%	4.5%	4.7%	N/A	N/A

Note: Unemployment rates for the months of November, December 2015 and January 2016 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education is the policy-making body of the School District and consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District. The President and the Vice President are selected by the Board members.

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

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Investment Policy

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

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

Budgetary Procedures

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 "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the 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 2013-14 fiscal year was adopted by the qualified voters on May 21, 2013 by a vote of 444 to 207. The District's adopted budget for 2013-14 remained within Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 4.94%, which was equal to the maximum District tax levy limit.

The budget for the 2014-15 fiscal year was adopted by the qualified voters on May 20, 2014 by a vote of 451 to 112. The District's adopted budget for 2014-15 fiscal year remained within Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.01%, which was equal to the District tax levy limit of 1.01%.

The budget for the 2015-16 fiscal year was adopted by the qualified voters on May 19, 2015 by a vote of 525 to 109. The District's adopted budget for 2015-16 will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.04%, which was below the District tax levy limit of 2.04%.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2015-16 fiscal year, approximately 33.5% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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 School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Based on 2015-2016 preliminary building aid ratios, the District State Building aid of approximately 67.7% for 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 (2010-2011): The total reduction in State aid for school districts' 2010-2011 fiscal year was approximately $2.1 billion; however, this amount was partially offset by $726 million in Federal aid for education, including funding from ARRA and other federal initiatives. As a result, the net State aid reduction totaled approximately $1.4 billion.

School district fiscal year (2011-2012): The total reduction in State aid for school districts' 2011-2012 fiscal year was $1.3 billion or 6.1% from the previous year, and all aid was received on time.

School district fiscal year (2012-2013): The Enacted State Budget included an increase of $751 million in State aid for school districts. The 2012-2013 Enacted State Budget linked additional school aid to compliance with a new teacher evaluation process. A school district would not be eligible for an aid increase in 2012-2013 unless it had its teacher evaluation process reviewed and approved by the New York State Education Department by January 17, 2013. The New York State Education Department approved the District's initial Annual Professional Performance Review Plan ("APPR") on November 26, 2012.

School district fiscal year (2013-2014): The Enacted State Budget included an increase of $1.0 billion in State aid for school districts.

School district fiscal year (2014-2015): The 2014-2015 Enacted State Budget included a $1.1 billion or 5.3% increase in State aid to school districts for the 2014-2015 school year. High-need school districts would receive 70% of the school aid increase. The 2014-2015 Enacted State Budget restored $602 million of Gap Elimination Adjustment ("GEA") reductions that had been imposed on school districts from 2010-2011 to 2012-2013. The 2014-2015 Enacted State Budget invested $1.5 billion over five years to support the phase-in of a statewide universal full-day pre-kindergarten program

The Smart Schools Bond Act was proposed as part of the 2014-2015 State budget and was subsequently approved by the voters of the State. The Smart Schools Bond Act authorizes the issuance of $2 billion of State general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The School District's estimated allocation of funds thereunder is $813,516.

School district fiscal year (2015-2016): The 2015-2016 Enacted State Budget was adopted on March 31, 2015 and included the partial reduction in Gap Elimination Adjustment ("GEA") with $603 million in GEA cuts being restored, and provided an additional $428 million in foundation aid and $268 million in expense base aids which reimburses school districts for prior year expenses in school construction, transportation, BOCES and special education services. Further information may be obtained at the official websites of the New York State Division of Budget and the New York State Education Department.

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

Gap Elimination Adjustment (GEA)

The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. In 2014-2015, the District had a loss in funds totaling $925,409 and projects a loss in funds totaling $568,246 for the 2015-16 fiscal year as a result of GEA. Since the program began, the total GEA and Deficit Reduction Assessment reduction in school aid for the District has amounted to approximately $7,026,222. The District has been forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly.

The following table shows the history of state aid loss due to GEA since the 2010-11 fiscal year:

Fiscal Year Ending	Net GEA
2010-11	$ 1,060,462
2011-12	1,840,404
2012-13	1,519,528
2013-14	1,112,176
2014-15	925,409
2015-16	568,246
TOTAL	$ 7,026,222

Source: District officials.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures for the 2015-2016 fiscal year comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2010-2011	$ 23,902,877	$ 7,564,746	31.6%
2011-2012	24,289,018	8,233,642	33.9
2012-2013	24,245,252	7,899,876	32.6
2013-2014	25,188,799	8,069,582	32.0
2014-2015	25,781,913	8,373,504	32.5
2015-2016 (Budgeted)	26,608,858	8,918,763	33.5

Source: Audited financial statements of the District and the adopted budget of the District for the 2015-16 fiscal year. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Burton Street Elementary School	K-4	837	1957, '67, '93, 2011
Green Street School	5-7	594	1952, ’92, ’96, 2011
Emory Avenue Complex	8-12	1,290	1930, '52, '57, '63, '78, '93, ’96, ‘04, 2011

Source: District Officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2011-12	1,602	2016-17	1,400
2012-13	1,558	2017-18	1,360
2013-14	1,518	2018-19	1,320
2014-15	1,485	2019-20	1,280
2015-16	1,468	2020-21	1,240

Source: District Officials.

Employees

The District employs a total of approximately 230 employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
152	Cazenovia Central School Teachers' Association	June 30, 2015 (1)
7	Cazenovia Association of Supervisors & Administrators	June 30, 2016
71	Cazenovia Support Staff Union	June 30, 2016

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2015-2016 fiscal years are as follows:

Fiscal Year	ERS	TRS
2010-2011	$ 285,852	$ 875,808
2011-2012	411,516	1,101,897
2012-2013	499,736	1,184,958
2013-2014	556,606	1,612,582
2014-2015	537,342	1,695,982
2015-2016 (Budgeted)	511,572	1,343,131

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 rates as a percent of payroll (2010 to 2017) is shown below:

Year	ERS	TRS
2009-10	7.4%	6.19%
2010-11	11.9	8.62
2011-12	16.3	11.11
2012-13	18.9	11.84
2013-14	20.9	16.25
2014-15	20.1	17.53
2015-16	18.2	13.26
2016-17	15.5	11.50-12.00% (Estimated) *

* TRS rate for 2016-17 expected to be released February 2016. The estimated range is between 11.50% and 12.00%.

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 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 is not participating 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.

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 will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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.

GASB 45 and 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 45 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

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

The District contracted with Questar III BOCES, an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on the most recent actuarial valuation dated June 30, 2015, the tables below show the components of the District's annual OPEB cost, the amount actuarially contributed to the plan, changes in the District's net OPEB obligation and funding status for the fiscal years ending June 30, 2015 and 2014:

Annual OPEB Cost and Net OPEB Obligation:	***2015***	***2014***
Annual required contribution (ARC)	$ 3,895,861	$ 4,150,527
Interest on net OPEB obligation	622,684	532,559
Adjustment to ARC	(725,739)	(740,336)
Annual OPEB cost (expense)	3,792,806	3,942,750
Contributions made	(1,934,287)	(1,689,692)
Increase in net OPEB obligation	1,858,519	2,253,121
Net OPEB obligation - beginning of year	15,567,107	13,313,986
Net OPEB obligation - end of year	$ 17,425,626	$ 15,567,107
Percentage of annual OPEB cost contributed	51.0%	42.9%
Funding Status:		
Actuarial Accrued Liability (AAL)	$ 42,452,308	$ 50,696,689
Actuarial Value of Assets	0	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 42,452,308	$ 50,696,689
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 3,792,806	51.0%	$ 17,425,626
2014	3,942,750	42.9	15,567,107
2013	3,916,026	42.3	13,313,986
2012	4,362,710	38.6	11,053,398

Note: The above tables are not audited.

The aforementioned liability and ARC are recognized and will be disclosed in accordance with GASB 45 standards in the District’s audited financial statements.

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

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

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

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

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

Under the State Comptroller’s proposal, there are no restrictions on the amount a government can deposit into the trust.

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2015 and is attached hereto as "APPENDIX – D". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller Report of Examination

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

There are no recent State Comptrollers audits of the District that are currently in progress.

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 most current applicable report of the State Comptroller classifies the District as "Moderate Fiscal Stress" with a Fiscal Score of 45.0%. The previous report for 2013 designated the District as "Susceptible Fiscal Stress" with a Fiscal Score of 31.7%.

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016
Towns of:					
Cazenovia	$ 554,271,568	$ 557,785,934	$ 560,325,162	$ 695,846,806 (1)	$ 699,767,814
Fenner	72,973,669	73,870,150	75,060,114	75,059,895	75,809,225
Georgetown	597,431	598,343	587,090	608,842	608,521
Lincoln	6,007,332	6,400,066 (1)	6,463,168	6,456,818	6,469,928
Nelson	145,700,478	145,120,759	145,541,921	145,618,741	145,656,822
Pompey	39,979,613	44,090,426 (1)	44,947,795	44,984,912	44,800,788
Sullivan	7,304,456	7,231,394	8,792,470 (1)	8,831,365	8,890,554
Total Assessed Values	$ 826,834,547	$ 835,097,072	$ 841,717,720	$ 977,407,379	$ 982,003,652
State Equalization Rates					
Towns of:					
Cazenovia	80.00%	85.00%	82.00%	100.00% (1)	100.00%
Fenner	100.00%	100.00%	100.00%	100.00%	98.00%
Georgetown	100.00%	100.00%	100.00%	100.00%	90.00%
Lincoln	95.25%	100.00% (1)	100.00%	100.00%	99.00%
Nelson	100.00%	100.00%	100.00%	100.00%	98.00%
Pompey	91.00%	100.00% (1)	100.00%	100.00%	100.00%
Sullivan	85.50%	85.00%	100.00% (1)	100.00%	99.00%
Total Taxable Full Valuation	$ 970,894,812	$ 934,806,012	$ 964,715,926	$ 977,407,379	$ 986,746,137

(1) Significant change from previous year due to revaluation.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016
Towns of:					
Cazenovia	$ 20.15	$ 20.01	$ 21.09	$ 17.25	$ 17.43
Fenner	16.12	17.01	17.29	17.25	17.79
Georgetown	16.12	17.01	17.29	17.25	19.37
Lincoln	16.93	17.01	17.29	17.25	17.61
Nelson	16.12	17.01	17.29	17.25	17.79
Pompey	17.72	17.01	17.29	17.25	17.43
Sullivan	18.86	20.01	17.29	17.25	17.61

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged From October 1st to November 15th. After November 15th, uncollected taxes are returnable to Madison and Onondaga Counties for collection. The School District receives this amount from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016
Total Tax Levy	$ 15,652,365	$ 15,902,422	$ 16,681,422	$ 16,855,459	$ 17,199,310
Amount Uncollected (1)	1,676,516	1,008,767	1,080,873	1,049,461	1,086,668
% Uncollected	10.71%	6.34%	6.48%	6.23%	6.32%

(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 District for each of the below referenced completed fiscal years and budgeted figures for the 2015-2016 fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2010-2011	$ 23,902,877	$ 13,601,820	56.90%
2011-2012	24,289,018	14,126,772	58.16
2012-2013	24,136,993	14,327,652	59.36
2013-2014	25,188,799	15,080,534	59.87
2014-2015	25,781,914	15,233,883	59.09
2015-2016 (Proposed)	26,608,858	17,199,310	64.64

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

Larger Taxpayers 2015 Tax Roll for 2015-2016

Name	Type	Estimated Full Valuation
National Grid	Utility	$ 21,703,985
Tennessee Gas Pipeline Company	Utility	11,745,447
New Plan East, LLC	Real Estate	3,950,000
Dielectric Labs, Inc.	Manufacturing	3,367,347
Ten Albany, LLC	Engineering Firm	3,200,000
Marquardt Switches	Manufacturing	2,853,061
Windstream New York, Inc	Communication	2,706,872
Canterbury Stables	Agriculture	2,623,980
37 Albany Street, LLC	Real Estate	2,451,900
Citylake Properties, LLC	Real Estate	2,100,000

The larger taxpayers listed above have a total taxable estimated full valuation of $56,702,592 which represents 5.75% of the tax base of the District.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris, however; a taxpayer (not listed above) has filed a notice for a reduced assessment.

Source: District Tax Rolls.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential-90%, and Commercial- 10%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,780 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.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $84,550 or less, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a "basic" exemption on their primary residence.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Cazenovia	$ 65,300	$ 30,000	4/8/2015
Fenner	65,300	30,000	4/8/2015
Georgetown	65,300	30,000	4/8/2015
Lincoln	65,300	30,000	4/8/2015
Nelson	65,300	30,000	4/8/2015
Pompey	65,300	30,000	4/8/2015
Sullivan	65,300	30,000	4/8/2015

$1,620,264 of the District's $16,855,459 school tax levy for 2014-2015 was exempted by the STAR Program. The District received all of such exempt taxes from the State by January 2, 2015.

Approximately $1,675,476 of the District's $17,199,310 school tax levy for 2015-2016 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January, 2016.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the TLLL is unconstitutional as it applies to public school districts. The suit alleges that the TLLL arbitrarily caps property tax levy increases and perpetuates funding inequities between affluent and low-wealth school districts. The suit further alleges that the tax cap unconstitutionally limits the ability of school districts and their taxpayers to address these inequities by exercising substantial local control. Among seven causes of action, the suit also alleges that the TLLL unconstitutionally interferes with fundamental voting rights in violation of the principle of "one person, one vote". On March 16, 2015, the New York State Supreme Court dismissed the latest complaint. NYSUT is planning to appeal, and the ultimate outcome of this litigation cannot be determined at this time.

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

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. While it is understood that the program applies in the years 2016 through 2019 and includes continued tax cap compliance, further details and implications are not available at this time.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Statutory Procedure

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

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

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

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

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

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

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2011	2012	2013	2014	2015
Bonds	$ 20,622,525	$ 18,600,000	$ 17,206,563	$ 15,380,000	$ 13,960,349
Bond Anticipation Notes	0	0	0	0	7,400,000
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 20,622,525	$ 18,600,000	$ 17,206,563	$ 15,380,000	$ 21,360,349

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of December 22, 2015.

Type of Indebtedness	Maturity		Amount
Bonds	2015-2026		$ 14,198,086
Bond Anticipation Notes			
Capital Project	May 6, 2016		7,400,000
		Total Indebtedness	$ 21,597,086

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of December 22, 2015:

Full Valuation of Taxable Real Property			$ 986,746,137
Debt Limit 10% thereof			98,674,614
Inclusions:			
Bonds [(1)]	$ 14,197,086		
Bond Anticipation Notes	7,400,000		
Principal of this Issue	8,170,000 *		
Total Inclusions		$ 29,892,086	
Exclusions:			
State Building Aid [(2)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 29,892,086
Net Debt-Contracting Margin			$ 68,782,528
The percent of debt contracting power exhausted is			30.29%

(1) $8,020,000* of the outstanding serial bonds are to be refunded with the proceeds of the Bonds.

(2) Based on preliminary 2015-2016 building aid estimates, the District anticipates State Building aid of 67.7% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

* Preliminary, subject to change.

Bonded Debt Service

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

Capital Project Plans

On January 6, 2014 the voters of the District approved a $7.4 million project for repairs and upgrades to existing infrastructure in all three of the District's buildings. The project is has received State Education Department approval. The District anticipates 67.7% of the project cost will be paid for by New York state building aid. The repair and upgrade work began in the summer of 2015 and is anticipated to be complete by September 2016. The District issued $7,400,000 bond anticipation notes to mature May 6, 2016 and represent the first borrowing against said authorization. Pending market conditions the District plans to renew these notes for another year and then bond them in June 2017.

The District borrows annually for school buses.

There are presently no other projects authorized and unissued by the District at this time.

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes or revenue anticipation notes.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause axes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the 2013 fiscal year of the respective municipalities.

Unit	Total Indebtedness [1]	Exclusions [2]	Net Indebtedness	% Within District	Net Indebtedness
Counties of:					
Madison	$ 12,120,000	$ 0	$ 12,120,000	26.90%	$ 3,260,280
Onondaga	534,598,657	275,491,588	259,107,069	0.70	1,813,750
Towns of:					
Cazenovia	728,872	623,872	105,000	98.37	103,289
Fenner	0	0	0	81.08	0
Georgetown	8,000	0	8,000	1.43	114
Lincoln	116,611	116,611	0	6.48	0
Nelson	505,000	505,000	0	73.66	0
Sullivan	12,301,205	3,258,205	9,043,000	1.03	93,143
Pompey	619,000	0	619,000	7.06	43,701
Village of:					
Cazenovia	1,684,875	0	1,684,875	100.00	1,684,875
				Total	$ 6,999,152

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

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

Note: The 2014 Comptroller's Special Report is currently unavailable as of the date of this Official Statement.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2013.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of December 22, 2015:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 29,892,086	$ 2,877.01	3.03%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	36,891,238	3,550.65	3.74

[a] The current estimated population of the District is 10,390. (See “THE SCHOOL DISTRICT - Population” herein.)
[b] The District's full value of taxable real estate for 2015-2016 is $986,746,137. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
[c] See Calculation of “Debt Statement Summary" herein.
[d] Estimated net overlapping indebtedness is $6,999,152. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

TAX MATTERS

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

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

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

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

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

LEGAL MATTERS

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

Certain legal matters will be passed upon for the underwriter by its Counsel, Harris Beach PLLC, Rochester, New York.

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

CONTINUING DISCLOSURE

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

Historical Compliance

The District's Annual Financial Information and Operating Data and Audited Financial Statements for the fiscal year ending June 30, 2009 were not filed in a timely manner as required under previous continuing disclosure agreements. The 2009 Annual Financial Information and Operating Data and 2009 Audited Financial Statements were filed on March 17, 2010. A notice of failure to file related to the aforementioned was filed to the Electronic Municipal Market Access ("EMMA") on April 30, 2015.

Except as noted in the paragraph above, 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.

UNDERWRITING

The Bonds are being purchased by Roosevelt & Cross Incorporated (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to $______________ (being the par amount of the Bonds plus a net original issue premium of $____________, less an underwriter's discount for the transaction of $___________). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

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 Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District 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.

BOND RATING

Standard & Poor's Credit Market Services ("S&P") has assigned their underlying rating of "AA-" with a negative outlook to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

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

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

Neither, Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the District, nor Harris Beach PLLC, Rochester New York, counsel to the Underwriter, expresses any opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the 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: Mr. Thomas P. Finnerty, Assistant Superintendent, Cazenovia Central School District, District Offices, 31 Emory Avenue, Cazenovia, New York 13035 telephone (315) 655-5351 fax (315) 655-1375, email tfinnerty@caz.cnyric.org.

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

CAZENOVIA CENTRAL SCHOOL DISTRICT

Dated: January __, 2016

JAN WOODWORTH
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2011	2012	2013	2014	2015
ASSETS					
Unrestricted Cash	$ 1,610,409	$ 2,115,274	$ 2,023,613	$ 2,341,599	$ 2,030,829
Restricted Cash	4,257,859	2,773,224	2,197,565	1,850,238	1,757,610
Accounts Receivable	-	-	-	-	-
Due from Other Governments	613,500	683,227	639,809	490,973	659,685
Due from Other Funds	1,731,938	1,727,338	1,727,339	1,294,434	1,294,434
Other Receivables	23,226	123,951	46,263	35,774	63,809
Prepaid Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 8,236,932	$ 7,423,014	$ 6,634,589	$ 6,013,018	$ 5,806,367
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 64,689	$ 54,000	$ 100,818	$ 317,301	$ 135,326
Accrued Liabilities	20,893	37,529	25,407	41,414	48,251
Due to Other Governments	-	-	-	-	-
Due to Other Funds	921,237	921,237	921,237	743,709	743,709
Due to Teachers' Retirement System	979,054	1,188,306	1,254,724	1,671,176	1,749,355
Due to Employees' Retirement System	106,463	122,448	140,308	133,285	123,656
Deferred Revenues	329,591	298,391	266,965	300,833	480,221
Other Liabilities	-	-	-	-	-
TOTAL LIABILITIES	2,421,927	2,621,911	2,709,459	3,207,718	3,280,518
FUND EQUITY					
Reserved					
Special	$ 4,257,859	$ 2,773,224	$ 2,197,565	$ 1,850,238	$ 1,757,610
Encumbrances	-	-	-	-	-
Unreserved:					
Appropriated	1,124,577	1,112,987	1,213,623	870,101	374,611
Unappropriated	432,569	914,892	513,942	84,961	393,628
TOTAL FUND EQUITY	5,815,005	4,801,103	3,925,130	2,805,300	2,525,849
TOTAL LIABILITIES and FUND EQUITY	$ 8,236,932	$ 7,423,014	$ 6,634,589	$ 6,013,018	$ 5,806,367

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:	2010	2011	2012	2013	2014
REVENUES					
Real Property Taxes	$ 13,063,883	$ 13,601,820	$ 14,126,772	$ 14,327,652	$ 15,080,534
Other Real Property Tax Items	1,673,486	1,631,758	1,572,224	1,622,081	1,658,141
Nonproperty Taxes	11,726	12,328	7,159	4,526	4,223
Charges for Services	135,594	91,935	48,713	34,863	42,139
Use of Money & Property	172,820	56,279	48,819	39,242	45,310
Sale of Property and Compensation for Loss	11,163	9,732	5,403	929	29,560
Miscellaneous	253,408	189,146	242,491	214,820	231,614
Revenues from State Sources	7,698,960	7,564,746	8,233,642	7,859,289	8,069,582
Revenues from Federal Sources	1,475,888	545,133	3,795	33,591	27,696
Total Revenues	$ 24,496,928	$ 23,702,877	$ 24,289,018	$ 24,136,993	$ 25,188,799
Other Sources:					
Interfund Transfers	150,000	200,000	-	-	-
Total Revenues and Other Sources	24,646,928	23,902,877	24,289,018	24,136,993	25,188,799
EXPENDITURES					
General Support	$ 2,910,748	$ 2,968,815	$ 2,990,727	$ 2,827,201	$ 2,928,147
Instruction	12,626,200	12,028,058	11,471,219	11,869,115	12,187,346
Pupil Transportation	1,097,286	1,118,565	1,126,459	1,114,751	1,225,658
Community Services	-	-	500	615	500
Employee Benefits	6,414,362	6,607,288	6,631,972	6,787,107	7,458,705
Debt Service	1,821,071	1,802,663	2,939,525	2,390,473	2,381,416
Total Expenditures	$ 24,869,667	$ 24,525,389	$ 25,160,402	$ 24,989,262	$ 26,181,772
Other Uses:					
Interfund Transfers	10,882	12,861	156,156	23,717	126,856
Total Expenditures and Other Uses	24,880,549	24,538,250	25,316,558	25,012,979	26,308,628
Excess (Deficit) Revenues Over Expenditures	(233,621)	(635,373)	(1,027,540)	(875,986)	(1,119,829)
FUND BALANCE					
Fund Balance - Beginning of Year	6,683,999	6,450,378	5,828,643	4,801,116	3,925,129
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 6,450,378	$ 5,815,005	$ 4,801,103	$ 3,925,130	$ 2,805,300

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:	2015			2016
	Adopted Budget	Modified Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	$ 16,855,459	$ 16,855,459	$ 15,233,883	$ 17,199,310
Other Tax Items	57,048	57,048	1,676,489	5,605
Nonproperty Taxes	-	-	5,008	-
Charges for Services	43,231	43,231	35,944	272,470
Use of Money & Property	62,509	62,509	45,598	-
Sale of Property and Compensation for Loss	-	-	704	-
Miscellaneous	214,750	214,750	374,081	151,333
Revenues from State Sources	8,501,580	8,501,580	8,373,504	8,918,763
Revenues from Federal Sources	-	-	36,703	-
Total Revenues	$ 25,734,577	$ 25,734,577	$ 25,781,914	$ 26,547,481
Other Sources:				
Interfund Transfers	11,377	11,377	-	61,377
Total Revenues and Other Sources	25,745,954	25,745,954	25,781,914	26,608,858
EXPENDITURES				
General Support	$ 2,858,586	$ 2,917,429	$ 2,824,168	$ 2,885,049
Instruction	12,464,442	12,314,264	12,043,481	12,727,821
Pupil Transportation	1,217,039	1,210,890	1,117,597	1,155,991
Community Services	750	750	750	750
Employee Benefits	7,675,867	7,675,867	7,567,621	7,679,167
Debt Service	2,299,371	2,299,371	2,310,264	2,310,080
Total Expenditures	$ 26,516,055	$ 26,418,571	$ 25,863,881	$ 26,758,858
Other Uses:				
Interfund Transfers	100,000	197,484	197,484	100,000
Total Expenditures and Other Uses	26,616,055	26,616,055	26,061,365	26,858,858
Excess (Deficit) Revenues Over Expenditures	(870,101)	(870,101)	(279,451)	(250,000)
FUND BALANCE				
Fund Balance - Beginning of Year	870,101	870,101	2,805,300	250,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 2,525,849	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	PRIOR TO REFUNDING Principal	PRIOR TO REFUNDING Interest	PRIOR TO REFUNDING Total	Refunded Bonds Debt Service	REFUNDING BONDS Principal	REFUNDING BONDS Interest	REFUNDING BONDS Total	Total New Debt Service
2016	$ 1,860,349	$ 450,501.16	$ 2,310,850.16	$ -	$ -	$ -	$ -	$ -
2017	1,338,608	399,915.02	1,738,523.02	-	-	-	-	-
2018	1,385,000	360,897.50	1,745,897.50	-	-	-	-	-
2019	1,355,000	323,795.00	1,678,795.00	-	-	-	-	-
2020	1,390,000	286,043.75	1,676,043.75	-	-	-	-	-
2021	1,365,000	242,718.75	1,607,718.75	-	-	-	-	-
2022	1,330,000	199,725.00	1,529,725.00	-	-	-	-	-
2023	1,375,000	155,825.00	1,530,825.00	-	-	-	-	-
2024	1,420,000	110,400.00	1,530,400.00	-	-	-	-	-
2025	1,095,000	58,200.00	1,153,200.00	-	-	-	-	-
2026	360,000	14,400.00	374,400.00	-	-	-	-	-
TOTALS	$ 14,273,957	$ 2,602,421.18	$ 16,876,378.18	$ -	$ -	$ -	$ -	$ -

CURRENT BONDS OUSTANDING

Fiscal Year Ending June 30th	2004 Refunding of 1996 Serial Bonds Principal	Interest	Total	2011 Bus Purchase Principal	Interest	Total
2016	$ 550,000	$ 22,000.00	$ 572,000.00	$ 70,000	$ 2,100.00	$ 72,100.00
TOTALS	$ 550,000	$ 22,000.00	$ 572,000.00	$ 70,000	$ 2,100.00	$ 72,100.00

Fiscal Year Ending June 30th	2009 Capital Project Principal	Interest	Total	2010 Capital Project Principal	Interest	Total
2016	$ 105,000	$ 40,712.50	$ 145,712.50	$ 810,000	$ 337,300.00	$ 1,147,300.00
2017	110,000	37,300.00	147,300.00	835,000	313,000.00	1,148,000.00
2018	115,000	33,725.00	148,725.00	865,000	287,950.00	1,152,950.00
2019	115,000	29,700.00	144,700.00	890,000	262,000.00	1,152,000.00
2020	120,000	25,387.50	145,387.50	915,000	235,300.00	1,150,300.00
2021	125,000	20,887.50	145,887.50	950,000	203,275.00	1,153,275.00
2022	130,000	16,200.00	146,200.00	980,000	170,025.00	1,150,025.00
2023	135,000	11,000.00	146,000.00	1,015,000	135,725.00	1,150,725.00
2024	140,000	5,600.00	145,600.00	1,050,000	100,200.00	1,150,200.00
2025	-	-	-	1,095,000	58,200.00	1,153,200.00
2026	-	-	-	360,000	14,400.00	374,400.00
TOTALS	$ 1,095,000	$ 220,512.50	$1,315,512.50	$ 9,765,000	$2,117,375.00	$ 11,882,375.00

CURRENT BONDS OUSTANDING

Fiscal Year Ending June 30th	2012 Bus Purchase Principal	2012 Bus Purchase Interest	2012 Bus Purchase Total	2012 Refunding of 2004 Serial Bond Principal	2012 Refunding of 2004 Serial Bond Interest	2012 Refunding of 2004 Serial Bond Total
2016	$ 65,000	$ 2,965.00	$ 67,965.00	$ 190,000	$ 38,000.00	$ 228,000.00
2017	65,000	2,006.25	67,006.25	200,000	34,200.00	234,200.00
2018	70,000	735.00	70,735.00	200,000	30,200.00	230,200.00
2019	-	-	-	205,000	26,200.00	231,200.00
2020	-	-	-	210,000	22,100.00	232,100.00
2021	-	-	-	220,000	17,900.00	237,900.00
2022	-	-	-	220,000	13,500.00	233,500.00
2023	-	-	-	225,000	9,100.00	234,100.00
2024	-	-	-	230,000	4,600.00	234,600.00
TOTALS	$ 200,000	$ 5,706.25	$ 205,706.25	$ 1,900,000	$ 195,800.00	$ 2,095,800.00

Fiscal Year Ending June 30th	2014 Bus Purchase Principal	2014 Bus Purchase Interest	2014 Bus Purchase Total	2015 Bus Purchase Principal	2015 Bus Purchase Interest	2015 Bus Purchase Total
2016	$ 11,871	$ 1,822.71	$ 13,693.71	$ 58,478	$ 4,830.33	$ 63,308.33
2017	15,000	1,541.25	16,541.25	60,000	3,993.75	63,993.75
2018	15,000	1,158.75	16,158.75	60,000	3,093.75	63,093.75
2019	15,000	776.25	15,776.25	65,000	2,193.75	67,193.75
2020	15,000	393.75	15,393.75	65,000	1,137.50	66,137.50
TOTALS	$ 71,871	$ 5,692.71	$ 77,563.71	$ 308,478	$ 15,249.08	$ 323,727.08

Fiscal Year Ending June 30th	2015 Bus Purchase Principal	2015 Bus Purchase Interest	2015 Bus Purchase Total
2016	$ -	$ -	$ -
2017	53,608	-	53,608.00
2018	60,000	-	60,000.00
2019	65,000	-	65,000.00
2020	65,000	-	65,000.00
2021	70,000	-	70,000.00
TOTALS	$ 313,608	$ -	$ 243,608.00

CONTINUING DISCLOSURE UNDERTAKING

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

(i) In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Official Statement dated January [__], 2015 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C & E and other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2016, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2016; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

(g) modifications to rights of securityholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

(iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

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

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

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

For a discussion of the District’s continuing disclosure compliance see “CONTINUING DISCLOSURE – Historical Compliance” in the Official Statement.

CAZENOVIA CENTRAL SCHOOL DISTRICT

MADISON AND ONONDAGA COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2015

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.

CAZENOVIA CENTRAL SCHOOL DISTRICT
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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

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

Independent Auditor's Report

Board of Education
Cazenovia Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cazenovia Central School District, as of and for the year ended June 30, 2015, 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 Cazenovia Central School District, as of June 30, 2015, 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 Note 1 to the financial statements, the District changed accounting policies related to the financial statement presentation of defined benefit pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, in 2015. The new pronouncements require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. 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 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 Cazenovia Central School District's basic financial statements as a whole. The other supplementary information on pages 48 through 50 is presented for purposes of additional analysis as required by New York State Education Department and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements. The other supplementary information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 14, 2015, on our consideration of the Cazenovia Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Cazenovia Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 14, 2015

Rome, New York

The Cazenovia 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, 2015 and 2014. 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.

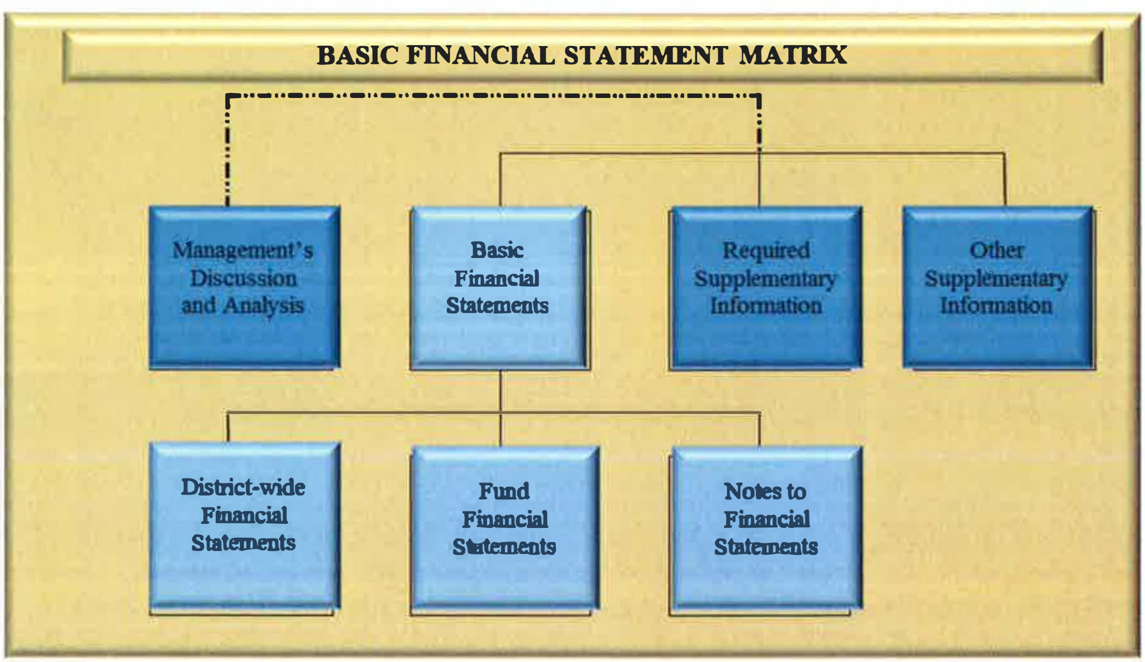
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2015, are as follows:

- The District's total Net Position, as reflected in the District-wide financial statements, decreased by $101,651.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $27,136,146. Of this amount, $197,480 was offset by program charges for services, and $861,956 was offset by operating grants to support instructional and food service programs. General revenues of $25,975,059 amount to 96.1% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, decreased by $279,451 to $2,525,849. This was due to an excess of expenditures over revenues based on the modified accrual basis of accounting.
- State and federal operating and general revenue increased by $458,449 to $8,589,595 in 2015 from $8,131,146 in 2014. This was mainly due to a partial restoration of the New York State GAP Elimination Adjustment to State Aid.

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 and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as Net Position. Increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

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

B. Fund Financial Statements

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

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

Governmental Funds

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

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

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

Fiduciary Funds

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The Districts total Net Position decreased $101,651 between fiscal year 2015 and 2014. A summary of the District's Statement of Net Position for June 30, 2015 and 2014, is as follows:

	2015	Restated 2014	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 11,669,500	$ 5,457,945	$ 6,211,555	113.8%
Net Pension Asset - Proportionate Share	7,483,471	449,749	7,033,722	1563.9%
Capital Assets, (Net of Accumulated Depreciation)	17,866,415	18,355,313	(488,898)	(2.7%)
Total Assets	37,019,386	24,263,007	12,756,379	52.6%
Deferred Outflows of Resources	2,006,878	2,229,201	(222,323)	(10.0%)
Total Assets and Deferred Outflows of Resources	$ 39,026,264	$ 26,492,208	$ 12,534,056	47.3%
Non-Current Liabilities	$ 32,611,201	$ 32,354,086	$ 257,115	0.8%
Net Pension Liability - Proportionate Share	318,051	425,436	(107,385)	(25.2%)
Other Liabilities	9,811,163	2,460,583	7,350,580	298.7%
Total Liabilities	42,740,415	35,240,105	7,500,310	21.3%
Deferred Inflows of Resources	5,135,397		5,135,397	100.0%
Total Liabilities and Deferred Inflows of Resources	47,875,812	35,240,105	12,635,707	35.9%
Net Position				
Net Investment in Capital Assets	$ 3,099,155	$ 2,996,724	$ 102,431	100.0%
Restricted	2,355,443	2,419,371	(63,928)	(2.6%)
Unrestricted (Deficit)	(14,304,146)	(14,163,992)	(140,154)	(1.0%)
Total Net Position (Deficit)	(8,849,548)	(8,747,897)	(101,651)	(1.2%)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 39,026,264	$ 26,492,208	$ 12,534,056	47.3%

Current and other assets increased by $6,211,555 as compared to the prior year. This increase is primarily due to excess cash in the Capital Fund due to the issuance of a $7,400,000 Bond Anticipation Note.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* was implemented in 2015. The statement required the recognition of the District's proportionate share of Net Pension Asset/Liability and Deferred Outflows/Inflows of Resources for the New York State Employees' and Teachers' retirement systems. The new accounting pronouncement required that the prior year be restated for the implementation of the standard. The details of the restatement are more fully described in Note 16 of the financial statements.

Capital assets decreased by $488,898 as compared to the prior year. This decrease is primarily due to depreciation exceeding capital outlays.

Non-current liabilities increased by $257,115 as compared to the prior year. This increase is primarily the result of an increase in Other Postemployment Benefits offset by a decrease in bonds payable.

Other liabilities increased by $7,350,580 as compared to the prior year. This increase is due to the issuance of a $7,400,000 Bond Anticipation Note.

The net position invested 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 net position at June 30, 2015 is $2,355,443 which represents the amount of the District's reserves and other restricted funds in the Debt Service Fund.

The unrestricted net position at June 30, 2015, is a deficit of $14,304,146, which represents the amount by which the District's liabilities, excluding debt related to capital construction, exceeded the District's assets other than capital assets. This deficit is primarily the result of the implementation of the requirement to accrue Other Postemployment Benefits. This requirement has been in effect for the last several years. The accumulated accrued liability for this obligation is $17,425,626 at June 30, 2015.

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 STAR and other real property 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, 2015 and 2014 is as follows.

Revenues	2015	Restated 2014	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 197,480	$ 225,289	$ (27,809)	(12.3%)
Operating Grants	861,956	772,318	89,638	11.6%
General Revenues				
Property Taxes and STAR	16,915,380	16,742,898	172,482	1.0%
State and Federal Sources	8,589,595	8,131,146	458,449	5.6%
Other	470,084	323,939	146,145	45.1%
Total Revenues	27,034,495	26,195,590	838,905	3.2%
Expenses				
General Support	$ 3,732,135	$ 3,774,730	$ (42,595)	(1.1%)
Instruction	20,402,675	20,100,224	302,451	1.5%
Pupil Transportation	2,065,963	2,225,458	(159,495)	(7.2%)
Community Service	750	500	250	50.0%
Debt Service-Unallocated Interest	520,818	577,880	(57,062)	(9.9%)
Food Service Program	413,805	428,975	(15,170)	(3.5%)
Total Expenses	27,136,146	27,107,767	28,379	0.1%
Total Change in Net Position	$ (101,651)	$ (912,177)	$ 810,526	

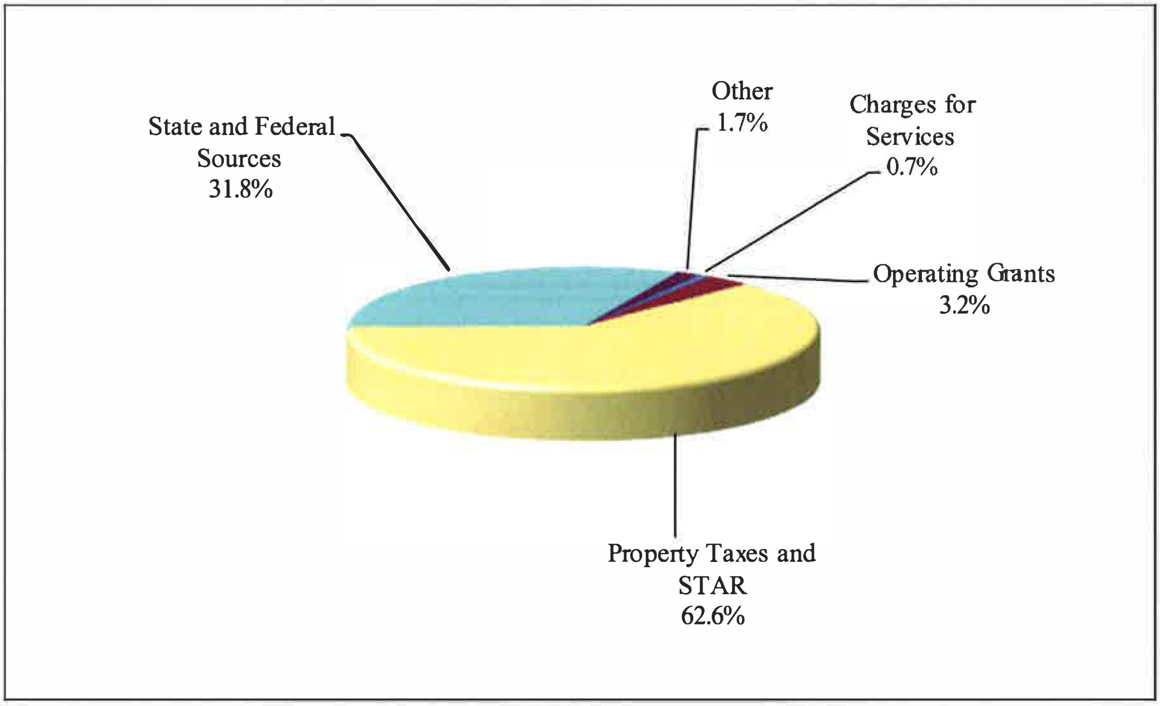
The District's revenues increased by $838,905 in 2015 or 3.2%. The major factors that contributed to the increase were:

- Property Tax and STAR revenue increased by $172,482.
- State and federal source revenue increased by $458,449 due to increases in basic formula aid, excess cost aid and lottery aid. This was mainly due to a partial restoration of the New York State GAP Elimination Adjustment to State Aid.

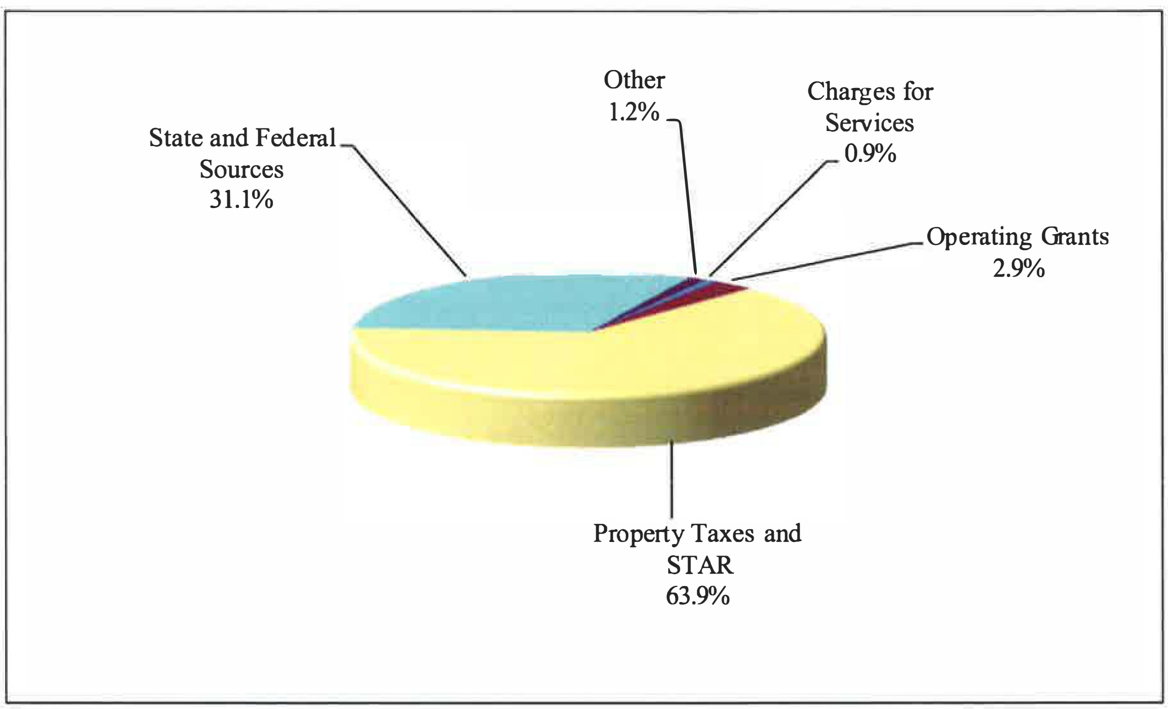
The District's expenditures for the year increased by $28,379 or 0.1%, primarily due to increased expenditures in instruction for salaries and benefits that were offset by pension expense decreases due to the implementation of the new pension accounting standard.

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

For the Year Ended June 30, 2015

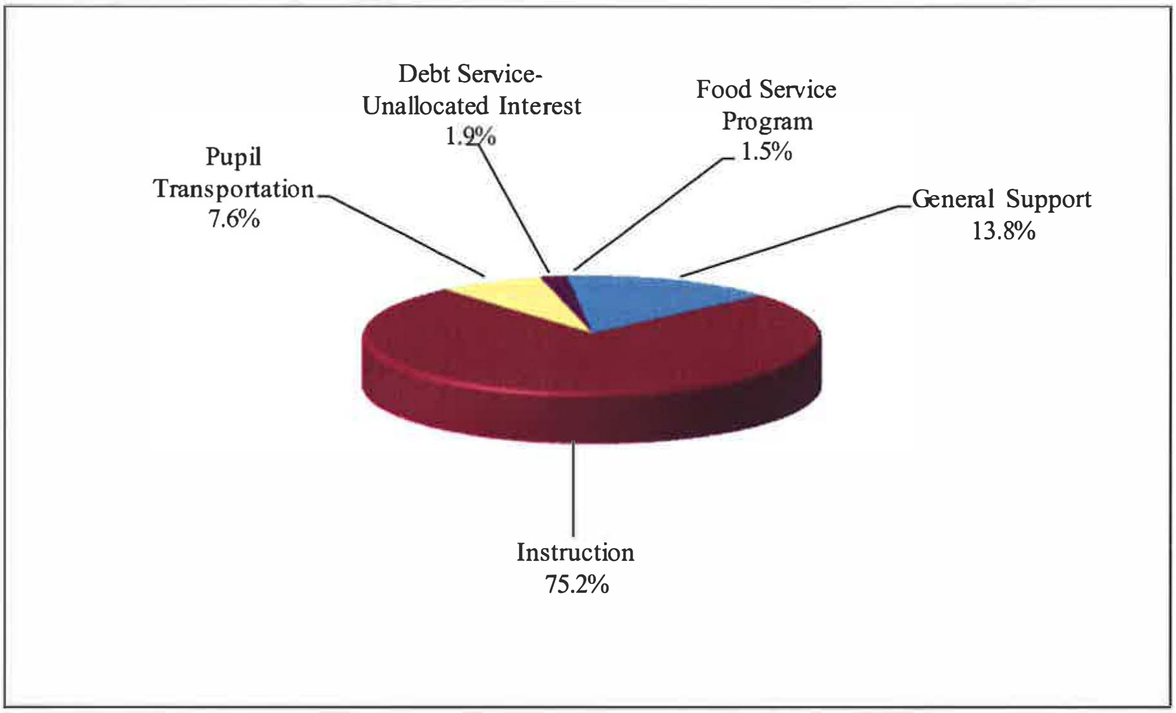


For the Year Ended June 30, 2014

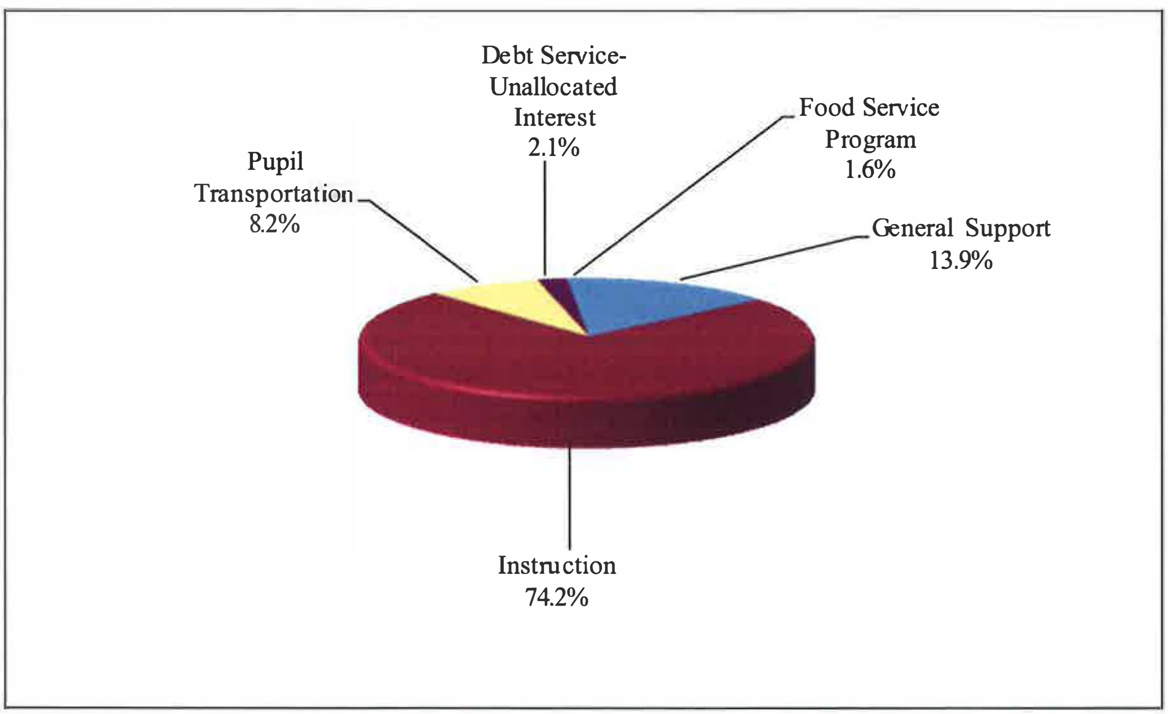


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2015



For the Year Ended June 30, 2014



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2015, the District's governmental funds reported a combined fund balance of $1,557,025 which is a decrease of $1,331,233 from the prior year. This decrease is primarily due to a deficit of revenues over expenditures for the year in the General Fund and Capital Fund. A summary of the change in fund balance by fund is as follows:

	2015	2014	Difference
General Fund			
Restricted			
Workers' Compensation	$ 159,804	$ 145,911	$ 13,893
Unemployment Insurance	65,000	65,000	
Retirement Contribution System	494,624	533,143	(38,519)
Employee Benefit Accrued Liability	754,682	822,684	(68,002)
Property Liability	250,000	250,000	
Tax Certiorari	33,500	33,500	
Total Restricted	1,757,610	1,850,238	(92,628)
Assigned			
Appropriated for Subsequent Year's Budget	250,000	750,000	(500,000)
General Support	78,154	62,090	16,064
Instruction	45,656	57,731	(12,075)
Pupil Transportation	801	281	520
Total Assigned	374,611	870,102	(495,491)
Unassigned	393,628	84,960	308,668
Total General Fund	2,525,849	2,805,300	(279,451)
School Lunch Fund			
Nonspendable	10,949	11,308	(359)
Assigned	101,211	89,435	11,776
Total School Lunch Fund	112,160	100,743	11,417
Debt Service Fund			
Restricted	597,833	569,133	28,700
Capital Fund			
Unassigned (Deficit)	(1,678,817)	(586,918)	(1,091,899)
Total Fund Balance	$ 1,557,025	$ 2,888,258	$ (1,331,233)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2014-2015 Budget

The District's General Fund adopted budget for the year ended June 30, 2015, was $26,495,954. This is an increase of $76,292 over the prior years adopted budget.

The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was $16,912,507 in estimated property taxes and STAR.

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	$	84,960
Revenues and Other Financing Sources under Budget		(834,141)
Carryover Encumbrances from June 30, 2014		120,102
Expenditures under Budget		554,690
Encumbrances at June 30, 2015		(124,611)
Decrease to Assigned - Appropriated Fund Balance		500,000
Net Decrease to Restricted Funds		92,628
Closing, Unassigned Fund Balance	$	393,628

Opening, Unassigned Fund Balance

The $84,960 shown in the table is the portion of the District's June 30, 2014, fund balance that was retained as unassigned. This was .32% of the District's 2014-2015 approved operating budget.

Revenues and Other Financing Sources Under Budget

The 2014-2015 budget for revenues and other financing sources was $26,616,055. The actual revenues and other financing sources received for the year were $25,781,914. The actual revenues and other financing sources were under estimated budgeted amounts by $834,141. This variance contributes directly to the change to the unassigned portion of the General Fund balance from June 30, 2014 to June 30, 2015.

Expenditures Under Budget

The 2014-2015 budget for expenditures and other financing uses was $26,616,055. The actual expenditures and other financing uses were $26,061,365. The final budget was under expended by $554,690. This under expenditure offset by the June 30, 2015 encumbrances of $124,611 contributes to the change to the unassigned portion of the General Fund balance from June 30, 2014 to June 30, 2015.

Assigned - Appropriated Fund Balance

The District has chosen to use $250,000 of its available June 30, 2015, fund balance to partially fund its 2015-2016 approved operating budget. This is a decrease of $500,000 compared to the appropriated fund balance at June 30, 2014 of $750,000.

Net Decrease to Restricted Funds

The District used a portion of the Retirement Contribution System Reserve and the Employee Benefit Accrued Liability Reserve decreasing the Restricted Funds by $92,628.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2015-2016 fiscal year with an unassigned fund balance of $393,628. This was 1.47% of the District's 2015-2016 approved operating budget. This is an increase of $308,938 from the unassigned fund balance of the prior year as of June 30, 2014.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2015, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, and equipment. The net decrease in capital assets is due to capital additions less depreciation recorded for the year ended June 30, 2015. A summary of the District's capital assets, net of depreciation at June 30, 2015 and 2014, is as follows:

	2015	2014	Increase (Decrease)
Land	$ 279,000	$ 279,000	$
Construction in Progress	1,880,488	557,437	1,323,051
Buildings	14,456,587	16,251,274	(1,794,687)
Improvements other than Buildings		14,250	(14,250)
Furniture, Equipment, and Vehicles	1,250,340	1,253,352	(3,012)
Capital Assets, Net	$ 17,866,415	$ 18,355,313	$ (488,898)

B. Debt Administration

At June 30, 2015, the District had total bonds payable of $13,960,349. A summary of the outstanding debt at June 30, 2015 and 2014, is as follows:

Issue Date	Interest Rate	2015	2014	Increase (Decrease)
2/3/2004	3.50%-4.00%	$ 550,000	$ 1,075,000	$ (525,000)
3/26/2013	2.00%	1,900,000	2,090,000	(190,000)
6/1/2009	3.25%-4.00%	1,095,000	1,195,000	(100,000)
1/15/2010	2.70%-2.75%		80,000	(80,000)
7/1/2010	2.00%-4.00%	9,765,000	10,550,000	(785,000)
4/19/2011	2.75%-3.00%	70,000	130,000	(60,000)
11/15/2012	.60%-2.10%	200,000	260,000	(60,000)
7/18/2014	2.50%-2.625%	71,871		71,871
2/18/2015	1.50%-1.75%	308,478		308,478
		$ 13,960,349	$ 15,380,000	$ (1,419,651)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- Over the last seven school years (including the current 2015-16 fiscal year) our state aid revenue has been reduced by approximately $6.8M. Without restoration of State Aid revenue going forward, the School District will be forced to reduce or eliminate existing programs in order to remain in fiscal health.

- The legislation that imposes a cap on the amount of increase in the tax levy will significantly restrict the ability to increase tax revenue. An increase in the tax levy of 1 percent equates to an increase of approximately $172,000 in our district.

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 us at the following address:

Cazenovia Central School District
Business Office
31 Emory Ave.
Cazenovia, New York 13035-1098

CAZENOVIA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

Assets		
Cash and Cash Equivalents	$	2,107,599
Restricted Cash and Cash Equivalents		8,630,147
Receivables		
Other Governments		690,556
Other Receivables		230,249
Inventory		10,949
Net Pension Asset - Proportionate Share		7,483,471
Capital Assets (Net of Accumulated Depreciation)		17,866,415
Total Assets		37,019,386
Deferred Outflows of Resources		
Deferred Outflow - Pensions		1,957,405
Deferred Charge on Refunding of Debt (Net of Amortization)		49,473
Total Deferred Outflows of Resources		2,006,878
Total Assets and Deferred Outflows of Resources	$	39,026,264
Liabilities		
Accounts Payable	$	203,630
Accrued Liabilities		229,946
Due To		
Other Governments		98,521
Teacher's Retirement System		1,749,355
Employees' Retirement System		123,656
Short-Term Notes Payables		
Bond Anticipation Notes		7,400,000
Unearned Revenue		6,055
Net Pension Liability - Proportionate Share		318,051
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable		1,866,779
Due in More Than One Year		
Bonds Payable		12,145,006
Other Postemployment Benefits		17,425,626
Compensated Absences		1,173,790
Total Liabilities		42,740,415
Deferred Inflows of Resources		
Deferred Inflows - Pensions		5,135,397
Total Liabilities and Deferred Inflows of Resources		47,875,812
Net Position		
Net Investment in Capital Assets		3,099,155
Restricted		2,355,443
Unrestricted (Deficit)		(14,304,146)
Total Net Position (Deficit)		(8,849,548)
Total Liabilities, Deferred Inflows of Resources and Net Position	$	39,026,264

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

CAZENOVIA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
General Support	$ 3,732,135	$	$	$ (3,732,135)
Instruction	20,402,675	35,944	705,077	(19,661,654)
Pupil Transportation	2,065,963			(2,065,963)
Community Service	750			(750)
Debt Service - Unallocated Interest	520,818			(520,818)
Food Service	413,805	161,536	156,879	(95,390)
Total Functions/Programs	$ 27,136,146	$ 197,480	$ 861,956	(26,076,710)
General Revenues				
Real Property Taxes				15,233,883
STAR and Other Real Property Tax Items				1,681,497
Use of Money and Property				74,486
Sale of Property and Compensation				16,904
State and Federal Sources				8,589,595
Miscellaneous				378,694
Total General Revenues				25,975,059
Change in Net Position				(101,651)
Net Position (Deficit), Beginning of Year				(10,504,240)
Prior Period Adjustments				1,756,343
Net Position (Deficit), Beginning of Year (Restated)				(8,747,897)
Net Position (Deficit), End of Year				$ (8,849,548)

CAZENOVIA CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	School Lunch	Special Aid	Debt Service	Capital	Total
Assets						
Cash and Cash Equivalents	$ 2,030,829	$ 76,770	$	$	$	$ 2,107,599
Restricted Cash and Cash Equivalents	1,757,610			277,485	6,595,052	8,630,147
Receivables						
Due from Other Governments	659,685	30,871				690,556
Due from Other Funds	1,294,434			320,348	680,747	2,295,529
Other Receivables	63,809		166,440			230,249
Inventory		10,949				10,949
Total Assets	$ 5,806,367	$ 118,590	$ 166,440	$ 597,833	$ 7,275,799	$ 13,965,029
Liabilities						
Payables						
Accounts Payable	$ 135,326	$	$ 65,508	$	$ 2,796	$ 203,630
Accrued Liabilities	48,251		2,786			51,037
Due To						
Other Governments		375	98,146			98,521
Other Funds	743,709				1,551,820	2,295,529
Teacher's Retirement System	1,749,355					1,749,355
Employees' Retirement System	123,656					123,656
Short-Term Notes Payables						
Bond Anticipation Note					7,400,000	7,400,000
Deferred Credits						
Unearned Revenue		6,055				6,055
Total Liabilities	2,800,297	6,430	166,440		8,954,616	11,927,783
Deferred Inflows of Resources						
Deferred Revenue - State Aid	480,221					480,221
Fund Balance						
Nonspendable		10,949				10,949
Restricted	1,757,610			597,833		2,355,443
Assigned	374,611	101,211				475,822
Unassigned (Deficit)	393,628				(1,678,817)	(1,285,189)
Total Fund Balance (Deficit)	2,525,849	112,160		597,833	(1,678,817)	1,557,025
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 5,806,367	$ 118,590	$ 166,440	$ 597,833	$ 7,275,799	$ 13,965,029

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

CAZENOVIA CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCES TO THE STATEMENT OF NET POSITION
June 30, 2015

Total Governmental Fund Balances		$ 1,557,025
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.		
	Grant Revenue	480,221
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	47,943,804
	Accumulated Depreciation	(30,077,389)
		17,866,415
Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.		
	Net Pension Asset - Proportionate Share	7,483,471
	Deferred Outflows - Pensions	1,957,405
	Net Pension Liability - Proportionate Share	(318,051)
	Deferred Inflows - Pensions	(5,135,397)
		3,987,428
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
	Bonds Payable	(13,960,349)
	Original Issue Premium on Debt	(51,436)
	Unamortized Deferred Charge on Refunding	49,473
	Accrued Interest on Bonds Payable	(178,909)
	Other Postemployment Liabilities	(17,425,626)
	Compensated Absences Payable	(1,173,790)
		(32,740,637)
Total Net Position		$ (8,849,548)

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

CAZENOVIA CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	General	School Lunch	Special Aid	Debt Service	Capital	Total
Revenues						
Real Property Taxes	$ 15,233,883	$	$	$	$	$ 15,233,883
STAR and Other Real Property Tax Items	1,681,497					1,681,497
Charges for Services	35,944					35,944
Use of Money and Property	45,598	188		28,700		74,486
Sale of Property and Compensation for Loss	704					704
Miscellaneous	374,081	4,613				378,694
State Aid	8,373,504	6,186	57,305			8,436,995
Federal Aid	36,703	150,693	647,772			835,168
School Lunch Sales		161,536				161,536
Total Revenues	25,781,914	323,216	705,077	28,700		26,838,907
Expenditures						
General Support	2,824,168				1,323,050	4,147,218
Instruction	12,043,481		717,046			12,760,527
Pupil Transportation	1,117,597		26,235		308,478	1,452,310
Community Service	750					750
Food Service Program		311,799				311,799
Employee Benefits	7,567,621					7,567,621
Debt Service - Principal	1,800,000					1,800,000
Debt Service - Interest	510,264					510,264
Total Expenditures	25,863,881	311,799	743,281		1,631,528	28,550,489
Excess (Deficit) Revenues Over Expenditures	(81,967)	11,417	(38,204)	28,700	(1,631,528)	(1,711,582)
Other Financing Sources (Uses)						
Proceeds of Debt					380,349	380,349
Transfers from Other Funds			38,204		159,280	197,484
Transfers to Other Funds	(197,484)					(197,484)
Total Other Financing Sources (Uses)	(197,484)		38,204		539,629	380,349
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	(279,451)	11,417		28,700	(1,091,899)	(1,331,233)
Fund Balances (Deficit), Beginning of Year	2,805,300	100,743		569,133	(586,918)	2,888,258
Fund Balances (Deficit), End of Year	$ 2,525,849	$ 112,160	$	$ 597,833	$ (1,678,817)	$ 1,557,025

CAZENOVIA 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, 2015

Net Changes in Fund Balance - Total Governmental Funds		$ (1,331,233)
Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expenses in the statement of activities. This is the amount by which depreciation expense exceeded capital outlays in the period.		
Depreciation Expense	(2,270,122)	
Gain on Disposal	16,200	
Capital Outlays	1,765,024	(488,898)
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.		
Amortized Premium	6,430	
Amortized Deferred Charge on Refunding	(29,804)	
Proceeds from Serial Bonds	(380,349)	
Repayment of Bond Principal	1,800,000	1,396,277
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		179,388
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	12,820	
Change in Compensated Absences	175,323	
Change in Other Post Employment Benefits	(1,858,519)	(1,670,376)
(Increases) Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	1,992,714	
Employees' Retirement System	(179,523)	1,813,191
Change in Net Position Governmental Activities		$ (101,651)

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

CAZENOVIA CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

		Agency
Assets		
Cash and Cash Equivalents - Unrestricted	$	204,915
Total Assets	$	204,915
Liabilities		
Agency Liabilities	$	56,510
Extraclassroom Activity Balances		148,405
Total Liabilities	$	204,915

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cazenovia 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 matters.

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

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

Extraclassroom Activity Funds

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

Joint Venture

The School District is a component district in Onondaga-Cortland-Madison 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, 2015, the District was billed $1,963,048 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $599,929. Financial statements for the BOCES are available from the BOCES administrative office.

During the year ended June 30, 2015, the School District issued no debt on behalf of BOCES. However, during 2015, the BOCES issued $5,890,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. During 2015, no in principal payments were made and the outstanding balance at June 30, 2015, was $5,890,000.

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 nonexchange 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:

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.

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

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

Capital Project 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 fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the School District, and are not available to be used. The School District uses the following fiduciary fund:

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

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, State Aid, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from 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 60 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 mid-November. Uncollected real property taxes are subsequently enforced by the counties of Madison and Onondaga. An amount, representing uncollected real property taxes transmitted to the counties for enforcement, is paid by the counties to the School District no later than the forthcoming April 1.

Cash and Cash Equivalents

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

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

Receivables

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

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 during the year ended June 30, 2015, is shown in Note 11 to the financial statements.

Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of $1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Lives	Depreciation Method
Improvements other than Buildings	20 Years	Straight Line
Furniture, Equipment, and Vehicles	4-20 Years	Straight Line
Buildings	20-30 Years	Straight Line

Inventory

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Deferred Outflows 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 two items that qualify for reporting in this category. First is the deferred charge on refunding of debt reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions not included in pension expense.

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 in one year or due within more than one year in the Statement of Net Position.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.
In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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.

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 benefit obligations, potential contingent liabilities, and useful lives of long-lived assets.

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

Other Benefits

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State Employees' 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 9).

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 one item that qualifies for reporting in this category. This item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

Unearned and Deferred Inflow of Financial Resources

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Many deferred or unearned revenues recorded in governmental funds are not recorded in the District-wide statements.

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, constructions or improvements of those assets.

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

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

(b) Fund Statements

The following classifications describe fund balance categories presented in the fund statements and 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. This category consists of the inventories in the School Lunch Fund.

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 Position 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 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 is 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 is 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 School 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. This reserve is accounted for in the General Fund.

- ***Reserve for Retirement Contribution System***

  The Retirement Contribution Reserve (GML-6r) is used to reserve funds for the payment of retirement contributions to New York State and Local Employees' Retirement system. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

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

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

- ***Reserve for Liability***

  This reserve is used to accumulate funds to pay liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General Fund.

- ***Reserve for Tax Certiorari***

  This reserve is used to account for funds set aside to refund taxes of the current year in tax certiorari proceedings. Voter approval is not required to establish the fund or expend from the reserve. Amounts in this reserve not necessary to refund taxes must be returned to the unreserved fund balance of the General Fund by the first day of the fourth fiscal year following the year for which the reserve was created.

- ***Capital Projects Fund Reserve***

  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.

- ***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.

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 has no committed fund balances as of June 30, 2015.

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

(c) Order of Use of Fund Balance

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

The District changed accounting policies related to the financial statement presentation of defined benefit pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions –* an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, in 2015. The new pronouncements require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

2. 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 five 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 Equity 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 District's contributions and its proportionate share of the total contributions to pension expense.

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

New York State 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, 2015, the School District's unexpended surplus funds were 1.47% of the 2015-2016 budget, which is in compliance with laws and regulations.

At June 30, 2015, the District was in compliance with the statutory debt limit.

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 2014-2015 school year was in compliance with the NYS Tax Cap 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, the only fund with a legally adopted budget.

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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. The budget and actual comparison for the Special Revenue Funds (if any) reflects budgeted and actual amounts only for funds with legally authorized (appropriated) budgets.

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

Change from Adopted Budget to Revised Budget

Adopted Budget	$	26,495,954
Add: Prior Year's Encumbrances		120,101
Original Budget		26,616,055
Final Budget	$	26,616,055

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.

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.

As of June 30, 2015, the School District's bank balances totaling $11,668,796 were fully collateralized by securities held by an agent of the financial institution, in its trust department but not in the School District's name, or insured by the Federal Insurance Deposit Corporation and were not otherwise exposed to custodial credit risk.

As of June 30, 2015, the School District's restricted cash consisted of the following:

	General	Debt Service	Capital	Total
Restricted Cash				
Workers' Compensation	$ 159,804	$	$	$ 159,804
Unemployment Insurance	65,000			65,000
Retirement Contribution System	494,624			494,624
Employee Benefit Accrued Liability	754,682			754,682
Property Liability	250,000			250,000
Tax Certiorari	33,500			33,500
Debt Service		277,485		277,485
Capital Project			6,595,052	6,595,052
Total Restricted	$ 1,757,610	$ 277,485	$ 6,595,052	$ 8,630,147

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 279,000	$	$	$ 279,000
Construction in Progress	557,437	1,323,051		1,880,488
Total	836,437	1,323,051		2,159,488
Capital Assets Being Depreciated				
Buildings	39,881,683			39,881,683
Improvements Other than Buildings	285,000			285,000
Furniture, Equipment and Vehicles	5,369,785	458,173	210,325	5,617,633
Total	45,536,468	458,173	210,325	45,784,316
Accumulated Depreciation				
Buildings	23,630,409	1,794,687		25,425,096
Improvements Other than Buildings	270,750	14,250		285,000
Furniture, Equipment and Vehicles	4,116,433	461,185	210,325	4,367,293
Total	28,017,592	2,270,122	210,325	30,077,389
Net Capital Assets Being Depreciated	17,518,876	(1,811,949)		15,706,927
Net Capital Assets	$ 18,355,313	$ (488,898)	$	$ 17,866,415

Depreciation expense was charged to the functions as follows:

Function/Program	
General Support	$ 223,324
Instruction	1,468,919
Pupil Transportation	475,873
School Lunch	102,006
Total Depreciation	$ 2,270,122

6. SHORT-TERM DEBT

The School District may issue Bond Anticipation Notes (BANs) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The following is a summary of the BAN outstanding at June 30, 2015.

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
BAN 2015	05/15	$ 7,400,000	05/16	1.00	$ 7,400,000
					$ 7,400,000

Changes in the School District's short–term outstanding debt for the year ended June 30, 2015, are as follows:

Description	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Governmental Activities				
BAN 2015	$	$ 7,400,000	$	$ 7,400,000
Total Governmental Activities	$	$ 7,400,000	$	$ 7,400,000

Interest costs for short–term debt for the year ended June 30, 2015, was as follows:

Total interest for the year was as follows:	
Interest Paid	$ 0
Less: Interest Accrued in the Prior Year	
Plus: Interest Accrued in the Current Year	10,894
Total Interest Expense on Long-Term Debt	$ 10,894

7. 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. These are long-term liabilities, which are full faith and credit debt of the local government.

Noncurrent liability balances and activity are as follows:

Description	(Restated) Outstanding Beginning Balance	Additions	Deletions	Outstanding Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable	$ 15,380,000	$ 380,349	$ (1,800,000)	$ 13,960,349	$ 1,860,349
Bond Premiums, Net of Amortization	57,866		(6,430)	51,436	6,430
Total Bonds Payable	15,437,866	380,349	(1,806,430)	14,011,785	1,866,779
OPEB Liability	15,567,107	3,792,806	(1,934,287)	17,425,626	
Compensated Absences	1,349,113		(175,323)	1,173,790	
Total Governmental Activities	$ 32,354,086	$ 4,173,155	$ (3,916,040)	$ 32,611,201	$ 1,866,779

Total interest for the year was as follows:	
Interest Paid	$ 499,370
Amortization of Deferred Charges on Advanced Refundings	29,804
Amortization of Premiums on Serial Bonds	(6,430)
Less: Interest Accrued in the Prior Year	(191,729)
Plus: Interest Accrued in the Current Year	178,909
Total Interest Expense on Long-Term Debt	$ 509,924

Long-Term Debt Maturity Schedule

The following is a statement of serial bonds with corresponding maturity schedules:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
High School Facility					
Improvements-Refunded	02/03/04	$ 5,975,000	06/15/16	3.50-4.00	$ 550,000
Advanced Refunding 2004 Bonds	03/26/13	$ 2,290,000	06/15/24	2.00	1,900,000
Emory Ave Roof/Cornice	06/01/09	$ 1,652,430	06/01/24	3.25-4.00	1,095,000
All Facilities					
Renovations and Additions	07/01/10	$ 12,585,000	01/01/26	2.00-4.00	9,765,000
Bus Acquisitions	04/19/11	$ 302,525	04/15/16	2.75-3.00	70,000
Bus Acquisitions	11/15/12	$ 316,563	11/15/17	.60-2.10	200,000
Bus Acquisitions	07/18/14	$ 71,871	07/18/20	2.50-2.625%	71,871
Bus Acquisitions	02/18/15	$ 308,478	02/18/20	1.5-1.75%	308,478
					$ 13,960,349

Total principal and interest payments due on serial bonds debt is as follows:

For the Year Ending June 30,	Principal	Interest	Total
2016	$ 1,860,349	$ 449,731	2,310,080
2017	1,285,000	392,041	1,677,041
2018	1,325,000	356,863	1,681,863
2019	1,290,000	320,870	1,610,870
2020	1,325,000	284,319	1,609,319
2021-2026	6,875,000	780,613	7,655,613
Total	$ 13,960,349	$ 2,584,437	$ 16,544,786

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, 2015, $2,485,000 of bonds outstanding are considered defeased.

Original Issue Premium on Bonds

The original issue premium on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premium is being amortized using the straight-line method over 11 years, the remaining time to maturity of the bonds. The current year amortization is $6,430 and is included as a reduction to interest expense on the statement of activities.

8. 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. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January1, 2015. 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 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 are required to contribute 3% of their annual salary for their entire working 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, 2015, were paid.

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

	Amount
2013	$ 499,736
2014	$ 556,606
2015	$ 537,342

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

At June 30, 2015, the School District reported a liability of $318,051 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, 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, 2015 and 2014, the School District's proportion was .00941 percent.

For the year ended June 30, 2015, the School District recognized pension expense of $303,178. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources
Differences Between Expected and Actual Experience	$	10,181
Change of Assumptions		
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		55,241
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions		61,356
Contributions Subsequent to the Measurement Date		123,656
Total	$	250,434

At June 30, 2015, $123,656 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2015. 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:

Year Ended June 30,		
2016	$	31,695
2017	$	31,695
2018	$	31,695
2019	$	31,693
2020	$	0
Thereafter	$	0

(d) Actuarial Assumptions

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Investment Rate of Return (Net of Investment Expense, including Inflation)	7.50%
Salary Scale	4.90%
Decrement Tables	April 1, 2005 - March 31, System's Experience
Inflation Rate	2.70%

Annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	7.30%
International Equity	8.55%
Private Equity	11.00%
Real Estate	8.25%
Absolute Return Strategies	6.75%
Opportunistic Portfolio	8.60%
Real Assets	8.65%
Bonds and Mortgages	4.00%
Cash	2.25%
Inflation-Indexed Bonds	4.00%

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 7.5%. 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Proportionate Share of the Net Pension Liability (Assets)	$2,119,947	$ 318,051	$(1,203,196)

(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 $123,656 at June 30, 2015. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2015-2016 billing cycle and has been accrued as an expenditure in the current year.

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

(a) Plan Description

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

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(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
2013	$ 1,184,958
2014	$ 1,612,582
2015	$ 1,720,309

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

At June 30, 2015, the School District reported an asset of $7,483,471 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2013. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2014, the School District's proportion was .067180 percent, which was a decrease of .001145 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized a pension credit of $292,486. At June 30, 2015, 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	$	$ 109,432
Changes of Assumptions		
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		5,025,965
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	6,748	
Contributions Subsequent to the Measurement Date	1,700,223	
Total	$ 1,706,971	$ 5,135,397

At June 30, 2015, $1,700,223 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2015. 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:

Year Ended June 30:		
2015	$	(1,268,431)
2016	$	(1,268,431)
2017	$	(1,268,431)
2018	$	(1,268,431)
2019	$	(11,940)
Thereafter	$	(42,985)

(d) Actuarial Assumptions

The total pension liability at June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the June 30, 2013 valuation were as follows:

Investment Rate of Return	8.0 % Compounded Annually, Net of Pension Plan Investment Expense, Including Inflation.
Salary Scale	Rates of Increase Differ Based on Age and Gender. They Have Been Calculated Based Upon Recent NYSTRS Member Experience.

Age	Female	Male
25	10.35%	10.91%
35	6.26%	6.27%
45	5.39%	5.04%
55	4.42%	4.01%

Projected COLAs	1.625% Compounded Annually.
Inflation Rate	3.0%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale AA.

The actuarial assumptions used in the June 30, 2013 and 2012 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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 valuation date of June 30, 2013 and June 30, 2012 are summarized in the following table:

Asset Class	Target Allocation 2013	Target Allocation 2012	Long-Term Expected Real Rate of Return* 2013	Long-Term Expected Real Rate of Return* 2012
Domestic Equity	37.0%	37.0%	7.3%	7.0%
International Equity	18.0%	18.0%	8.5%	9.1%
Real Estate	10.0%	10.0%	5.0%	4.9%
Alternative Investments	7.0%	7.0%	11.0%	10.2%
Domestic Fixed Income Securities	18.0%	18.0%	1.5%	2.0%
Global Fixed Income Securities	2.0%	2.0%	1.4%	1.7%
Mortagages	8.0%	8.0%	3.4%	4.0%
Short-Term	0.0%	0.0%	0.8%	1.2%

* *Real rates of return are net of the long-term inflation assumption of 2.3% for 2013 and 2012.*

(e) *Discount Rate*

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 liability.

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

The following presents School District's proportionate share of the net pension liability calculated using the discount rate of 8.0 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 (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	1% Decrease (7%)	Current Assumption (8%)	1% Increase (9%)
Proportionate Share of the Net Pension Liability (Assets)	$ (161,429)	$ (7,483,471)	$ (13,722,869)

(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 $1,749,355 in the General Fund at June 30, 2015. This amount represents contribution for the 2014-2015 fiscal year that will be made in 2015-2016 and has been accrued as an expenditure in the current year.

9. POSTEMPLOYMENT HEALTH CARE BENEFITS

(a) Plan Description

The School district provides postretirement medical and Medicare Part B benefits to retired employees and their spouses for the lifetime of the retired employee. Employees are eligible for benefits after reaching age 55 and serving the school district for 10 to 16 years.

Retirees contribute from 15% to 19% for individual coverage. Retirees whose dependents or spouses are covered contribute between 15% and 19% toward the cost.

Surviving beneficiaries pay 100% of the cost for their coverage after the death of the retired employee.

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) Funding Policy

The obligations of the Plan members, employers, and other entities are established by action of the School District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended June 30, 2015, the School District's Plan contributions ranged from 81% to 85% of the required annual premiums. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the School District. The following table shows the components of the School District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the School District's net OPEB obligation.

(c) Annual OPEB Cost and Net OPEB Obligation

	Total
Normal Cost	$ 1,458,875
Amortization of UAL	2,360,597
Interest	76,389
Annual Required Contribution (ARC)	3,895,861
Interest on Net OPEB Obligation	622,684
Adjustment to ARC	(725,739)
Annual OPEB Cost (Expense)	3,792,806
Contributions Made	(1,934,287)
Change in Net OPEB Obligation	1,858,519
Net OPEB Obligation at the Beginning of the Year	15,567,107
Net OPEB Obligation at the End of the Year	$ 17,425,626

(d) Trend Information

Fiscal Year Ending	Annual Net OPEB Expense	OPEB Expense Contributed	% of Expense Contributed	Net OPEB Obligation
June 30, 2013	$ 3,916,026	$ 1,655,438	42.3%	$ 13,313,986
June 30, 2014	$ 3,942,750	$ 1,689,629	42.9%	$ 15,567,107
June 30, 2015	$ 3,792,806	$ 1,934,287	51.0%	$ 17,425,626

(e) Funding Status

	Total
Actuarial Accrued Liability	$ 42,452,308
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 42,452,308
Funded Ratio	0%
Annual Covered Payroll	$ 10,684,518
UAAL as a Percentage of Covered Payroll	397%

(f) Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. For this reason, the results in this report should be viewed as estimates. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and Plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and Plan members in the future. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial measurement date was dated July 1, 2014.

(g) Additional Information

Actuarial Cost Method	Projected Unit Credit
Amortization Period	Single Amortization Period
Remaining Amortization Period at June 30, 2014	24
Amortization Discount	4.0%
Fiscal year Ultimate Medical Trend Rate Reached	06/30/22
Healthcare Cost Trend Rate	9.0% initial; 5.0% ultimate

10. FUND BALANCE

(a) The following is a summary of the change in General fund restricted reserve funds during the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Workers' Compensation	$ 145,911	$ 13,893	$	$ 159,804
Unemployment Insurance	65,000			65,000
Retirement Contribution System	533,143		(38,519)	494,624
Employee Benefit Accrued Liability	822,684		(68,002)	754,682
Property Liability	250,000			250,000
Tax Certiorari	33,500			33,500
Total General Fund Restricted	$ 1,850,238	$ 13,893	$ (106,521)	$ 1,757,610

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2015:

	General	School Lunch	Debt Service	Capital	Total
Nonspendable	$	$ 10,949	$	$	$ 10,949
Restricted					
Workers' Compensation	159,804				159,804
Unemployment Insurance	65,000				65,000
Retirement Contribution System	494,624				494,624
Employee Benefit Accrued Liability	754,682				754,682
Property Liability	250,000				250,000
Tax Certiorari	33,500				33,500
Debt Service			597,833		597,833
Total Restricted	1,757,610		597,833		2,355,443
Assigned					
General Support	78,154				78,154
Instruction	45,656				45,656
Pupil Transportation	801				801
School Lunch		101,211			101,211
Appropriated for Subsequent Year's Budget	250,000				250,000
Total Assigned	374,611	101,211			475,822
Unassigned (Deficit)	393,628			(1,678,817)	(1,285,189)
Total Fund Equity (Deficit)	$ 2,525,849	$ 112,160	$ 597,833	$ (1,678,817)	$ 1,557,025

11. INTERFUND TRANSACTIONS

Fund Type	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 1,294,434	$ 743,709	$	$ 197,484
Special Aid			38,204	
Debt Service	320,348			
Capital Fund	680,747	1,551,820	159,280	
Total	$ 2,295,529	$ 2,295,529	$ 197,484	$ 197,484

- The School District made a transfer of $38,204 from the General Fund to the Special Aid Fund to account for expected State Aid for the Summer Handicap Program.
- The School District made a transfer of $159,280 from the General Fund to the Capital Fund in order to fund a portion of the capital project.
- The Interfund receivables and payables listed above are considered current and will be repaid in the year ended June 30, 2016.

12. RISK MANAGEMENT

General Information

The School District is exposed to various risks of loss related to tax certioraris, torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. Except for the tax certiorari, these risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years. Sufficient reserves exist to cover any unfavorable settlements of the tax certiorari.

Health Insurance

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by CNY Cooperative Health Insurance Trusts, of which the School District is a member. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. School districts joining the Plan must remain members for a minimum of 1 year; a member may withdraw from the Plan effective only once annually on the last day of the Plan year as may be established from time to time by the Board of Directors. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

Thc Plan cstablishcs 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) which have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made.

The Consortium is a shared-risk public entity risk pool whereby each entity pays annual premiums based on the aggregate expected claims for all enrollees. During the year ended June 30, 2015, the School District paid health insurance premiums amounting to $4,472,458 to the Consortium. Paid claims are also accounted for in the aggregate with individual entity activity not being tracked separately. Due to this arrangement, a possible contingent liability exists for Cazenovia Central School District as a result of the possibility that any participating entity may have actual claims less than its annual premiums and try to recover its portion due to it through the Consortium participants.

13. CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability

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

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2015, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance. Significant encumbrances included in governmental fund balances are as follows:

	Assigned
	General
Encumbrances	
General Support	$ 78,154
Instruction	45,656
Pupil Transportation	801
Total Encumbrances	$ 124,611

14. CAPITAL FUND DEFICIT

At June 30, 2015, the Capital Fund had a deficit of $1,678,817. This deficit is due to expenditures being incurred before permanent financing is obtained. When permanent financing is obtained the deficit will be eliminated.

15. DEFICIT NET POSITION – DISTRICT WIDE

At June 30, 2015, the net position of the School District's governmental activities was a deficit balance of $8,849,548. This deficit is primarily the result of the implementation of the requirement to accrue Other Postemployment Benefits. This requirement has been in effect for the last six years. The accumulated accrued liability for this obligation is $17,425,626 at June 30, 2015. Since the liability cannot be legally funded in New York State, the deficit will increase each year until the full actuarial accrued liability is accrued. Note 9 of these financial statements provides more information.

16. PRIOR PERIOD ADJUSTMENTS

Government-Wide

The prior year net position in the District-Wide financial statements was increased $2,174,237 to account for the change in accounting for the Pension systems in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. See Note 8 above for further information.

The School District recorded a prior period adjustment for $417,894 to increase the liability for other postemployment benefits reported in the District-Wide financial statements. This adjustment was made to reconcile the opening balance of the liability to the July 1, 2014 actuary valuation.

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 16,855,459	$ 16,855,459	$ 15,233,883	$ (1,621,576)
Other Real Property Tax Items	57,048	57,048	1,676,489	1,619,441
Nonproperty Tax Items			5,008	5,008
Charges for Services	43,231	43,231	35,944	(7,287)
Use of Money and Property	62,509	62,509	45,598	(16,911)
Sale of Property and Compensation for Loss			704	704
Miscellaneous	214,750	214,750	374,081	159,331
State Aid	8,501,580	8,501,580	8,373,504	(128,076)
Federal Aid			36,703	36,703
Total Revenues	25,734,577	25,734,577	25,781,914	47,337
Other Financing Sources				
Transfers from Other Funds	11,377	11,377		(11,377)
Appropriated Fund Balance	870,101	870,101		(870,101)
Total Revenues and Other Financing Sources	$ 26,616,055	$ 26,616,055	25,781,914	$ (834,141)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 15,666	$ 31,690	31,473	$ 204	$ 13
Central Administration	199,845	200,011	199,377	604	30
Finance	414,987	411,072	389,675	20,575	822
Staff	77,571	92,702	85,188	7,466	48
Central Services	1,908,120	1,949,753	1,886,286	49,305	14,162
Special Items	242,397	232,201	232,169		32
Total General Support	2,858,586	2,917,429	2,824,168	78,154	15,107
Instruction					
Instruction, Administration, and Improvement	989,007	940,745	890,838	148	49,759
Teaching - Regular School	6,798,888	6,610,849	6,463,322	32,825	114,702
Programs for Children With Special Needs	1,937,904	2,000,859	1,988,353	6,141	6,365
Occupational Education	564,246	563,535	551,283	3,053	9,199
Teaching - Special School	31,922	37,849	35,313		2,536
Instructional Media	1,082,043	1,087,550	1,060,356	2,329	24,865
Pupil Services	1,060,432	1,072,877	1,054,016	1,160	17,701
Total Instruction	12,464,442	12,314,264	12,043,481	45,656	225,127
Pupil Transportation	1,217,039	1,210,890	1,117,597	801	92,492
Community Services	750	750	750		
Employee Benefits	7,675,867	7,675,867	7,567,621		108,246
Debt Service - Principal	1,800,000	1,800,000	1,800,000		
Debt Service - Interest	499,371	499,371	510,264		(10,893)
Total Expenditures	26,516,055	26,418,571	25,863,881	124,611	430,079
Other Financing Uses					
Transfers to Other Funds	100,000	197,484	197,484		
Total Expenditures and Other Financing Uses	$ 26,616,055	$ 26,616,055	26,061,365	$ 124,611	$ 430,079
Net Change in Fund Balance			(279,451)		
Fund Balance - Beginning of Year			2,805,300		
Fund Balance - End of Year			$ 2,525,849		

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.

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULES OF FUNDING PROGRESS OF THE OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended June 30, 2015

Fiscal Year Ending	Actuarial Value of Assets (a)	Actuarial Accrued Liability-Projected Unit Credit (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as % of Covered Payroll [(b)-(a)]/(c)
June 30, 2013	$	$ 50,696,689	$ 50,696,689	0%	$ 12,276,758	413%
June 30, 2014	$	$ 50,696,689	$ 50,696,689	0%	$ 12,276,758	413%
June 30, 2015	$	$ 42,452,308	$ 42,452,308	0%	$ 10,684,518	397%

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS
For the Year Ended June 30, 2015

ERS Pension Plan
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	$ 537,342	$ 556,606	$ 499,736	$ 411,516	$ 285,852	$ 180,462	$ 190,376	$ 226,599	$ 203,306	$ 240,066
Contributions in Relation to the Contractually Required Contribution	537,342	556,606	499,736	411,516	285,852	180,462	190,376	226,599	203,306	240,066
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 2,670,436	$ 2,681,292	$ 2,673,740	$ 2,605,346	$ 2,571,599	$ 2,574,203	$ 2,464,419	$ 2,439,487	$ 2,249,605	$ 2,317,495
Contributions as a Percentage of Covered-Employee Payroll	20.12%	20.76%	18.69%	15.80%	11.12%	7.01%	7.72%	9.29%	9.04%	10.36%

TRS Pension Plan
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	$ 1,720,309	$ 1,612,582	$ 1,184,958	$ 1,101,897	$ 868,445	$ 656,548	$ 785,878	$ 862,996	$ 817,893	$ 745,877
Contributions in Relation to the Contractually Required Contribution	1,720,309	1,612,582	1,184,958	1,101,897	868,445	656,548	785,878	862,996	817,893	745,877
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 9,813,514	$ 9,923,582	$ 10,008,087	$ 9,918,065	$ 10,074,768	$ 10,606,591	$ 10,299,843	$ 9,885,407	$ 9,510,384	$ 9,358,557
Contributions as a Percentage of Covered-Employee Payroll	17.53%	16.25%	11.84%	11.11%	8.62%	6.19%	7.63%	8.73%	8.60%	7.97%

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION Asset/LIABILITY
For the Year Ended June 30, 2015

ERS Pension Plan

	2015	2014
District's proportion of the net pension liability	0.0094147%	0.0094147%
District's porportionate share of the net pension liability	$ 318,051	$ 425,436
District's covered-employee payroll	$ 2,670,436	$ 2,681,292
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.91%	15.87%
Plan fiduciary net position as a percentage of total pension liability	97.9%	97.2%

TRS Pension Plan

	2014	2013
District's proportion of the net pension asset	0.067180%	0.06325%
District's porportionate share of the net pension asset	$ 7,483,471	$ 449,749
District's covered-employee payroll	$ 9,813,514	$ 9,923,582
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	76.26%	04.53%
Plan fiduciary net position as a percentage of total pension asset	111.48%	100.70%

Information is presented only for the years available.

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET AND REAL PROPERTY TAX LIMIT
For the Year Ended June 30, 2015

Change from Adopted Budget to Revised Budget

Adopted Budget		$ 26,495,954
Add: Prior Year's Encumbrances		120,101
Original Budget		26,616,055
Final Budget		$ 26,616,055

Section 1318 of Real Property Tax Law Limit Calculation

2015-16 Voter-Approved Expenditure Budget		$ 26,858,858
Maximum Allowed (4% of 2015-16 budget)		**$ 1,074,354**
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 374,611	
Unassigned Fund Balance	393,628	
Total Unrestricted Fund Balance		768,239
Less:		
Appropriated Fund Balance	$ 250,000	
Encumbrances Included in Committed and Assigned Fund Balance	124,611	
Total adjustments		374,611
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		**$ 393,628**
Actual Percentage		**1.47%**

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2015

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance June 30, 2015
2010 Buses	$ 364,053	$ 364,053	$ 363,712	$	$ 363,712	$ 341	$ 363,971	$	$	$ 363,971	$ 259
2011 Buses	307,219	307,219	302,524		302,524	4,695	302,525			302,525	1
2014 Buses	71,871	71,871	71,870		71,870	1	71,871			71,871	1
2015 Buses	308,478	308,478		308,478	308,478		308,478			308,478	
2008 Roofing & Cornice	2,230,000	2,230,000	2,230,000		2,230,000		1,652,430	577,570		2,230,000	
2008 District Wide Renovations	12,585,000	12,585,000	12,588,288		12,588,288	(3,288)	12,585,000			12,585,000	(3,288)
MS/HS - Emergency Project	140,000	140,000	136,280		136,280	3,720			136,280	136,280	
Fenner Lighting Project	124,200	124,200	86,090		86,090	38,110			86,090	86,090	
Burton Street Project	100,000	100,000		99,615	99,615	385			100,000	100,000	385
Emory Avenue Complex	81,300	81,300	1,632	68,725	70,357	10,943			70,357	70,357	
2014 District Wide Renovations	7,400,000	7,400,000	521,464	1,154,711	1,676,175	5,723,825					(1,676,175)
Bus Lift	100,000	100,000	88,923		88,923	11,077			88,923	88,923	
Totals	$ 23,812,121	$ 23,812,121	$ 16,390,783	$ 1,631,529	$ 18,022,312	$ 5,789,809	$ 15,284,275	$ 577,570	$ 481,650	$ 16,343,495	$ (1,678,817)

CAZENOVIA CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2015

Capital Assets, Net	$	17,866,415
Add:		
Unamortized Bond Issuance Costs		49,473
Capital Fund Unspent BAN and Bond Proceeds		6,595,052
	$	6,644,525
Deduct:		
Bond Anticipation Notes		7,400,000
Premium on Bonds Payable		51,436
Serial Bonds Payable		13,960,349
Total Deduct		21,411,785
Net Investment in Capital Assets	$	3,099,155

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

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

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

Board of Education
Cazenovia 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 the Cazenovia Central School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 14, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cazenovia Central School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cazenovia Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Cazenovia 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 Cazenovia 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

October 14, 2015

Rome, New York

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

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

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Board of Education
Cazenovia Central School District

Report on Compliance for Each Major Federal Program

We have audited Cazenovia Central School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Cazenovia Central School District's major federal programs for the year ended June 30, 2015. Cazenovia Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cazenovia Central School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cazenovia Central School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Cazenovia Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Cazenovia Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cazenovia Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cazenovia Central School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

D'Arcangelo + Co., LLP

October 14, 2015

Rome, New York

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Current Year Expenditures
U.S. Department of Agriculture		
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 250201660000)		
School Breakfast Program	10.553	$ 20,467
National School Lunch Program	10.555	108,866
Cash Assistance Subtotal		129,333
Food Donation (Noncash)	10.555	21,360
Total U.S. Department of Agriculture		150,693
U.S. Department of Education		
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 250201660000)		
Title I Grants to Local Education Agencies (Part A of ESEA)	84.010	136,411
Special Education - Grants to States (IDEA, Part B)	84.027	447,108
Special Education - Preschool Grants (IDEA, Preschool)	84.173	7,503
State Fiscal Stabilization Fund - Race to the Top Incentive Grants, Recovery Act	84.395	8,273
Improving Teacher Quality State Grants (Title II, A)	84.367	48,477
Total U.S. Department of Education		647,772
Total Federal Financial Assistance		$ 798,465

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

CAZENOVIA CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Cazenovia Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. FOOD DONATION

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2015, the School District had food commodities totaling $10,949 in inventory.

3. CLUSTER PROGRAMS

The following programs are identified by "OMB Circular A-133 Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Agriculture

Nutrition Cluster

CFDA #10.553	School Breakfast Program
CFDA #10.555	National School Lunch Program

U.S. Department of Education

Special Education Cluster

CFDA #84.027	Special Education - Grants to States (IDEA, Part B)
CFDA #84.173	Special Education - Preschool Grants (IDEA, Preschool)

CAZENOVIA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2015

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Education **Special Education Cluster**: CFDA # 84.027 Special Education - Grants to States (IDEA, Part B); CFDA # 84.173 Special Education - Preschool Grants (IDEA Preschool)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

Findings - Financial Statements Audit

None noted in the current year.

Findings and Questioned Costs - Major Federal Award Programs Audit

None noted in the current year.

(Continued)

CAZENOVIA CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2015

(Continued)

None

FORM OF BOND COUNSEL'S OPINION

January 27, 2016

Cazenovia Central School District
District Offices
31 Emory Avenue
Cazenovia, New York 13035

Re: Cazenovia Central School District, Madison & Onondaga Counties, New York
$8,170,000* School District Refunding (Serial) Bonds, 2016 CUSIP No.: 149830

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $8,170,000* School District Refunding (Serial) Bonds, 2016 (the "Bonds"), of the Cazenovia Central School District, Counties of Madison and Onondaga, State of New York (the "District"). The Bonds are dated January 27, 2016 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District in respect of the School District Refunding (Serial) Bonds, 2016, and a Certificate of Determination dated on or before January 27, 2016 of the President of the Board of Education relative to the form and terms of the Bonds.

In our opinion, the Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation of rate or amount; however we note that the power of the District to levy unlimited real estate taxes on all the real property within the District may be subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

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

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

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

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

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

Very truly yours,

Trespasz & Marquardt, LLP