OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

The Notes will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$4,921,000

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHENECTADY, SARATOGA AND ALBANY COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$4,921,000 Bond Anticipation Notes, 2018

At an Interest Rate of 2.75% to Yield 1.75%
CUSIP #:654727 JR8

Dated: June 27, 2018 **Due: June 27, 2019**

The Notes are general obligations of the Niskayuna Central School District, Schenectady, Saratoga, and Albany Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

The Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes purchased. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, except one note in a denomination which is to include $6,000. Payment of principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct Participants and the District, subject to any statutory and regulatory requirements as may be in the effect from time to time. See "Book-Entry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser, on or about June 27, 2018.

OPPENHEIMER & CO.

THIS REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED MAY 31, 2018 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORANCE WITH SERCURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER AND THE DATED DATE ON PAGE 38, THERE HAVE BEEN NO OTHER REVISIONS TO SAID OFFICIAL STATEMENT.

DATED: June 14, 2018

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHENECTADY, SARATOGA, AND ALBANY CCOUNTIES, NEW YORK

School District Officials

2017-18 BOARD OF EDUCATION

Rosemarie Perez Jaquith - President
David Koes- Vice President

Brian Backus
Jack Calareso
Nicki Foley
Howard Schlossberg
Yu (Jennifer) Zhao

Dr. Cosimo Tangorra, Jr. - Superintendent
Carrie Nyc-Chevrier – Director of Business & Finance/Clerk
Jamie Maloney - Treasurer

School District Attorneys

Guercio & Guercio

Ferrara Fiorenza PC

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP

MUNICIPAL ADVISOR

R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

of the

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHENECTADY, SARATOGA AND ALBANY COUNTIES, NEW YORK
Relating To
$4,921,000 Bond Anticipation Notes, 2018

This Official Statement, which includes the cover page, has been prepared by the Niskayuna Central School District, Schenectady, Saratoga and Albany Counties, New York (the "District", "Counties" and "State," respectively) in connection with the sale by the School District of $4,921,000 Bond Anticipation Notes, 2018 (the "Notes).

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

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

Description of the Notes

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

The Notes are dated June 27, 2018 and mature, without option of prior redemption, on June 27, 2019. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes at the option of the Purchaser(s) either (i) requested in the name of the purchaser. In certificated denominations of $5,000 or integral multiples thereof, except one note in a denomination which is or includes $6,000; or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "Book-Entry-Only System" herein.

Nature of the Obligation

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

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

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

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

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

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

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

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

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

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

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

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

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a bond resolution dated January 10, 2017 authorizing the issuance of obligations of the District in the amount of $5,614,000 for the financing of the reconstruction of various School District buildings.

The proceeds of the Notes together with $315,000 available funds of the District will redeem the $2,500,000 bond anticipation notes maturing June 28, 2018 and provide $2,736,000 in new monies for the aforementioned purpose.

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Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered Notes 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, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes 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, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

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

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

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

Certificated Notes

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

The Notes will be issued in beater form denominations of $5,000 each or integral multiples thereof, except one note in a denomination which is or includes $6,000. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as a fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

The District

The School District is located in the northeast corner of Schenectady County in New York's Capital District. The School District encompasses the majority of the Town of Niskayuna and minor portions of the Towns of Glenville, Colonie, and Clifton Park. The population of the School District is approximately 23,303 (2014 U.S. Census estimate).

Major highways serving the area include Interstate Highways #87 (Northway) and #90 (New York State Thruway). Air service is provided by the Albany International Airport located in Colonie and rail passenger service is provided by Amtrak. The Capital District Transportation Authority provides bus service throughout the area.

The Town of Niskayuna is a professionally and scientifically oriented residential community with a number of large employers such as General Electric Corporate Research and Development Center, the Knolls Atomic Power Laboratory, and Schenectady International, Inc. More than a dozen banks, as well as service-oriented financial institutions are also located within the boundaries of the School District or in bordering communities.

The area is also well represented with institutions of higher learning such as Union College, Rensselaer Polytechnic Institute, Russell Sage College, Skidmore College, and the State University of New York at Albany. Other private schools and community colleges are located within the region

Population

The current estimated population of the District is 23,156 (Source: 2016 U.S. Census Bureau estimate)

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Birchwood Elementary	K-5	1954	513	2009
Craig Elementary	K-5	1948	540	2008
Glencliff Elementary	K-5	1955	459	2008
Hillside Elementary	K-5	1962	567	2009
Rosendale Elementary	K-5	1955	567	2009
Iroquois Middle School	6-8	1968	764	1984
Van Antwerp Middle School	6-8	1910	575	1948
High School	9-12	1957	1903	2009

Source: District Official

District Employees

The School District employs 580 full-time and 189 part-time employees. The number of members, the collective bargaining units which represent them and their current contract expiration dates are as follows:

Employees	Bargaining Unit	Expiration Date
374	Niskayuna Teachers' Association	06/30/2018*
11	Niskayuna Administrators' Association	06/30/2023
21	Niskayuna Education Sec. Association	6/30/2022
137	Niskayuna School District Employee Association	6/30/2023
154	Niskayuna Educational Support Personnel Association	6/30/2019
8	Niskayuna Directors' Association	6/30/2023
13	Niskayuna Nurse Association	6/30/2019

Source: District Officials
*Under Negotiation

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2013-14	4099	2018-19	4236
2014-15	4087	2019-20	4296
2015-16	4123	2020-21	4301
2016-17	4196	2021-22	4318
2017-18	4248	2022-23	4418

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). In the District's 2017-18 Budget, the appropriation for payments to ERS is $1,282,000.

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. In the District's 2017-18 Budget, the appropriation for payments to TRS is $2,200,000.

Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. 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 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.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, legislation was signed into law that created a new Tier VI pension program, The Tier VI plan only applies to those employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% to 6% of salary; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under previous tiers, there was no limit to the number of public employers a public employee worked for from which retirement benefits could be calculated. Tier VI permits only two salaries to be included in the calculation. The pension multiplier for Tier VI is 1.75% for the first 20 years of service and 2% thereafter; Vesting will occur after 10 years of service. The final average salary is based on a five-year average instead of the previous Tiers' three-year average. Pension eligible overtime for civilian and non-uniformed employees will be capped at $15,000, indexed for inflation. For uniformed employees outside of New York City, the cap is set at 15% of base pay. The number of sick and leave days that can be applied toward retirement service credit is reduced from 200 to 100. The legislation includes an optional defined contribution plan for new non-union employees with annual salaries of $75,000 or more. The State is required to fund any pension enhancements on an ongoing basis. This is a potential future cost savings for local governments.

The average contribution rate for the ERS for the 2017-18 fiscal year is 15.3%. The average contribution rate for the TRS for the 2017-18 fiscal year is 9.8%

The average contribution rate for the ERS for 2018-19 fiscal year is 14.9% and the estimated average contribution rate for the TRS for 2018-19 fiscal year is 10.63%

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

The School District has not opted to amortize their ERS amounts.

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 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

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

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

Other Post-Employment Benefits

The School District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB") requires governmental entities, such as the School District, to account for the cost of certain non-pension post-employment benefits as it accounts for vested pension benefits.

GASB 75 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 75, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 75 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. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2016 and financial data as of June 30, 2017, the School District's beginning year total OPEB liability was $144,929,638, the net change for the year was ($12,608,388), resulting in a total OPEB liability of $132,321,250 for a fiscal year ending June 30, 2017. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2017 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members, may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage in two prior legislative sessions. It is not known whether the legislation will be introduced in the current or future legislative sessions.

The School District's total OPEB liability could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both. The School District is on a pay-as-you-go basis as to this liability. In the current fiscal year $2,661,514 was appropriated therefore.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Knolls Atomic Power Laboratory	Defense Industry	2600
General Electric Corporate Research & Development Center	Research & Development	2000*
Niskayuna Central School District	Education	769
Schenectady International, Inc.	Chemical Manufacturer	500

Note: * It has been reported in the press that the GE unit in Schenectady is expected to downsize by 130 employees.
Source: District Officials

Unemployment Rate Statistics

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

Year	County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2013	6.7%	7.7%	7.4%
2014	5.3%	6.3%	6.2%
2015	4.7%	5.3%	5.3%
2016	4.3%	4.8%	4.9%
2017	4.5%	4.7%	4.1%

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

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

Form of School Government

Subject to the provisions of the State Constitution, the School District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the School District, and any special laws applicable to the School District. Under such laws, there is no authority for the School District to have a charter or adopt local laws.

The legislative power of the School District is vested in the Board of Education (the "Board"). Each year an election is held within the School District to elect one or more members to the Board. The Board consists of seven members with overlapping five-year terms. Therefore, as nearly as practicable, an equal number of members is elected to the Board each year.

During the first week in July of each year the Board meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice President and to appoint other School District officials.

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

Budgetary Procedures

Pursuant to the Education Law, the Board of Education of the School District annually prepares, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the School District must mail a school budget notice to all qualified voters which contains the total budgeted 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 budget 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 School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase 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 School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

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

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

The budget for the 2017-18 fiscal year was adopted by the qualified voters on May 16, 2017. The School District's 2017-18 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2018-19 fiscal year was adopted by the qualified voters on May 15, 2018. The School District's 2018-19 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The School District receives financial assistance from the State. In its adopted budget for the 2017-18 fiscal year, approximately 27.13% of the revenues of the School District are estimated to be received in the form of State aid. If the State should experience difficulty borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, should the State budget not be adopted in a timely manner, municipalities and school districts in the State, including the School 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 School 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.

The State's 2012-13 Budget provided for school aid of approximately $20 billion, which represented an increase of approximately $751 million in State aid for school districts.

The State's 2013-14 Budget provided for school aid of approximately $21.1 billion, which represented an increase of approximately $936.6 million, or 4.4% in total school aid spending from the 2012-13 school year.

The State's 2014-15 Budget included a $1.1 billion or 5.3% increase in state aid for the 2014-15 school year. High-needs school districts received approximately 70% of the 2014-15 allocated increase. The 2014-2015 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 State budget invested $1.5 billion over five years to support the phase-in of a statewide universal full-day pre-kindergarten program.

The State's 2015-16 Budget contained a school aid increase of $1.4 billion that is tied to changes in the teacher evaluation and tenure process. School districts must obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

The State's 2016-17 Budget provided for a 5.9%, or $1.35 billion, increase in State aid to school districts for school year 2016-1 7, not including grants. The State's 2016-17 Budget included an increase in Foundation Aid of $627 million, eliminated the Gap Elimination Adjustment and funded expense-based aids at $342 million. Certain school districts were required to set aside a collective total of $100 million to fund community school districts. These funds may be used only for certain purposes such as providing health, mental health and nutritional services to students and their families.

The State's 2017-18 Budget increases State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Budget continues to link school aid increases for 201 7-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

The State's 2017-18 Budget allows the Governor to reduce expenditures (including aid to school districts) mid year if revenues (including, but not limited to, funding from the federal government) are less than what was expected. If federal support is reduced by $850 million or more, the Governor will develop a plan to make uniform spending reductions. Such plan would take effect automatically unless the Legislature passes its own plan within 90 days.

The State's 2018-19 Enacted Budget includes nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State's 2018-19 Enacted Budget includes an increase of $618 million in Foundation Aid for school districts. Foundation Aid now totals nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase will be distributed using a one year, off formula methodology. The State's 2018-19 Enacted Budget guarantees that all school districts receive an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase will be "set aside" for certain school districts to fund community schools. The State's 2018-19 Enacted Budget fully funds all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19.

While the increases in State aid in prior years have been targeted to high-needs schools, other schools have shared in the overall increase in State aid. The School District is unable to predict whether this pattern of distribution will continue beyond that which is included in the legislation dealing with foundation aid. Increased State aid for New York City schools and other high-needs schools may result in reductions in the future of State aid to certain school districts, including the School District.

While the School District has received State aid in recent years, both the determination of the amount of State aid and the apportionment of State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to the School District. The current or future financial condition of the State may affect the amount of State aid appropriated by the State Legislature and the timing of receipt of that aid by the School District.

The Federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in Federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the Federal government (i) reduces Federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces Federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

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

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

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

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

State Aid Revenues

The Following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years and budgeted figures for the 2017-18 and 2018-19 fiscal years that comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2012-13	73,119,066	18,651,464	25.51%
2013-14	73,184,869	17,763,968	24.27%
2014-15	75,287,460	17,593,878	23.37%
2015-16	77,624,296	20,702,855	26.67%
2016-17	79,201,947	21,896,805	27.65%
2017-18 (Budgeted)	79,836,812	22,082,956	27.66%
2018-19 (Budgeted)	82,630,346	22,874,107	27.68%

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

The fiscal stress scores are based on financial information submitted as part of each School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include June 30, 2017 year-end fund balance, cash position and patterns of operating deficits, the OSC system creates an overall fiscal stress score which classifies whether a district 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 OSC designates the District as “No Designation” (Fiscal Score: 0.0%). More information on the FSMS may be obtained from the Office of the State Comptroller.

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

New York State Comptroller Report of Examination

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

The Office of the State Comptroller completed an audit of the financial condition of the School District on March 1, 2013. For more information see https://www.osc.state.ny.us/localgov/audits/schools/2013/niskavuna.pdf. The Office of the State Comptroller has notified the School District of a pending future audit.

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

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

Other Information

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

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

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

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

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2017 and may be found attached hereto as Appendix B

The District complies with the Uniform System of Accounts as prescribed for school districts in New York 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 National Committee on Government Accounting

Tax Information

Assessed and Full Valuations

	2014	2015	2016	2017	2018
Assessed Valuations:					
Niskayuna	$ 2,183,490,482	$ 2,197,267,043	$ 2,170,857,316	$ 2,176,522,214	$ 2,187,825,821
Glenville	185,171,434	185,539,996	184,423,498	183,976,060	187,026,444
Colonie	131,427,755	130,229,128	126,587,230	128,849,461	131,399,258
Clifton Park	87,812,206	88,184,112	86,459,852	86,361,183	86,334,301
Total	$ 2,587,901,877	$ 2,601,220,279	$ 2,568,327,896	$ 2,575,708,918	$ 2,592,585,824
Equalization Rates:					
Niskayuna	107.71%	107.95%	107.95%	100.00%	100.00%
Glenville	95.00%	96.00%	96.00%	94.00%	92.00%
Colonie	70.25%	68.50%	68.50%	67.50%	66.50%
Clifton Park	58.00%	58.00%	58.00%	58.00%	58.00%
Full Valuations:					
Niskayuna	$ 2,027,193,837	$ 2,035,448,859	$ 2,010,984,082	$ 2,176,522,214	$ 2,187,825,821
Glenville	194,917,299	193,270,829	192,107,810	195,719,213	203,289,613
Colonie	187,085,772	190,115,515	184,798,876	190,888,090	197,592,869
Clifton Park	151,400,355	152,041,572	149,068,710	148,898,591	148,852,243
Total	$ 2,560,597,264	$ 2,570,876,776	$ 2,536,959,478	$ 2,712,028,109	$ 2,737,560,546

Valuations Based on Regular Equalizations Ratios

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2014	2015	2016	2017	2018
Niskayuna	$ 19.21	$ 19.54	$ 19.80	$ 20.07	$ 20.31
Glenville	21.78	21.97	22.26	21.35	22.08
Colonie	29.45	30.79	31.20	29.73	30.54
Clifton Park	35.67	36.36	36.84	34.60	35.02

Tax Collection Procedure

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to the Counties for relevy on County/Town tax rolls. The School District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

Tax Collection Record

Fiscal Year Ended June 30:	2014	2015	2016	2017	2018
Net Taxes on Roll	$52,979,818	$54,225,111	$54,215,653	$54,444,020	$55,587,951
Less STAR Reimbursement	4,424,789	4,419,081	4,528,901	4,388,554	4,214,672
Total Taxes to be Collected	48,555,029	49,806,030	49,686,752	50,055,466	51,373,279
Taxes Collected Prior to Return to County	46,827,273	48,372,211	48,354,127	48,635,636	49,966,243
Returned to County	$1,727,756	$1,433,819	$1,332,625	$1,419,830	$1,407,036
% Collected Prior to Return	96.44%	97.12%	97.32%	97.16%	97.26%

Major Taxpayers 2017

For 2017-18 Tax Roll

Name	Type	Equalized Value
General Electric Co. [1]	Research & Development	$176,195,423
National Grid	Utility	20,444,618
Schenectady International, Inc.	Chemical Manufacturer	20,000,000
Iroquois Development Group, LLC	Apartments	12,500,000
MSF Niskayuna, LLC	Supermarket	9,750,000
1805 Providence Ave., LLC	Nursing Home Facility	8,100,000
Liberty Management	Healthcare	7,989,130
Cameo Estates	Apartments	7,400,000
530 East 14th Street, LLC	Shopping Plaza	7,005,800
Tall Oaks Associates	Apartments	7,000,000
Total		$276,384,971

The above taxpayers represent 10.10% of the School District’s 2017-18 equalized value of $2,737,560,546.

Note: 1. See “Litigation” section, second paragraph for Tax Certiorari details. If the Tax Certiorari Reserve does not cover the settlement, the School District intends to borrow the remaining funds needed to cover the claim.

Real Property Taxes

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

Fiscal Year	Total Revenues	Total Property Tax Levy	Percentage of Total Revenues Consisting of Real Property Tax
2012-13	73,119,066	51,192,762	70.01%
2013-14	73,184,869	52,979,818	72.39%
2014-15	75,287,460	54,219,475	72.02%
2015-16	77,624,296	54,219,475	69.85%
2016-17	79,201,947	54,443,652	68.74%
2017-18 (Budgeted)	79,836,812	55,573,058	69.61%
2018-19 (Budgeted)	82,630,346	57,041,399	69.03%

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2017 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

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 receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $65,500 for the 2017-18 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget also includes changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers may also account for those changes in their State income taxes.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modified prior law by imposing a limit on the amount of real property taxes that a school district may levy. The Tax Levy Limit Law affected school district tax levies for the school district fiscal year beginning July 1, 2012. It expires on June 15, 2020 unless extended.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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").

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Credit Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved "government efficiency plan" which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

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.

Debt Limit the District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

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

The District 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. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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 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.

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2013	2014	2015	2016	2017
Serial Bonds	$ 83,789,125	$ 76,209,375	$ 67,644,625	$ 59,429,875	$ 52,240,000
Bond Anticipation Notes	-	-	-	-	-
Total Debt Outstanding	$ 83,789,125	$ 76,209,375	$ 67,644,625	$ 59,429,875	$ 52,240,000

Status of Outstanding Bond Issues

Year of Issue:	2009	
Amount Issued:	$41,000,000	
Final Maturity:	4/15/2024	
Interest Rate/ Instrument:	Multiple% - SB[2]	
Purpose:	Building	
Principal Balance 06/30/17:	$21,925,000	
Fiscal Year Ending June 30:	Principal	Interest
2018	$ 2,800,000	$ 833,938 *
2019	2,920,000	742,938
2020	2,985,000	640,738
2021	3,120,000	528,800
2022	3,255,000	404,000
2023	3,350,000	273,800
2024	3,495,000	139,800
Totals:	$ 21,925,000	$ 3,564,014

Year of Issue:	2010			2012				
Amount Issued:	$7,827,337			$5,415,000				
Final Maturity:	2/1/2024			10/15/2017				
Interest Rate/ Instrument:	Multiple% - SB[1]			Multiple% - RSB				
Purpose:	Building			Refunding				
Principal Balance 06/30/17:	$4,385,000			$515,000				
Fiscal Year Ending June 30:	Principal	Interest		Principal	Interest			
2018	$ 560,000	$ 158,656	*	$ 515,000	$ 7,725	*		
2019	585,000	141,856		-	-			
2020	605,000	124,306		-	-			
2021	620,000	105,400		-	-			
2022	645,000	80,600		-	-			
2023	670,000	54,800		-	-			
2024	700,000	28,000		-	-			
Totals:	$ 4,385,000	$ 693,618		$ 515,000	$ 7,725			

Year of Issue:	2013		2014		
Amount Issued:	$3,200,000		$40,735,000		
Final Maturity:	6/1/2028		4/15/2024		
Interest Rate/ Instrument:	Multiple% - SB		Multiple% - RSB		
Purpose:	Building		Refunding		
Principal Balance 06/30/17:	$2,470,000		$40,720,000		
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest	
2018	$ 195,000	$ 77,231	$ 3,355,000	$ 1,537,325	*
2019	200,000	72,356	6,335,000	1,439,175	
2020	205,000	66,356	6,505,000	1,229,000	
2021	210,000	60,206	6,780,000	968,800	
2022	215,000	53,906	7,065,000	698,600	
2023	225,000	47,456	7,305,000	421,000	
2024	230,000	40,706	3,375,000	147,875	
2025	235,000	33,806	-	-	
2026	245,000	26,463	-	-	
2027	250,000	18,500	-	-	
2028	260,000	9,750	-	-	
Totals:	$ 2,470,000	$ 506,736	$ 40,720,000	$ 6,441,775	

Year of Issue:	2015				2016				
Amount Issued:	$800,000				$3,245,000				
Final Maturity:	3/15/2020				2/1/2024				
Interest Rate/ Instrument:	Multiple% - SB				1.4049% - RSB				
Purpose:					Refunding				
Principal Balance 06/30/17:	$490,000				$3,200,000				
Fiscal Year Ending June 30:	Principal		Interest		Principal		Interest		
2018	$	160,000	$	7,756 *	$	5,000	$	102,575	*
2019		165,000		5,676		5,000		102,500	
2020		165,000		2,987		605,000		102,400	
2021		-		-		625,000		78,200	
2022		-		-		635,000		65,700	
2023		-		-		650,000		53,000	
2024		-		-		675,000		27,000	
Totals:	$	490,000	$	16,419	$	3,200,000	$	531,375	

Year of Issue:	2016				2017			
Amount Issued:	$1,111,050				$766,676			
Final Maturity:	6/15/2021				6/15/2022			
Interest Rate/ Instrument:	.99997% - SB				1.8718% - SB			
Purpose:	Buses				Buses			
Principal Balance 06/30/17:	$900,000				$766,676			
Fiscal Year Ending June 30:	Principal		Interest		Principal		Interest	
2018	$	210,000	$	18,000	$	146,676	$	11,286
2019		220,000		13,800		150,000		11,444
2020		230,000		9,400		155,000		8,819
2021		240,000		4,800		155,000		6,106
2022		-		-		160,000		3,200
Totals:	$	900,000	$	46,000	$	766,676	$	40,855

Notes 1 The School District has completed an advance refunding on this issue. The Bonds are scheduled to be paid in full from the refunding escrow account on February 1, 2019.

2 The School District has completed an advance refunding on this issue. The Bonds were called on April 15, 2018

* Principal reduction made prior to date of Debt Statement, May 31, 2018

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2018	$ 7,946,676	$ 2,754,492	$ 10,701,168	12.27%
2019	10,580,000	2,529,745	13,109,745	27.30%
2020	11,455,000	2,184,006	13,639,006	42.94%
2021	11,750,000	1,752,312	13,502,312	58.42%
2022	11,975,000	1,306,006	13,281,006	73.64%
2023	12,200,000	850,056	13,050,056	88.61%
2024	8,475,000	383,381	8,858,381	98.76%
2025	235,000	33,806	268,806	99.07%
2026	245,000	26,463	271,463	99.38%
2027	250,000	18,500	268,500	99.69%
2028	260,000	9,750	269,750	100.00%
Totals:	$ 75,371,676	$ 11,848,517	$ 87,220,193	

Cash Flow Borrowings

The School District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes and does not expect at this time to issue Revenue Anticipation Notes or Tax Anticipation Notes in the current or upcoming fiscal year.

Status of Short-Term Indebtedness

Bond Anticipation Notes	Dated	Maturity Date	Interest Rate	Amount Outstanding
Building	8/2/2017	6/28/2018	1.31%	$ 2,500,000

Note: BAN to be renewed by this BAN Issue

Capital Project Plans

On December 6, 2016, the School District voters authorized an $5,614,000 capital project for the reconstruction of various School District Buildings. The State Education Department approved phase 1A of the project on March 9, 2017. Phase 1B was approved on March 29, 2018. To date, the School District has issued $2,500,000 bond anticipation notes pursuant to this authorization. This Note provides $2,736,000 in new monies for the aforementioned authorization. The District anticipates permanently financing this project with the issuance of bonds in June 2019.

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

School Bus Borrowings

On May 15, 2018, the School District voters authorized a $703,930 school bus borrowing proposition for the purchase of 6 school buses. The School District plan to issue bonds for this bus purchase in August 2018.

Building Aid Estimate

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. The District has not applied for such estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 68.3%

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.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new “assumed amortization” payout schedule for future State building aid payments based on an annual ‘average interest rate” and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates; however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See “State Aid” herein

Debt Statement Summary

As of May 31, 2018

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Niskayuna	$ 2,187,825,821	100.00%	$ 2,187,825,821
Glenville	187,026,444	92.00%	203,289,613
Colonie	131,399,258	66.50%	197,592,869
Clifton Park	86,334,301	58.00%	148,852,243
Total			$ 2,737,560,546

Debt Limit: 10% of Full Valuation		$ 273,756,055
Inclusions:		
Serial Bonds		$ 48,851,676
Bond Anticipation Notes		2,500,000
Total Inclusions:		$ 51,351,676
Exclusions:		
Building Aid Estimate [1]		$0
Total Exclusions:		$0
Total Net Indebtedness Before Giving Effect to This Issue		$ 51,351,676
This Issue	$ 4,921,000	
Proceeds to Be Used to Renew Indebtedness Listed Under Inclusions	2,185,000	$ 2,736,000
Total Net Indebtedness After Giving Effect to This Issue		$ 54,087,676
Net Debt Contracting Margin		$ 219,668,379
Percentage of Debt-Contracting Power Exhausted		19.76%

Notes: 1. The calculation of such indebtedness has not been taken into account any deductions therefrom of any apportionment of State Aid for debt service for School District purposed for which the District may be entitled. Since the gross indebtedness of the District is within its constitutional debt limit, the District is not required to apply for a Building Aid Estimate from the State Department of Education. The District anticipates the receipt of building aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Schenectady	$ 2,391,115,434					
County	$ 9,269,324,409	25.80%	81,627,000	N/A	81,627,000	21,056,505
Albany	$ 197,592,869					
County	$ 23,856,853,368	0.83%	281,817,942	N/A	281,817,942	2,334,139
Saratoga	$ 148,852,243					
County	$ 23,301,512,044	0.64%	60,630,000	N/A	60,630,000	387,310
Town of	$ 2,187,825,821					
Niskayuna	$ 2,350,877,543	93.06%	13,908,410	N/A	13,908,410	12,943,753
Town of	$ 203,289,613				-	
Glenville	$ 2,135,257,108	9.52%	15,245,854	N/A	15,245,854	1,451,499
Town of	$ 197,592,869				-	
Colonie	$ 8,582,514,354	2.30%	102,465,502	N/A	102,465,502	2,359,035
Town of	$ 148,852,243					
Clifton Park	$ 4,054,926,772	3.67%	11,691,875	N/A	11,691,875	429,197
Total						$ 40,961,439

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2016

Notes: 1 Bonds and Bond Anticipation notes as of 2016 fiscal year. Not adjusted to include subsequent bond and note sales

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 31, 2018:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 54,087,676	$ 2,335.80	1.976%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 95,049,115	$ 4,104.73	3.472%

(a) The District's estimated population is 23,156 (Source: 2016 U.S. Census Bureau estimate)

(b) The District's five year full valuation of taxable real estate using Special Equalization rates is $2,737,560,546

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

Special Provisions Affecting Remedies Upon Default

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

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

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

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

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

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

Market And Risk Factors

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

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

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

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

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risks of impact on the School District operations and/or damage from cyber incidents or cyber-attacks, the School District has invested in cybersecurity and other operational controls. While the School District continues to review its policies and practices in this regard, there can be no assurances that such security and operational control measures will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Tax Matters

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX — C".

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

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made in recent years which would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Approval of Legal Proceedings

The validity of the Notes will be covered by the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the School District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as Appendix C

Continuing Disclosure Compliance

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as “Appendix D”.

The School District's Continuing Disclosure Filing for the Fiscal Year ending June 30, 2011 was not filed within six months after the end of the fiscal year. This was the result of a delay in the audit process due to the GASB 45 Actuarial Study taking longer than anticipated. The School District also failed to file the 2011 audited financial statements within sixty days of receipt due to an oversight. The necessary information for Fiscal Year ending June 30, 2011 as well as a notice of failure to file have been filed on EMMA to bring the School District into compliance. Except as described above (without determining whether such events were material in any sense) the School District has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Litigation

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

There are currently tax certiorari claims requesting reduction of assessments pending. If the outcome is not in favor of the School District, the potential aggregate liability is expected to be approximately $4,600,000. The School District does have a Tax Certiorari Reserve to help cover some of these expenses. The remaining portion will be financed. It is not possible to predict the ultimate School District liability in these matters at this time.

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 School District, threatened against or affecting the School District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School District

Bond Rating

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

The underlying rating assigned to the School District by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, is an AA+ rating, which was assigned in connection with the issuance by the School District of $1,111,050 School District (Serial) Bonds dated August 25, 2016.

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 Notes.

Municipal Advisor

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

Miscellaneous

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

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

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

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

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

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

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

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

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. 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. R.G. Timbs, 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 School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School 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

The School District contact information is as follows: Carrie Nyc-Chevrier, Director of Business and Finance, telephone number 518-377-4666, email: cnycchevrier@niskyschools.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (585) 747-8111 or at www.RGTimbsInc.net.

Niskayuna Central School District

Dated: June 14, 2018
Niskayuna, New York

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Rosemarie Perez Jaquith
President of Board of And Chief Fiscal Officer

<u>APPENDIX A</u>

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2013	2014	2015	2016	2017	Budget 2018	
Beginning Fund Balance - July 1	$7,378,813	$8,619,718	$9,155,332	$8,370,961	$9,298,238	$12,683,145	
Revenues:							
Real Property Taxes	$51,192,762	$52,979,818	$54,219,475	$54,219,475	$54,443,652	$55,573,058	
Other Tax Items	1,045,121	683,166	549,171	468,750	294,900	223,848	
Charges for Services	291,223	272,294	411,301	434,818	753,168	476,500	
Use of Money & Property	379,901	583,043	603,361	702,313	558,751	551,450	
Sale of Property/Comp. for Loss	237	2,466	14,049	63691	5,320	5,000	
Miscellaneous	489,640	458,770	637,771	611,514	583,419	524,000	
State Aid	18,651,464	17,763,968	17,593,878	20,702,855	21,896,805	22,082,956	
Federal Aid	469,218	441,344	458,454	416,494	421,197	250,000	
Interfund Transfers	599500	0	800,000	4,386	244,735	150,000	
Total Revenues	$73,119,066	$73,184,869	$75,287,460	$77,624,296	$79,201,947	$79,836,812	
Expenditures:							
General Support	$7,179,575	$7,521,400	$8,164,566	$7,115,252	$6,917,846	$7,980,768	
Instruction	35,566,083	35,357,194	37,609,295	39,078,888	39,755,232	42,718,080	
Transportation	3,490,023	3,147,387	3,855,425	3,536,594	3,299,654	3,534,606	
Community Services	0	5,000	7,000	0	0	0	
Employee Benefits	14,751,262	15,366,224	14,862,104	16,446,971	15,202,606	16,654,350	
Debt Service	10,200,693	10,483,738	0	0	10,382,740	10,187,508	
Interfund Transfer	690,525	768,312	11,573,441	10,519,314	258,962	325,000	
Total Expenditures	$71,878,161	$72,649,255	$76,071,831	$76,697,019	$75,817,040	$81,400,312	
Adjustments	0	0	0	0	0	0	
Year End Fund Balance	$8,619,718	$9,155,332	$8,370,961	$9,298,238	$12,683,145	$11,119,645	E
Excess (Deficit) Revenues Over Expenditures	$1,240,905	$535,614	($784,371)	$927,277	$3,384,907	($1,563,500)	1, E

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated Fund Balance is planned to be used

E. Estimated

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2013	2014	2015	2016	2017
Assets:					
Unrestricted Cash	$8,026,470	$12,214,788	$13,520,625	$9,213,461	$8,843,548
Restricted Cash	3,323,679	2,613,697	3324084	4083586	7,207,309
Accounts Receivable	307,715	405,159	296,611	741,819	886,438
Due from Other Funds	2,386,507	2,104,197	683,010	1,366,913	1,784,266
Due from State & Federal	522,221	345,717	620,371	1,136,423	570,703
Due From Other Governments	505,162	470,371	711,134	689,740	618,334
Prepaid Expenditures	204,154	208,242	21,369	24,168	349
Total Assets	$15,275,908	$18,362,171	$19,177,204	$17,256,110	$19,910,947
Liabilities:					
Accounts Payable	$741,538	$1,186,229	$1,858,055	$1,187,618	$1,543,490
Accrued Liabilities	1,864,872	1,960,934	2,623,596	1,313,680	1,286,172
Due to Other Funds	32,905	1,030,409	745,250	906,396	227,336
Due to State Teachers' Retirement System	3,582,183	4,767,360	5,273,409	4,270,748	3,881,687
Due to Employees' Retirement System	434,692	232,042	249,053	235,150	254,305
Refundable Advances	0	29,865	0	44,280	34,812
Deferred Revenues	0	0	56,880	0	-
Total Liabilities:	$6,656,190	$9,206,839	$10,806,243	$7,957,872	$7,227,802
Fund Balances:					
Nonspendable	$204,154	$208,242	$21,369	$24,168	$349
Restricted	3,323,679	2,613,697	3,324,084	4,083,586	7,207,309
Assigned:					
Encumbrances	87,149	407,607	359,971	433,436	656,324
Appropriated Fund Balance	2,800,000	4,225,268	1,563,500	1,563,500	1,563,500
Unassigned					
Unappropriated Fund Balance	2,204,736	1,700,518	3,102,037	3,193,548	3,255,663
Total Fund Balance	$8,619,718	$9,155,332	$8,370,961	$9,298,238	$12,683,145
Total Liabilities and Fund Balance	$15,275,908	$18,362,171	$19,177,204	$17,256,110	$19,910,947

Source: Audited Financial Reports. This table is NOT audited.

General Fund – Budget Summary

	2018-19 Adopted Budget
Revenues:	
Real Property Taxes	$57,041,399
Other Tax Items	234,590
Charges for Services	813,500
Use of Money & Property	653,750
Sale of Property/Comp. for Loss	5,000
Miscellaneous	503,000
State Aid	22,874,107
Federal Aid	505,000
Interfund Transfers	0
Approriation of Fund Balance	1,563,500
Total Revenues	$84,193,846
Expenditures:	
General Support	$7,906,776
Instruction	44,279,182
Transportation	4,034,453
Employee Benefits	17,386,430
Debt Service	10,287,005
Interfund Transfer	300,000
Total Expenditures	$84,193,846

Source: Adopted Budget of the School District. This table is NOT audited

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2017

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained

NISKAYUNA CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Niskayuna Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Niskayuna Central School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Niskayuna Central School District, as of June 30, 2017, 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.

Change in Accounting Principle

As discussed in Note 6 to the financial statements, the District changed its method of accounting for Other Postemployment Benefits other than pensions in 2016/2017 as required by the provisions of GASB Statement Number 75. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1- A9, budgetary comparison information on pages C1 and C2, schedule of funding progress for the retiree health plan on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of District contributions on page C5 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Niskayuna Central School District's basic financial statements. The supplemental information on pages D1 – D3 is presented for purposes of additional analysis 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
October 10, 2017

NISKAYUNA CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2017

INTRODUCTION

The Niskayuna Central School District offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- The District's reliance on fund balance to balance the budget continues to represent less than 2% of budget in 2017-18.
- The District's Capital Reserve Fund increased by $3,154,326 to a total of $3,942,502.
- The District maintained unassigned fund balance at 4.00% of budget for 2017-18.
- The shared transportation initiative that the District began in an effort to comply with the governor's property tax freeze credit initiative continues to save the district money. The savings for participating districts continues to trend upwards increasing from approximately $250,000 during the 2014-15 school year to $485,000 in 2015-16 and $545,000 in 2016-17. The District's savings represents approximately 25% or $134,000 of the total savings for 2016-17.
- District voters approved a $5.6 million capital improvement project in December of 2016 with 86% of voters in favor of the project.
- The District issued $1,111,050 in serial bonds at 1.00% to purchase nine school buses.
- In May 2017, the 2017-18 budget was approved by a 78% margin. The 2017-18 budget totaling $81,400,312 represents a $957,407 increase from 2016-17.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis narrative (required supplemental information) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1. District-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

In addition to these statements, this report also includes other supplemental information.

Our auditor has provided assurance in the independent auditor's report that the Basic Financial Statements are fairly stated. A different degree of assurance is being provided by the auditor regarding the supplemental information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part in the financial statements.

District-wide Financial Statements

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

Niskayuna Central School District
Net Position
June 30, 2017 and 2016

	Governmental Activities		Variance Increase/
	2017	2016	(Decrease)
Current Assets	$20,360,262	$17,653,048	$2,707,214
Capital Assets, net	83,331,121	86,603,297	(3,272,176)
Pension Asset	0	20,083,066	(20,083,066)
Total Assets	103,691,383	124,339,411	(20,648,028)
Deferred Outflows of Resources	25,447,958	10,861,963	14,585,995
Total Assets and Deferred Outflows of Resources	$129,139,341	$135,201,374	($6,062,033)
Current Liabilities	16,670,594	7,576,484	9,094,110
Other Post Employment Benefits Payable	132,321,250	52,796,199	79,525,051
Other Noncurrent Liabilities	59,519,248	73,625,473	(14,106,225)
Total Liabilities	208,511,092	133,998,156	74,512,936
Deferred Inflows of Resources	17,828,219	7,530,524	10,297,695
Total Liabilities and Deferred Inflows of Resources	226,339,311	141,528,680	84,810,631
Net Position:			
Investments in Capital Assets, Net of Related Debt	30,694,287	26,315,129	4,379,158
Restricted for Debt, Employee Benefits & Taxes	8,246,844	5,239,417	3,007,427
Unrestricted	(136,141,101)	(37,881,852)	(98,259,249)
Total Net Position	($97,199,970)	($6,327,306)	($90,872,664)

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

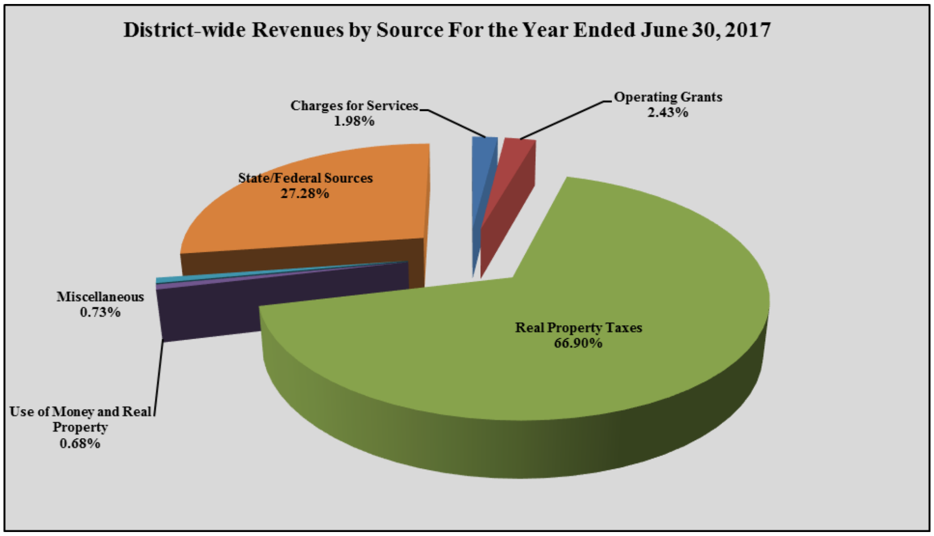
Niskayuna Central School District
Changes in Net Position
For the Years Ended June 30, 2017 and 2016

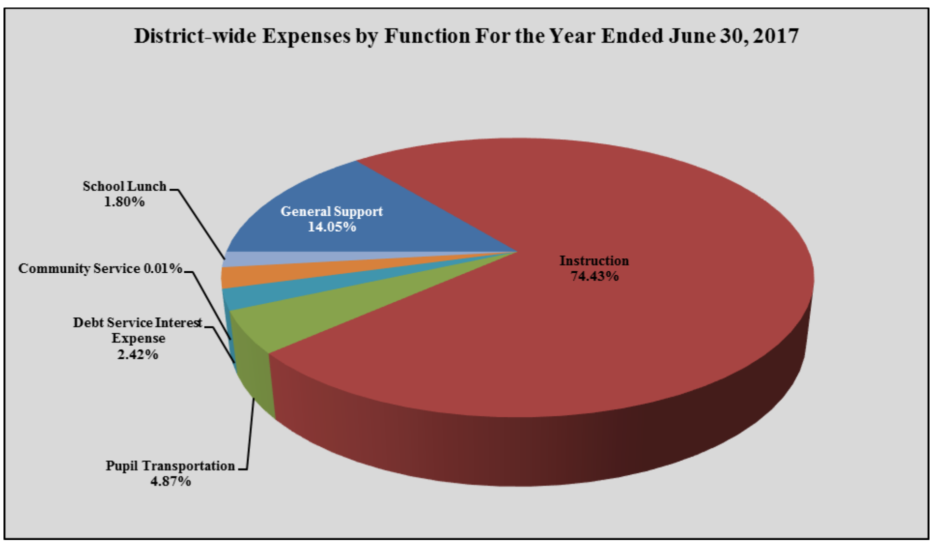
	Governmental Activities		Variance Increase/
	2017	**2016**	**(Decrease)**
Revenues:			
Program Revenues:			
Charges for Services	$1,622,879	$1,501,996	$120,883
Operating Grants	1,987,941	1,807,893	180,048
Total Program Revenues	3,610,820	3,309,889	300,931
General Revenues			
Real Property Taxes	54,738,552	54,688,225	50,327
Use of Money and Real Property	558,786	702,314	(143,528)
Sale of Property & Compensation for Loss	5,320	120,192	(114,872)
Miscellaneous	588,346	616,978	(28,632)
State Sources	21,896,805	20,702,855	1,193,950
Federal Sources	421,197	416,494	4,703
Total General Revenues	78,209,006	77,247,058	961,948
Total All Revenues	$81,819,826	$80,556,947	$1,262,879
Gross Expenses:			
General Support	$10,378,526	$10,151,381	$227,145
Instruction	61,845,020	60,500,101	1,344,919
Pupil Transportation	4,066,621	5,023,225	(956,604)
Community Service	0	0	0
Debt Service Interest Expense	1,553,016	1,749,247	(196,231)
Capital & Other Expenditures	1,558,586	0	1,558,586
School Lunch	1,157,282	1,246,738	(89,456)
Total Expenses	$80,559,051	$78,670,692	$1,888,359
Prior Period Adjustment:			
Cumulative Effect of Change in Accounting Principle	92,130,439	0	92,130,439
Change in Net Position	($90,869,664)	$1,886,255	($92,755,919)

The statement of revenue, expense and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. certain federal/state grants earned but not yet received, and unused vacation/sick leave.

All of the District's services are reported in the district-wide financial statements as governmental activities, including general support, instruction, pupil transportation, community services, and school lunch. Property taxes, sales tax, state/federal aid, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

The following graphs provide the percentage breakdown of all revenues by source and all expenses by function for the entire District:





Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds.

A fund is a grouping of related accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants). All of the funds of the District can be divided into two categories; governmental funds, and fiduciary funds.

- ***Governmental funds:*** All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- ***Fiduciary funds:*** The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the districtwide financial statements because it cannot use these assets to finance its operations.

Fund Equity Analysis

The schedule below indicates the fund equity and the total change in fund equity by fund type as of June 30, 2017 and 2016.

	Fund Equity		Variance Increase/
Fund	**2017**	**2016**	**(Decrease)**
General	$12,683,145	$9,298,238	$3,384,907
School Lunch	(190,091)	(39,147)	(150,944)
Special Aid	0	0	0
Capital	(758,137)	82,062	(840,199)
Debt Service	1,029,201	1,155,831	(126,630)
Totals	$12,764,118	$10,496,984	$2,267,134

General Fund

The following tables are provided to illustrate the balance sheet changes within the General Fund for the past three school years.

NISKAYUNA CENTRAL SCHOOL DISTRICT

BALANCE SHEETS - GENERAL FUND

FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2017

Assets	**2016-2017**	**2015-2016**	**2014-2015**
Cash	$ 16,050,857	13,297,047	$ 16,844,709
Other Assets	3,860,090	3,959,063	2,332,495
Total Assets	$ 19,910,947	17,256,110	$ 19,177,204
Liabilities			
Accounts Payable and Accrued Liabilities	$ 2,829,662	2,501,298	$ 4,481,651
Due to Teachers' Retirement System	3,881,687	4,270,748	5,273,409
Due to Employees' Retirement System	254,305	235,150	249,053
Other Liabilities	262,148	950,676	802,130
Total Liabilities	7,227,802	7,957,872	10,806,243
Fund Equity (Deficiency)			
Non-spendable	349	24,168	21,369
Restricted	7,207,309	4,083,586	3,324,084
Committed	-	-	-
Assigned	2,219,824	1,996,936	1,923,471
Unassigned	3,255,663	3,193,548	3,102,037
Total Fund Equity (Deficiency)	12,683,145	9,298,238	8,370,961
Total Liabilities and Fund Equity (Deficiency)	$ 19,910,947	17,256,110	$ 19,177,204

The following tables are provided to illustrate the major revenue, expenditure and other financing activities of the General Fund.

Revenues	**2017**	**2016**	**Variance Increase/ (Decrease)**
Taxes	$54,738,552	$54,688,225	$50,327
Charges for Services	753,168	434,818	318,350
Use of Money and Property	558,751	766,004	(207,253)
State/Federal Sources	22,318,002	21,119,349	1,198,653
Other	588,739	611,514	(22,775)
Totals	$78,957,212	$77,619,910	$1,337,302

Expenses	**2017**	**2016**	**Variance Increase/ (Decrease)**
General Support	$6,917,846	$7,115,252	($197,406)
Instruction	39,755,232	39,078,888	676,344
Pupil Transportation	3,299,654	3,536,594	(236,940)
Community Service	0	0	0
Employee Benefits	15,202,606	16,446,971	(1,244,365)
Debt Service	10,382,740	0	10,382,740
Totals	$75,558,078	$66,177,705	$9,380,373

Other Financing Sources (Uses)	**2017**	**2016**	**Variance Increase/ (Decrease)**
Interfund Transfers, net	($14,227)	($10,514,928)	$10,500,701
Proceeds of Long Term Debt	0	0	0
Proceeds from Advanced Refunding	0	0	0
Payment to Escrow Agent	0	0	0
BANs Redeemed From Appropriations	0	0	0
Totals	($14,227)	($10,514,928)	$10,500,701

General Fund Budget Information

The District's budget is prepared in accordance with New York State Education law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances.

The most significant budgeted fund is the General Fund. The budget process begins in October of each school year. Meetings are held with building administrators and curriculum directors along with a series of board meetings and community forums that are open to the public from late February to early April. The process is culminated when the statewide school budget vote is held on the Third Tuesday in May of each year.

Capital Assets

The District's capital assets (net of accumulated depreciation) as of June 30, 2017 are as follows:

Asset Description	Net Book Value
Land	$895,205
Buildings and Improvements	74,839,110
Machinery and Equipment	2,318,482
Vehicles	5,278,324
Total	$83,331,121

Indebtedness

The District had outstanding debt in the form of serial and statutory bonds, workers' compensation claims (the District self-insures), and compensated absences required due to contractual obligations. The outstanding debt as of June 30, 2017 is summarized as follows:

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the average full valuation of taxable real property. At June 30, 2017 the District's general obligation debt represented 1.96% of the 5 year average full valuation of taxable real property.

Debt Description	Outstanding Balance
Bond Issues, Net of Deferred Amounts on Refundings	$49,231,148
Unamortized Bond Premiums	3,463,834
Judgments and Claims	7,487,005
Workers' Compensation	252,256
Compensated Absences	335,716
Other Post-Employment Benefits (OPEB)	132,321,250
Total	$193,091,209

Items Impacting the District’s Future

The greatest concerns facing the district over the next several years will be the tax cap and flat or declining state aid. The ongoing concern related to the sustainability of all NYS public schools will continue as districts continue to seek alternative solutions to counter declining revenues and increasing expenditures for mandated items such as pension, contract and health insurance costs.

The District’s primary revenue sources in the general fund are school taxes (68%) and State Aid (27%). The Gap Elimination Adjustment, which redistributed school funding away from schools and back to the state to balance the state budget, ended with the 2016-17 school year. Going forward, the district’s increase in state aid will be reliant on Foundation Aid. The district received a $286,460 increase in Foundation Aid for the 2017-18 school year and there is uncertainty around how Foundation Aid will be distributed going forward. The state’s “Tax Cap” limits the amount of school tax revenue that can be generated. Further limiting the district’s ability to raise tax revenue in is the potential for the continuation of the growth factor in the tax levy calculation to be under 2% due to the CPI. While the State’s economic picture appears to be modestly improving, districts will be subjected to additional pressures to contain costs and find new revenue sources in order to continue to comply with the state’s government efficiency plan in order for residents to receive a tax credit.

Contacting the District’s Financial Management

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

Niskayuna Central School District
School Business Official
1239 Van Antwerp Road
Niskayuna, New York 12309

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS		
Current Assets:		
Cash and Investments	$	17,453,759
Accounts Receivable		920,633
State and Federal Aid Receivable		1,350,481
Due From Other Governments		618,334
Inventories		16,706
Prepaid Expenditures		349
Capital Assets, net		83,331,121
Total Assets		103,691,383
DEFERRED OUTFLOWS OF RESOUCES		
Amounts Deferred on Defeasance of Debt		3,008,852
Pensions		22,439,106
Total Deferred Outflows of Resources		25,447,958
Total Assets and Deferred Outflows of Resources	$	129,139,341
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	2,029,540
Accrued Liabilities		1,286,172
Due to Fiduciary Funds		36,439
Due to Other Governments		40
Bond Interest Accrued		408,954
Due to Teachers' Retirement System		3,881,687
Due to Employees' Retirement System		254,305
Refundable Advances		107,961
Long-Term Liabilities - Due and Payable Within One Year		
Bonds		7,800,000
Unamortized Bond Premiums		865,496
Long-Term Liabilities		
Bonds		44,440,000
Unamortized Bond Premiums		2,598,338
Compensated Absences		335,716
Workers' Compensation		252,256
Judgments and Claims		7,487,005
Other Post Employment Benefits Payable		132,321,250
Net Pension Liability, Proportionate Share		4,405,933
Total Liabilities		208,511,092
DEFERRED INFLOWS OF RESOUCES		
Pensions		1,511,876
Other Post Employment Benefits		16,316,343
Total Deferred Inflows of Resources		17,828,219
Total Liabilities and Deferred Inflows of Resources		226,339,311
NET POSITION		
Invested in Capital Assets, Net of Related Debt		30,694,287
Restricted Net Position		8,236,510
Unrestricted Net Position (Deficit)		(136,130,767)
Total Net Position		(97,199,970)
Total Liabilities, Deferred Inflows of Resources and Net Position	$	129,139,341

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 10,378,526	$ 57,501	$ -	$ (10,321,025)
Instruction	61,845,020	695,667	1,956,241	(59,193,112)
Pupil transportation	4,066,621	-	-	(4,066,621)
Community Service	-	-	-	-
Employee benefits	-	-	-	-
Debt service - interest	1,553,016	-	-	(1,553,016)
Depreciation - unallocated (excludes direct expense of various functions and programs)	-	-	-	-
Other expenditures	-	-	-	-
Capital Outlay	1,558,586	-	-	(1,558,586)
School lunch program	1,157,282	869,711	31,700	(255,871)
Total Functions and Programs	$ 80,559,051	$ 1,622,879	$ 1,987,941	(76,948,231)
GENERAL REVENUES				
Real property taxes				50,114,296
Other tax items				4,624,256
Use of money and property				558,786
Sale of property and compensation for loss				5,320
State sources				21,896,805
Federal sources				421,197
Miscellaneous				588,346
Total General Revenues				78,209,006
Change in Net Position				1,260,775
Total Net Position - as Originally Reported				(6,327,306)
Cumulative Effect of Change in Accounting Principle				(92,133,439)
Total Net Position - Beginning of Year, Restated				(98,460,745)
Total Net Position - End of Year				$ (97,199,970)

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
Assets						
Unrestricted Cash	$ 8,843,548	$ 75,997	$ 271,551	$ 58,148	$ -	$ 9,249,244
Restricted Cash	7,207,309	-	-	-	997,206	8,204,515
State and Federal Receivable, net	570,703	772,841	6,937	-	-	1,350,481
Due From Other Governments	618,334	-	-	-	-	618,334
Due From Other Funds	1,784,266	159,311	773	-	31,995	1,976,345
Accounts Receivable	886,438	-	34,195	-	-	920,633
Inventories	-	-	16,706	-	-	16,706
Prepaid Expenditures	349	-	-	-	-	349
Total Assets	$ 19,910,947	$ 1,008,149	$ 330,162	$ 58,148	$ 1,029,201	$ 22,336,607
Liabilities						
Accounts Payable	$ 1,543,490	$ 7,852	$ 13,884	$ 464,314	$ -	$ 2,029,540
Accrued Liabilities	1,286,172	-	-	-	-	1,286,172
Due to Other Funds	227,336	981,196	452,281	351,971	-	2,012,784
Due to Other Governments	-	-	40	-	-	40
Due to Teachers' Retirement System	3,881,687	-	-	-	-	3,881,687
Due to Employees' Retirement System	254,305	-	-	-	-	254,305
Refundable Advances	34,812	19,101	54,048	-	-	107,961
Total Liabilities	7,227,802	1,008,149	520,253	816,285	-	9,572,489
Fund Equity						
Non-spendable	349	-	16,706	-	-	17,055
Restricted	7,207,309	-	-	-	1,029,201	8,236,510
Committed	-	-	-	-	-	-
Assigned	2,219,824	-	-	-	-	2,219,824
Unassigned	3,255,663	-	(206,797)	(758,137)	-	2,290,729
Total Fund Equity	12,683,145	-	(190,091)	(758,137)	1,029,201	12,764,118
Total Liabilities and Fund Equity	$ 19,910,947	$ 1,008,149	$ 330,162	$ 58,148	$ 1,029,201	$ 22,336,607

Amounts reported for governmental activities in the statement of net position are different due to the following:

Total governmental fund equity per above	$ 12,764,118
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	83,331,121
Government funds report the effect of Issuance costs, premiums, discounts and similar items when the debt Is first issued, whereas these amounts are deferred and amortized in the statement of activities	3,008,852
Accrued interest expense is reported under the accrual basis.	(408,954)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(196,100,061)
Net pension liability	(4,405,933)
Deferred outflows of resources - Pensions	22,439,106
Deferred inflows of resources - Pensions	(1,511,876)
Deferred inflows of resources - OPEB	(16,316,343)
Net Position of Governmental Activities	$ (97,199,970)

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
Revenues						
Real Property Taxes and Tax Items	$ 54,738,552	$ -	$ -	$ -	$ -	$ 54,738,552
Charges for Services	753,168	-	-	-	-	753,168
Use of Money and Property	558,751	-	-	-	35	558,786
Sale of Property and Compensation for Loss	5,320	-	-	-	-	5,320
Miscellaneous	583,419	-	4,927	-	-	588,346
State Sources	21,896,805	519,525	1,789	-	-	22,418,119
Federal Sources	421,197	1,436,716	29,911	-	-	1,887,824
Sales	-	-	869,711	-	-	869,711
Total Revenues	78,957,212	1,956,241	906,338	-	35	81,819,826
Expenditures						
General Support	6,917,846	32,808	465,256	-	-	7,415,910
Instruction	39,755,232	1,752,495	-	-	-	41,507,727
Pupil Transportation	3,299,654	89,025	-	-	-	3,388,679
Community Services	-	-	-	-	-	-
Employee Benefits	15,202,606	236,827	203,704	-	-	15,643,137
Debt Service	10,382,740	-	-	-	-	10,382,740
Cost of Sales	-	-	488,322	-	-	488,322
Capital Outlay	-	-	-	1,869,187	-	1,869,187
Total Expenditures	75,558,078	2,111,155	1,157,282	1,869,187	-	80,695,702
Excess (Deficiency) of Revenues Over Expenditures	3,399,134	(154,914)	(250,944)	(1,869,187)	35	1,124,124
Other Financing Sources And (Uses)						
Interfund Transfers in	244,735	158,962	100,000	-	-	503,697
Interfund Transfers (out)	(258,962)	(4,048)	-	(82,062)	(158,625)	(503,697)
Proceeds of Long Term Debt	-	-	-	1,111,050	-	1,111,050
Premium on bonds	-	-	-	-	31,960	31,960
BANs Redeemed From Appropriations	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(14,227)	154,914	100,000	1,028,988	(126,665)	1,143,010
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	3,384,907	-	(150,944)	(840,199)	(126,630)	2,267,134
Fund Equity, Beginning of Year	9,298,238	-	(39,147)	82,062	1,155,831	10,496,984
Fund Equity, End of Year	$ 12,683,145	$ -	$ (190,091)	$ (758,137)	$ 1,029,201	$ 12,764,118

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Net changes in fund balance - total governmental funds		$ 2,267,134
Capital outlays for the purchase of 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 expense in the statement of activities.		
Depreciation expense	$ (5,045,434)	
Capital outlays	1,773,258	(3,272,176)
Interest is recognized as an expense in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. The decrease in accrued interest during 2016/17 results in less expense.		11,466
Proceeds of serial bond principal and bond premiums are revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net assets.		(1,143,010)
Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		8,300,925
Amortization of issuance costs and loss on refunding bonds		(378,644)
Amortization of bond premiums		895,977
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions	5,028,225	
Cost of benefits earned net of employee contributions	4,744,239	9,772,464
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.		(15,193,361)
Change in net position - governmental activities		$ 1,260,775

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2017

	Agency	Private Purpose Trusts
ASSETS		
Cash - unrestricted	$ 299,137	$ -
Cash - restricted	16,278	99,792
Due from other funds	72,252	-
Investments - restricted	69,288	-
Total Assets	$ 456,955	$ 99,792
LIABILITIES		
Extraclassroom activity balances	$ 85,566	$ -
Due to other funds	30,813	5,000
Other liabilities	340,576	-
Total Liabilities	$ 456,955	$ 5,000
NET ASSETS		
Reserved for scholarships		$ 94,792

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Private Purpose Trusts
ADDITIONS	
Gifts and contributions	$ -
Investment earnings	69
Total Additions	69
DEDUCTIONS	
Scholarships and awards	11,690
Contractual and other	-
Total Deductions	11,690
Change in Net Assets	(11,621)
Net Assets - Beginning of year	106,413
Net Assets - End of year	$ 94,792

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity within its Fiduciary funds:

The Extraclassroom Activity Fund

The extraclassroom activity fund of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity fund can be found at the District's business office, located at 1239 Van Antwerp Road, Niskayuna, New York 12309. The District accounts for assets held as an agent for various student organizations in an agency fund.

B. Joint Venture

The Niskayuna Central School District is one of twenty-four component school districts in the Capital District Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

BOCES are organized under Section 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 Section 1050 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n (a) of the General Municipal Law.

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

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year ended June 30, 2017, the Niskayuna Central School District was billed $4,428,902 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $1,374,075. Final statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

District-wide statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial statements

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

The District reports the following major governmental funds:

1. General Fund

   The General Fund is the principal operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

   The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

   a. Special Aid Fund

      Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State grants.

   b. School Lunch Fund

      The School Lunch Fund is used to account for transactions of breakfast and lunch programs.

3. Capital Projects Fund

   The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment.

4. Debt Service Fund

   The Debt Service Fund is used to account for and report the accumulation of resources to be used for the redemption of principal and interest of long term debt.

Other Fund Type:

Fiduciary Funds

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial statements

Other Fund Type:

Fiduciary Funds

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine how these funds will be awarded.

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

D. Basis of Accounting/Measurement Focus

General Information

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. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available when levied. The District selected the one year time frame to match the time frame the related liabilities will be liquidated.

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

E. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 16, 2016. Taxes were collected during the period September 1 through October 31, 2016.

II. Enforcement

Uncollected real property taxes are enforced by the Counties of Schenectady, Albany and Saratoga, in which the District is located. An amount representing uncollected real property taxes transmitted to the Counties for enforcement is paid by the counties to the District no later than the forthcoming April 1.

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

1. <u>The budget policies are as follows</u>:

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

   b. The proposed appropriation budget for the General Fund was approved by the voters within the District.

   c. Appropriations are adopted at the program line item level.

   d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the fiscal year end 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 which exists which was not determined at the time the budget was adopted. For the year ended June 30, 2017 there were no supplemental appropriations.

II. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

III. Budget Basis of Accounting

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

Under GASBS No. 34, budgetary comparison information is required to be presented for the General Fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

H. Cash and Investments

The District investment policies are governed by New York State statutes. District monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. 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 Federal Deposit 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 school districts. Investments are stated at fair value.

I. Accounts Receivable

Accounts receivable are shown net, with uncollectible amounts recognized under the allowance method. An allowance for uncollectible accounts of $300,000 has been provided in the Special Aid Fund to represent a portion of the summer handicapped program receivables that may be uncollectible.

J. Inventories and Prepaid Items

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Interfund Transactions

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

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

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

Refer to Note 4.A.II for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

L. 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 are converted to long-term financing within five years after the original issue date.

M. Equity Classifications

District-wide statements:

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

Invested in capital assets, net of related-debt - consists of net capital assets reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted net position - reports net position when constraints placed on the assets are either externally imposed by creditors, 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 does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Fund statements:

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

Non-spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes: Prepaid expenditures in the General Fund of $349 and Inventory recorded in the School Lunch Fund of $16,706 for a total of $17,055.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances: Debt Service, Employee Benefit Accrued Liability, Insurance, Capital, Retirement Contributions, Tax Certiorari, Unemployment Insurance, Workers' Compensation and Encumbrances.

<u>Employee Benefit Accrued Liability</u>

According to General Municipal Law §6-p, this reserve is used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund under Restricted Fund Balance.

<u>Insurance</u>

According to General Municipal Law §6-n, this reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

<u>Capital Reserve</u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Retirement Contributions

According to General Municipal Law §6-r, this reserve must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Tax Certiorari

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

Unemployment Insurance

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

Workers' Compensation

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

Debt Service

Used to account for the unspent proceeds of debt restricted for debt service, and earnings thereon.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Encumbrances

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

Restricted fund balance includes the following:

General Fund:		
Capital Reserve	$	3,942,502
Employee Benefit Accrued Liability		335,716
Insurance		250,000
Retirement Contributions		300,000
Tax Certiorari		1,937,712
Unemployment Insurance		157,932
Workers' Compensation		283,447
Debt Service Fund		1,029,201
Total Restricted Funds	$	8,236,510

Committed – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2016.

Assigned – includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance. Encumbrances reported in General Capital Funds amounted to $656,324 and $1,049,198, respectively. Assigned fund balance is comprised of:

General Fund:		
Board of Education	$	7,670
Central Administration		659
Finance		21,675
Staff		4,875
Central Services		304,966
Instruction, Administration & Improvement		1,860
Teaching - Regular School		60,708
Programs for Students with Disabilities		112,268
Instructional Media		85,021
Pupil Services		73
Pupil Transportation		56,549
Appropriated Fund Balance		1,563,500
Capital Fund		1,049,198
Total Assigned Funds	$	3,269,022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Unassigned – includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In the other governmental funds, however, if a government spends more on a specific purpose than the resources available for that purpose in the fund, then it may need to report a negative amount as unassigned fund balance. If a government cannot cover the deficit with amounts assigned to other purposes in that fund, then the remaining deficit should be reported on the unassigned fund balance line.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

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

In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

N. Postemployment Benefits

The District provides retirement benefits for substantially all its regular full-time teachers and its part-time teachers who elect to participate, through contributions to the New York State Teachers Retirement System (TRS). The System provides various plans and options, some of which require employee contributions.

The District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Currently retirees meet those eligibility requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Payables, Accrued Liabilities and Long-Term Obligations

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

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

P. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life In Years
Buildings	$ 1,000	SL	15-50
Land improvements	1,000	SL	20
Machinery and equipment	1,000	SL	5-25

Q. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the 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 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 proportionate share of total contributions to the pension systems not included in pension expense. Lastly is the District's contribution to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Deferred Outflows and Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These item are related to pensions and other post-employment benefits reported in the Statement of Net Position. They represent the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense, as well as changes of assumptions or inputs in relation to OPEB.

R. Use of 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, potential contingent liabilities, other post-employment benefits, pensions and useful lives of long-term assets.

S. Restricted Resources

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

T. Vested Employee Benefits

District employees are granted vacation in varying amounts, based principally 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. Sick leave use is based on a last-in, first-out (LIFO) basis.

Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements at year-end. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. Accounting Changes

During the fiscal year ended June 30, 2017 the District adopted:

GASB has issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68, effective for the year ending June 30, 2017.

GASB has issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, effective for the year ending June 30, 2017.

GASB has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The District has decided to implement an early adoption of Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions for the year ending June 30, 2017. See Note 6 for the financial statement impact of the implementation of this standard.

GASB has issued Statement No. 77, Tax Abatement Disclosures, effective for the year ending June 30, 2017. See Note 7 for the disclosure related to implementation of this statement.

GASB has issued Statement No. 82, an amendment of GASB Statements No. 67, No. 68, and No. 73, effective for the year ending June 30, 2017.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 81, Irrevocable Split-Interest Agreements, effective for the year ending June 30, 2017.

GASB has issued Statement No. 83, Certain Asset Retirement Obligations, effective for the year ending June 30, 2019.

GASB has issued Statement No. 84, Fiduciary Activities, effective for the year ending June 30, 2020.

GASB has issued Statement No. 85, Omnibus 2017, effective for the year ending June 30, 2018.

GASB has issued Statement No. 86, Certain Debt Extinguishment Issues, effective for the year ending June 30, 2018.

GASB has issued Statement No. 87, Leases, effective for the year ending June 30, 2021.

The District is still evaluating the effect these accounting standards will have on the District’s future financial statements and will implement them as applicable and when material.

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

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

Total Fund Equity of Governmental Funds vs. Net Position of Governmental Activities

Total fund equity of the District's governmental funds differed from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenues, Expenditures, and Changes in Fund Equity vs. Statement of Activities

Differences between the governmental funds statement of revenues, expenditures, and changes in fund equity and the statement of activities fall into one of four categories. The differences represent:

Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue 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.

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.

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

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

Pension Differences

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

3. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Balances

There was a deficit fund balance in the School Lunch Fund of ($190,091) for the year ended June 30, 2017. The District has budgeted for transfers into the Fund to subsidize operations and eliminate the deficit.

There was a deficit fund balance in the Capital Fund of ($758,137) for the year ended June 30, 2017. The District will issue a Bond Anticipation Note in August 2017 to alleviate the deficit and fund summer construction.

4. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

I. Cash

The District's aggregate bank balances at June 30, 2017 were $18,342,137. All deposits were fully insured and collateralized.

2. Investments

Investments are stated at fair value and are categorized as either (1) insured or registered, or investments are held by the District or the District's agent in the District's name, (2) uninsured and unregistered, with the investments held by the financial institutions trust department in the District's name, (3) uninsured and unregistered, with investments held by the financial institution or its trust department but not in the District's name.

Fund	Fair Value	Type of Investment	Category
Trust and Agency	$ 34,723	Municipal Savings	(1)
Trust and Agency	34,565	Certificate of Deposit	(1)

4. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

3. Restricted Cash and Investments

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at year-end consists of the following:

Fund	Amount	Restriction
General Fund	$ 283,447	Workers' Compensation Reserve
	157,932	Unemployment Insurance Reserve
	335,716	Reserve for Employee Benefit Accrued Liability
	300,000	ERS Reserve
	3,942,502	Capital Reserve
	250,000	Insurance Reserve
	1,937,712	Tax Certiorari Reserve
Total General Fund	$7,207,309	
Debt Service Fund	$ 997,206	Debt Service Payments
Trust and Agency	$ 16,278	Extraclassroom Activity Funds
Private Purpose Trust Fund	99,792	Scholarships and Memorials
Total Fiduciary	$ 116,070	

II. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transactions and balances at June 30, 2017 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,784,266	$ 227,336	$ 244,735	$ 258,962
Special Aid Fund	159,311	981,196	158,962	4,048
School Lunch Fund	773	452,281	100,000	-
Debt Service Fund	31,995	-	-	158,625
Capital Projects Fund	-	351,971	-	82,062
Total Governmental Activities	1,976,345	2,012,784	503,697	503,697
Fiduciary Fund	72,252	35,813	-	-
Totals	$ 2,048,597	$ 2,048,597	$ 503,697	$ 503,697

4. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Transactions

The General Fund transferred $158,962 to the Special Aid Fund to finance the District's local share of expenditures relating to the Summer Handicapped Program and $100,000 to the School Lunch Fund as a budgeted interfund expenditure. The Special Aid Fund transferred $4,084 to the General Fund for indirect cost allocations. The Debt Service Fund transferred $158,962 the General Fund. The General Fund had budgeted $159,625 as an interfund revenue. The Capital Fund transferred $82,062 to the General Fund as a residual equity transfer of funds remaining from the Van Antwerp MS Gym Floor Project. This project was deemed an emergency and was originally funded by an interfund transfer from the General Fund.

III. Capital Assets

Capital asset balances and activity for the year ended June 30, 2017 are as follows:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Governmental Activities				
Capital assets that are not depreciated:				
Construction in progress	$ -	$ 310,601	$ -	$ 310,601
Land	895,205	-	-	895,205
Total Non-depreciable Capital Assets	895,205	310,601	-	1,205,806
Capital assets that are depreciated:				
Buildings and improvements	120,890,302	-	-	120,890,302
Vehicles	7,969,431	1,111,049	3,000	9,077,480
Machinery and equipment	10,906,111	351,608	-	11,257,719
Total Depreciable Capital Assets	139,765,844	1,462,657	3,000	141,225,501
Less accumulated depreciation:				
Buildings and improvements	42,461,179	3,900,614	-	46,361,793
Vehicles	6,086,938	675,060	3,000	6,758,998
Machinery and equipment	5,509,635	469,760	-	5,979,395
Total Accumulated Depreciation	54,057,752	5,045,434	3,000	59,100,186
Total Capital Assets, Net	$86,603,297	$(3,272,176)	$ -	$83,331,121

Depreciation expense charged to governmental functions as follows:

General Support	$ 106,317
Instruction	4,236,074
Pupil Transportation	703,043
Community Services	-
Total	$ 5,045,434

4. DETAIL NOTES ON ALL FUNDS

B. Deferred Outflows of Resources

Deferred outflows of resources consist of bond discounts, bond insurance premiums, amounts deferred from the defeasance of prior debt issues and pension plan differences resulting from differences in expected vs. actual experience, changes in assumptions and proportion and net differences between projected and actual earnings. Original issue discounts and deferred losses on refundings of long-term indebtedness are amortized over the life of the respective bond using the straight-line method. Amounts deferred on defeasance of bonds being amortized and pension plan differences are illustrated below.

	6/30/2017
08/07/2012 Bond - Amount Deferred on Defeasance	$ 20,607
10/22/2014 Bond - Amount Deferred on Defeasance	2,687,167
06/15/2016 Bond - Amount Deferred on Defeasance	301,078
ERS - Pension Plan Differences	1,607,213
TRS - Pension Plan Differences	20,831,893
Total Deferred Outflows	$ 25,447,958

C. Liabilities

I. Pension Plans

General Information

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

Plan Descriptions

Teachers' Retirement System (TRS)

The TRS is administered by the New York State Teachers’ Retirement Board. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The system is governed by a 10 member Board of Trustees. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in the New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System’s website at www.nystrs.org.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement 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. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report and additional information may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001 or found at www.osc.state.ny.us/retire/publications/index.php.

Contributions

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

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	ERS	TRS
2016-17	$ 957,626	$ 3,603,336
2015-16	996,212	4,070,599
2014-15	919,814	5,091,418

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Pension Liabilities

At June 30, 2017, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2017 for ERS and June 30, 2016 for TRS. The total net pension asset/(liability) used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	4/1/2016	6/30/2015
Net pension asset/(liability)	$ (2,275,210)	$ (2,130,723)
District's portion of the Plan's total net pension asset/(liability)	0.0242141%	0.198939%

Pension Expense

For the year ended June 30, 2017, the District recognized its proportionate share of pension expense of $1,302,914 for ERS and $3,524,329 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2017, the 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	
	ERS	TRS	ERS	TRS
Differences between expected and actual experiences	$ 57,015	$ -	$ 345,504	$ 692,178
Changes of assumptions	777,295	12,137,954	-	-
Net difference between projected and actual earnings on pension plan investments	454,452	4,790,985	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	64,146	21,267	85,769	388,425
Contributions subsequent to the measurement date	254,305	3,881,687	-	-
Total	$ 1,607,213	$ 20,831,893	$ 431,273	$ 1,080,603

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Pension Expense

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (liability)/asset in the year ended March 31, 2018 for ERS and June 30, 2017 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized within pension expense as follows:

Year ended:	ERS	TRS
2017	$ -	$ (1,424,029)
2018	(405,113)	(1,424,029)
2019	(405,113)	(5,144,841)
2020	(403,182)	(3,987,188)
2021	291,773	(1,797,276)
Thereafter	-	(2,092,240)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2017	June 30, 2016
Actuarial valuation date	April 1, 2016	June 30, 2015
Interest Rate	7.0%	7.5%
Salary Scale	3.8%	1.90% - 4.72%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.5%	2.5%
Projected Cost of Living Adjustments	1.3% annually	1. 5% annually

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Actuarial assumptions

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

For ERS, the actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2015 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

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

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 are summarized below:

ERS	**Target Allocation 2016**	**Long-term expected Real rate of return* 2016**
Asset Class:		
Domestic equities	36%	4.55%
International equities	13	6.35
Private Equity	14	7.75
Real estate	10	5.80
Absolute return strategies	2	4.00
Opportunistic portfolio	3	5.89
Real assets	3	5.54
Bonds and mortgages	17	1.31
Cash	1	(0.25)
Inflation-Indexed bonds	4	1.50
Total	100%	

* Real rates of return are net of the long-term inflation assumption of 2.5% for 2016.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Actuarial Assumptions

TRS	Target Allocation 2015	Long-term expected Real rate of return* 2015
Asset Class:		
Domestic equities	37%	6.1%
International equities	18	7.3
Real estate	10	5.4
Private equities	7	9.2
Total equities	72	
Domestic fixed income securities	17	1.0
Global fixed income securities	2	0.8
Mortgages	8	3.1
Short-term	1	0.1
Total fixed income	28	
Total	100%	

* Real rates of return are net of the long-term inflation assumption of 2.1% for 2015.

Discount Rate

The discount rate used to calculate the total pension (liability)/asset was 7.00% for ERS and 7.50% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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)/asset.

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

The following presents the District's proportionate share of the net pension (liability)/asset calculated using the discount rate of 7.00% for ERS and 7.50% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.00% for ERS and 6.50% for TRS) or 1-percentage-point higher (8.00% for ERS and 8.50% for TRS) than the current rate:

	1% Decrease	Current Assumption	1% Increase
ERS	6.00%	7.00%	8.00%
Employer's proportionate share of the net pension (asset)/liability	$ 7,266,570	$ 2,275,210	$ (1,944,975)

	1% Decrease	Current Assumption	1% Increase
TRS	6.50%	7.50%	8.50%
Employer's proportionate share of the net pension (asset)/liability	$ 27,800,123	$ 2,130,723	$ (19,399,424)

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Changes of Assumptions

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

Collective Pension Expense

Collective pension expenses includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2017 is $4,744,239.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2017 represent the projected employer contribution for the period of April 1, 2017 through June 30, 2017 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2017 amounted to $254,305.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2017 are paid to the System in September, October and November 2017 through a state aid intercept. Accrued retirement contributions as of June 30, 2017 represent employee and employer contributions for the fiscal year ended June 30, 2017 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2017 amounted to $3,881,687.

II. Indebtedness

1. Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. No bond anticipation notes were issued or redeemed during the year ended June 30, 2017.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

II. Indebtedness

2. Long-Term Debt

a. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Interest on long-term debt for the year was composed of:

Interest paid	$2,081,815
Less interest accrued in the prior year	(420,420)
Plus current year accrued interest	408,954
Amortization of deferrals on advanced refundings	378,644
Amortization of bond premiums	(895,977)
Total Expense	$1,553,016

b. Prior Year Defeasance

On August 7, 2012, October 22, 2014 and June 15,2016 the District defeased serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At June 30, 2017 $1.18 million of the 2012 bonds outstanding are considered defeased, $42.315 million of the 2014 bonds outstanding are considered defeased and $196,553 of the 2016 bonds outstanding are considered defeased.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

II. Indebtedness

2. Long-Term Debt

c. Other Long-Term Debt

In addition to the above long-term debt, the District had the following noncurrent liabilities:

Compensated Absences - Represent the value of the earned and unused portion of the liability for employees' vacation and sick pay which has not been accrued in the General Fund.

Workers' Compensation - Represents the estimate of the District's share of unpaid workers' compensation claims and administrative costs due.

Judgments and Claims - The non-current portion of the estimated liability for various legal actions taken against the District

Other Postemployment Benefits – Represents the net liability for other postemployment benefits calculated in accordance with GASB 75 (See Note 6).

3. Changes

The changes in the District's indebtedness during the year ended June 30, 2017 are summarized as follows:

Fund/Type General Long-Term Debt:	(Restated) Balance 7/1/2016	New Issues/ Additions	Maturities/ Payments	Balance 6/30/2017
Bonds Payable	$ 59,429,875	$ 1,111,050	$ 8,300,925	$ 52,240,000
Less: Deferred Amounts on Refunding	(3,387,496)	-	(378,644)	(3,008,852)
	56,042,379	1,111,050	7,922,281	49,231,148
Unamortized Bond Premium	4,327,851	31,960	895,977	3,463,834
Judgments and Claims	5,560,757	2,141,029	214,781	7,487,005
Workers' Compensation	318,726	-	66,470	252,256
Compensated Absences	367,507	-	31,791	335,716
Other Postemployment Benefits	144,929,638	-	12,608,388	132,321,250
Total General Long-Term Debt	$ 211,546,858	$ 3,284,039	$ 21,739,688	$ 193,091,209

Additions and deletions to compensated absences and workers' compensation are shown net since it is impractical to determine these amounts separately.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

II. Indebtedness

4. Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Issue Date	Maturity	Interest Rate	6/30/2017
Serial Bonds:				
Renovations	2009	2024	2.50 - 4.00%	2,800,000
Renovations	2010	2024	2.50 - 4.00%	1,145,000
Renovations – Advanced Refunding	2012	2017	2.00 – 3.00%	515,000
Acquisition of Bus Garage	2013	2028	2.50 - 3.75%	2,470,000
Renovations – Advanced Refunding	2014	2024	2.00 - 4.50%	40,720,000
Finance School Buses	2015	2020	0.65 - 1.81%	490,000
Renovations – Advanced Refunding	2016	2024	1.00 - 4.00%	3,200,000
Finance School Buses	2016	2021	0.65 - 1.81%	900,000
				$ 52,240,000

The following is a summary of maturing debt service requirements for bonds:

Year	Principal	Interest	Total
2018	$ 7,800,000	$ 1,875,962	$ 9,675,962
2019	7,510,000	1,651,057	9,161,057
2020	7,710,000	1,410,143	9,120,143
2021	7,855,000	1,112,006	8,967,006
2022	7,915,000	818,206	8,733,206
2023-2027	13,190,000	1,615,513	14,805,513
2028-2031	260,000	28,250	288,250
Total	$ 52,240,000	$ 8,511,137	$ 60,751,137

5. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit do not exceed 10% of the average full valuation of taxable real estate within such District. At June 30, 2017 the District has exhausted 19.61% of its constitutional debt limit.

III. Self-Insurance

Workers' Compensation Insurance

The District is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2017 have been recorded as other liabilities.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

III. Self-Insurance

Health & Dental Insurance

The District is self-insured for health insurance benefits, on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. Empire HealthChoice Assurance, Inc. is the third party claims administrator for the District's health plan. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The District pays the medical claims and related administrative fees on monthly basis by funding the separate bank account. The total cash in the account amounted to $189,989 at June 30, 2017. The District estimates the liability for unpaid health insurance claims to be $917,632 at June 30, 2017.

The District self-funds the health insurance plan, but has purchased both aggregate and specific stop loss coverage from HM Life Insurance Company of New York. The aggregate insurance provides full coverage for aggregate claims in excess of 125% of expected claims. The specific stop loss insurance assumes the risk for claims on any individual in excess of $225,000 paid during a calendar year.

The District is self-insured for dental insurance benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. Delta Dental of New York is the third party claims administrator for the District's dental plan. The cost of dental care is paid out of employee and employer contributions. The District pays the dental claims and related administrative fees on monthly basis by wiring funds to Delta Dental. The District estimates the liability for unpaid dental insurance claims to be $64,520 for the year ended June 30, 2017. The District has not purchased stop loss insurance on the self-funded dental plan. The District's maximum liability is limited to the annual dental allowance per covered individual, which is $1,500 per covered individual at June 30, 2017.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2017 pertaining to both health and dental insurance have been recorded as other liabilities.

The District establishes health and dental claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

III. Self-Insurance

Health & Dental Insurance

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the District during the past two years:

	2017	2016
Unpaid claims and claim adjustment expenses at beginning of year	$1,133,976	$ 950,208
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events of the current year	7,394,247	8,463,521
Increase (decrease) in provision for incurred events of prior years	-	-
Total incurred claims and claim adjustment expenses	8,528,223	9,413,729
Payments made for claims during the current year	(7,546,071)	(8,279,753)
Total unpaid claims and claim adjustment expenses at end of year	$ 982,152	$1,133,976

Workers' Compensation Insurance

The District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the District during the past two years:

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

III. Self-Insurance

Workers' Compensation Insurance

	2017	2016
Unpaid claims and claim adjustment expenses at beginning of year	$ 318,726	$ 532,072
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events of the current year	259,164	320,475
Increase (decrease) in provision for incurred events of prior years	(84,022)	(233,114)
Total incurred claims and claim adjustment expenses	493,868	619,433
Payments made for claims during the current year	(241,612)	(300,707)
Total unpaid claims and claim adjustment expenses at end of year	$ 252,256	$ 318,726

D. Deferred Inflows of Resources

The District records deferred inflows from pension plan differences resulting from differences in expected vs. actual experience, changes in assumptions and proportion and net differences between projected and actual earnings.

	6/30/2017
ERS - Pension Plan Differences	$ 431,273
TRS - Pension Plan Differences	1,080,603
Total Deferred Inflows	$ 1,511,876

5. COMMITMENTS AND CONTINGENCIES

A. Litigation

The District has been named as defendant in various actions. A review of these actions by District Management indicates that they are either fully covered by insurance or not substantial enough to materially affect the financial position of the District.

B. Federal and State Grants

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies or expenditures disallowed under the terms of the grant.

C. Risk Financing and Related Insurance

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

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Change in Accounting Principle and Restatement of Net Position

The District Adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective for the year ending June 30, 2017. The implementation of the statements resulted in an increase in the liability for Other Post Employment Benefits Payable in the Statement of Net Position. The District's net position has been restated as follows:

Net position beginning of the year, as previously stated	$ (6,327,306)
Implementation of GASB 75	(92,133,439)
Net position, beginning of year, as restated	$ (98,460,745)

Plan Description

The District administers the postemployment benefits as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits. The Plan provides for continuation of medical and/or dental/vision benefits for certain retirees and their survivors and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are eligible for the retiree health benefits upon meeting the following requirements: 1) retire from the District, 2) enrolled in District provided health care at time of retirement and 3) working .5 FTE for members of the Niskayuna Teachers' Association or 30 hours a week for other staff members having at least 5 years of service under the New York State Teachers' or Employees' Retirement Systems and at least 5 years of service with the District. The District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. The cost of providing this benefit for 382 retirees and 17 surviving spouses was approximately $2,683,000.

The contribution requirements of Plan members and the District are established by the Board of Education. Until changes are made in the NYS law to permit funding, there is no legal authority to fund OPEB, other than "pay as you go".

Covered Employees. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	399
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	552
Total plan members	951

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Net OPEB Liability. The District's net OPEB liability was measured as of July 1, 2016; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. Actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period April 1, 2010 − March 31, 2015. The total OPEB liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Real wage growth	2.19%
Wage inflation	4.39%
Salary increases	11.47% - 4.39%
Discount Rate	3.58%
Healthcare cost trend rates	
Pre-Medicare	5.60% for 2016 decreasing to an ultimate rate of 3.94% by 2075.
Medicare	6.30% for 2016 decreasing to an ultimate rate of 5.50% by 2022.

Mortality rates were based on April 1, 2010 – March 31, 2015 NYSLRS experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Changes in the Net OPEB Liability. Changes in the District's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] – [b]
Balances at June 30, 2016	$ 144,929,638	$ -	$ 144,929,638
Changes for the year:			
Service cost	4,542,839		4,542,839
Interest	4,130,495		4,130,495
Difference between expected and actual experience	-		-
Contributions – employer		-	-
Net investment income		-	-
Changes of assumptions or other inputs (change in discount rate)	(18,598,429)		(18,598,429)
Benefit payments	(2,683,293)	-	(2,683,293)
Administrative expense	-	-	-
Net changes	(12,608,388)	-	(12,608,388)
Balances, June 30, 2017	$ 132,321,250	$ -	$ 132,321,250

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Sensitivity of the Net OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rates. The following presents the District's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using discount and healthcare cost trend rates rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current discount rate:

Total OPEB Liability			
	Discount Rate		
Healthcare Cost Trend Rate	**1 % Increase (4.58%)**	**Current (3.58%)**	**1 % Decrease (2.58%)**
1% Decrease		$ 105,671,667	
Current	$ 107,227,723	$ 132,321,250	$ 154,181,479
1% Increase		$ 157,023,346	

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2017, the District recognized OPEB expense of $6,391,248. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	(16,316,343)
Net difference between projected and actual earnings on Plan investments	-	-
Total	$ -	($ 16,316,343)

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

Year ending June 30,	
2018	($ 2.282.086)
2019	($ 2,282,086)
2020	($ 2,282,086)
2021	($ 2,282,086)
2021	($ 2,282,086)
Thereafter	($ 4,905,913)

Payable to the OPEB Plan. At June 30, 2017 the District reported a payable of $132,321,250 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2017.

7. TAX ABATEMENTS

The Town of Niskayuna, enters into various property tax abatement programs for the purpose of economic development. The District property tax revenue was reduced by $255,704. The District received Payments in Lieu of Tax (PILOT) pay totaling $235,702.

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 10, 2017, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2017, have been incorporated into these statements herein.

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES AND OTHER USES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Revised Budget	Actual	Over (Under) Revised Budget
Revenues				
Local Sources				
Real Property Taxes	$ 54,443,652	$ 54,443,652	$ 54,502,850	$ 59,198
Appropriation of Planned Balance	-	-	-	-
Real Property Tax Items	523,331	523,331	235,702	(287,629)
Nonproperty Taxes	-	-	-	-
Charges for Services	474,788	474,788	753,168	278,380
Use of Money and Property	594,823	594,823	558,751	(36,072)
Forfeitures	-	-	-	-
Sale of Property and Compensation for Loss	5,000	5,000	5,320	320
Miscellaneous	415,000	415,000	583,419	168,419
Interfund Revenues	-	-	-	-
State Sources	21,924,186	21,924,186	21,896,805	(27,381)
Federal Sources	340,000	340,000	421,197	81,197
Other Sources				
Interfund Transfers	158,625	158,625	244,735	86,110
Proceeds from Advance Refunding	-	-	-	-
Proceeds of Long Term Debt	-	-	-	-
Total Revenue and Other Sources	78,879,405	78,879,405	$ 79,201,947	$ 322,542
Appropriated Fund Balance				
Prior Year Encumbrances	433,436	433,436		
Appropriated Reserve for Tax Certiorari	-	-		
Appropriated Fund Balance	1,563,500	1,563,500		
Total Appropriated Fund Balance	1,996,936	1,996,936		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 80,876,341	$ 80,876,341		

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES AND OTHER USES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Revised Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support					
Board of Education	$ 59,212	$ 52,316	$ 30,688	$ 7,670	$ 13,958
Central Administration	285,591	287,153	275,647	659	10,847
Finance	681,993	727,977	674,825	21,675	31,477
Staff	498,674	529,503	486,275	4,875	38,353
Central Services	5,521,288	5,713,166	4,706,938	304,966	701,262
Special Items	820,228	814,228	743,473	-	70,755
Instruction					
Instruction, Administration & Improvement	3,020,006	3,054,440	2,814,035	1,860	238,545
Teaching - Regular School	22,744,674	23,453,304	22,177,342	60,708	1,215,254
Programs for Students with Disabilities	9,511,154	8,967,805	8,118,097	112,268	737,440
Occupational Education	479,847	479,847	468,755	-	11,092
Teaching - Special Schools	229,663	246,440	198,055	-	48,385
Instructional Media	2,675,650	2,788,266	2,542,510	85,021	160,735
Pupil Services	3,563,215	3,756,437	3,436,438	73	319,926
Pupil Transportation	3,481,422	3,660,084	3,299,654	56,549	303,881
Community Services	-	-	-	-	-
Employee Benefits	16,640,098	15,677,787	15,202,606	-	475,181
Debt Service					
Debt Service Principal	8,255,916	8,300,925	8,300,925	-	-
Debt Service Interest	2,152,710	2,107,701	2,081,815	-	25,886
Total Expenditures	80,621,341	80,617,379	75,558,078	656,324	4,402,977
Other Uses					
Interfund Transfer	255,000	258,962	258,962	-	-
Payment to Escrow Agent	-	-	-	-	-
Total Expenditures and Other Uses	$ 80,876,341	$ 80,876,341	75,817,040	$ 656,324	$ 4,402,977
Net Change in Fund Balances			$ 3,384,907		
Fund Balance - Beginning of Year			9,298,238		
Fund Balance - Beginning of Year			$ 12,683,145		

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017

	Fiscal Year Ending * 2017
Total OPEB Liability	
Service cost at end of year	$ 4,542,839
Interest	4,130,495
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions - discount rate	(18,598,429)
Benefit payments	(2,683,293)
Net Change in Total OPEB Liability	(12,608,388)
Total OPEB Liability - beginning	144,929,638
Total OPEB Liability - ending	$ 132,321,250
Covered-employee payroll	$ 33,704,631
Total OPEB Liability as a percentage of covered-employee payroll	392.59%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2017

ERS Pension Plan
Last 10 Fiscal Years

	2017	2016	2015
Proportion of the net pension liability (asset)	0.02%	0.02%	0.02%
Proportionate share of the net pension liability (asset)	$ 2,275,210	$ 3,620,757	$ 773,633
Covered-employee payroll	$ 8,254,813	$ 8,091,957	$ 6,126,997
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	28%	45%	13%
Plan fiduciary net position as a percentage of the total pension (asset) liability	94.70%	90.71%	97.90%

TRS Pension Plan
Last 10 Fiscal Years

	2017	2016	2015
Proportion of the net pension liability (asset)	0.20%	0.19%	0.19%
Proportionate share of the net pension liability (asset)	$ 2,130,723	$(20,083,066)	$(21,293,295)
Covered-employee payroll	$ 32,450,865	$ 31,550,574	$ 27,976,129
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	7%	-64%	-76%
Plan fiduciary net position as a percentage of the total pension (asset) liability	99.01%	-110.46%	-111.48%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2017

ERS Pension Plan
Last 10 Fiscal Years

	2017	2016	2015
Contractually required contribution	$ 957,626	$ 996,212	$ 919,814
Contributions in relation to the contractually required contribution	(957,626)	(996,212)	(919,814)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 8,091,957	$ 8,091,957	$ 6,126,997
Contributions as a percentage of covered-employee payroll	11.83%	12.31%	15.01%

TRS Pension Plan
Last 10 Fiscal Years

	2017	2016	2015
Contractually required contribution	$ 4,070,599	$ 5,091,418	$ 4,588,404
Contributions in relation to the contractually required contribution	(4,070,599)	(5,091,418)	(4,588,404)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 31,550,574	$ 31,550,574	$ 27,976,129
Contributions as a percentage of covered-employee payroll	12.90%	16.14%	16.40%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND
AND SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2017

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 80,442,905
Add: Prior year's encumbrances	433,436
Original Budget	80,876,341
Budget revisions	-
Final Budget	$ 80,876,341
The 2017-2018 Budget is a Voter-approved Budget in the amount of:	$ 81,400,312

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2017-18 voter-approved expenditure budget		$ 81,400,312
Maximum allowed (4% of 2017-18 budget)		3,256,012
General Fund Fund-Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted Fund Balance:		
Committed Fund Balance	$ -	
Assigned Fund Balance	2,219,824	
Unassigned Fund Balance	3,255,663	
Total Unrestricted Fund Balance	$ 5,475,487	
Less:		
Appropriated Fund Balance	$ 1,563,500	
Insurance Recovery Reserve	-	
Tax Reduction Reserve	-	
Encumbrances in Committed & Assigned Fund Balance	656,324	
Total Adjustments	$ 2,219,824	
General Fund Fund-Balance Subject to Section 1318 of Real Property Tax Law		$ 3,255,663
Actual Percentage		4.00%

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

			Expenditures				Methods of Financing			
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Serial Installment Bonds	Local Sources	Total	Fund Balance June 30, 2017
PROJECT TITLE										
School Buses Purchases	$ 1,111,132	$ 1,111,132	$ -	$1,111,049	$ 1,111,049	$ 83	$ 1,111,050	$ -	$ 1,111,050	$ 1
VAMS Gym Floor Project SED Project # 3014	185,000	185,000	159,438	82,062	241,500	(56,500)	-	241,500	241,500	-
Birchwood ES Phase 1B SED Project # 1009	1,143,000	1,143,000	-	73,628	73,628	1,069,372	-	-	-	(73,628)
VAMS Roof Project SED Project # 1014	1,570,000	1,570,000	-	463,517	463,517	1,106,483	-	-	-	(463,517)
VAMS Phase 1B SED Project # 1015	135,000	135,000	-	7,183	7,183	127,817	-	-	-	(7,183)
Craig ES Phase 1B SED Project # 2015	1,294,000	1,294,000	-	83,381	83,381	1,210,619	-	-	-	(83,381)
Glencliff ES Phase 1B SED Project # 3015	128,000	128,000	-	7,183	7,183	120,817	-	-	-	(7,183)
Rosendale ES Phase 1B SED Project # 4013	221,000	221,000	-	14,365	14,365	206,635	-	-	-	(14,365)
Bus Garage Roof Project SED Project # 5002	108,000	108,000	-	44,766	44,766	63,234	-	-	-	(44,766)
NHS Phase 1B SED Project # 6026	396,000	396,000	-	24,383	24,383	371,617	-	-	-	(24,383)
Hillside ES Phase 1B SED Project # 7013	159,000	159,000	-	9,753	9,753	149,247	-	-	-	(9,753)
IRMS Phase 1B SED Project # 8015	460,000	460,000	-	29,979	29,979	430,021	-	-	-	(29,979)
Totals	$ 6,910,132	$ 6,910,132	$ 159,438	$1,951,249	$ 2,110,687	$ 4,799,445	$ 1,111,050	$241,500	$ 1,352,550	$ (758,137)

NISKAYUNA CENTRAL SCHOOL DISTRICT
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
JUNE 30, 2017

Capital Assets, Net		$	83,331,121
Add:			
Deferred financing costs	3,008,852		
Capital projects fund - cash and investments	58,148		
			3,067,000
Deduct:			
Unamortized bond premiums	(3,463,834)		
Short-term portion of bonds payable	(7,800,000)		
Long-term portion of bonds payable	(44,440,000)		
Short-term portion of capital leases	-		
Long-term portion of capital leases	-		(55,703,834)
Investment in Capital Assets, Net of Related Debt		$	30,694,287

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*

To the President and Members of the Board of Education
Niskayuna Central School District

We have audited 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, the financial statements of the governmental activities and each major fund of the Niskayuna Central School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Marvin and Company, P.C.

Latham, NY
October 10, 2017

NISKAYUNA CENTRAL SCHOOL DISTRICT
SINGLE AUDIT
SUPPLEMENTARY FINANCIAL REPORT
JUNE 30, 2017

MARVIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
A History of Shaping Futures

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members
of the Board of Education of
Niskayuna Central School District

Report on Compliance for Each Major Federal Program

We have audited the Niskayuna Central School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the Niskayuna Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Niskayuna 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, 2017.

Report on Internal Control over Compliance

Management of the Niskayuna 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 the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marvin and Company, P.C.

Latham, NY
October 10, 2017

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipient	Total Federal Expenditures
U.S. Department of Education				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-17-0830	$ -	$ 788,672
Special Education - Grants to States (IDEA, Part B - DISC)	84.027	0031-17-0024	-	213,418
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-17-0830	-	19,613
Total Special Education Cluster				1,021,703
Title I - Grants to Local Educational Agencies	84.010	0021-17-2740	-	275,445
Title I - Grants to Local Educational Agencies	84.010	0021-16-2740	-	7,267
Title II, Part A - Teacher and Principal Training and Recruitment	84.367	0147-17-2740	-	71,647
Title II, Part A - Teacher and Principal Training and Recruitment	84.367	0147-16-2740	-	36,520
Title III, Part A - Immigration	84.011	0149-17-2740	-	6,425
Title III, Part A - Immigration	84.011	0149-16-2740	-	17,709
Total U.S. Department of Education				1,436,716
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
School Breakfast Program	10.553	Not Applicable	-	29,911
Total Child Nutrition Cluster				29,911
Total U.S. Department of Agriculture				29,911
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,466,627

See accompanying notes to schedule of expenditures of federal awards.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the Niskayuna Central School District (District), which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the retirements of Title 2 U.S. *Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

The Niskayuna Central School District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

4. INDIRECT COST RATE

The Niskayuna Central School District did not elect to use the 10% de minimus cost rate, because the major programs (84.010, 84.027 and 84.173) is exempt from the provisions of the Uniform Guidance.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____yes	__x__ no
• Significant deficiency(ies) identified?	_____yes	__x__ none reported
Noncompliance material to financial statements noted?	____yes	__x__ no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_____yes	__x__ no
• Significant deficiency(ies) identified?	_____yes	__x__ none reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____yes	__x__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	__x__ yes	____no

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

None

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

None

APPENDIX C

Form of Legal Opinion

DRAFT

June 27, 2018

Niskayuna Central School District,
Counties of Schenectady, Saratoga and Albany,
State of New York

Re: Niskayuna Central School District, Schenectady, Saratoga and Albany Counties, New York
$4,921,000 Bond Anticipation Note, 2018

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $4,921,000 Bond Anticipation Note, 2018 (the "Obligation"), of the Niskayuna Central School District, Schenectady, Saratoga and Albany Counties, New York (the "Obligor"), dated June 27, 2018 and is issued in the denomination of $__________, bearing interest at the rate of ________% per annum, payable at maturity, and maturing June 27, 2019.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, 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 Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation 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 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage 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 municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick Herrington &Sutcliffe LLP

APPENDIX D

Material Event Notices

Material Event Notices

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

For the purposes of the event identified in paragraph (1) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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