PRELIMINARY OFFICIAL STATEMENT

<u>**NEW ISSUE**</u> <u>**SERIAL BONDS**</u>

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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds 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 Bonds 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 expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TA X MATTERS" herein.

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

$4,448,000
NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHENECTADY, SARATOGA, AND ALBANY COUNTIES, NEW YORK

$4,448,000 School District (Serial) Bonds, 2019
(referred to herein as the "Bonds")

Dated: June 25, 2019 **Due: June 15, 2020-2029**

MATURITIES*

Year	Amount	Year	Amount
2020	$ 1,058,000	2025	$ 25,000
2021	975,000	2026	25,000
2022	1,010,000	2027	25,000
2023	905,000	2028	30,000
2024	365,000	2029	30,000

* Principal amounts are subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service.

The Bonds are general obligations of the Niskayuna Central School District, Schenectady, Saratoga and Albany Counties ("School District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See " Nature of the Obligation" and "Tax Levy Limitation Law" herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be in the principal amount of $5,000 or integral multiples thereof except one bond maturing in 2020 in a denomination which is or includes $8,000. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on December 15, 2019 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the School District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Proposals for the Bonds shall be for not less than $4,448,000 and accrued interest, if any, on the total principal amount of the Bonds. Proposals must be accompanied by a good faith deposit in the form of a wire transfer or certified or cashier's check, payable to the order of the Niskayuna Central School District, Schenectady, Saratoga and Albany Counties, New York, in the amount of $88,960.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about June 25, 2019.

Sealed bids will be received on WEDNESDAY, JUNE 5, 2019 until 10:15 a.m. Prevailing Time, in accordance with the Notice of Bond Sale at R.G. Timbs, Inc., 24 Sherman Oaks Drive, New Hartford, NY 13413, fax (315)266-9212.

May 20, 2019

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORANCE WITH SAID RULE AND THAT WILL BE SUPPLIES WHEN THIS OFFFICIAL STATEMENT IS UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGRREMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE APPENDIX-D, CONTINUING DISCLOSURE UNDERTAKING" HEREIN

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

School District Officials

2018-19 BOARD OF EDUCATION

Jack Calareso - President
Brian Backus - Vice President

Nicki Foley
Noney Grier
Rosemarie Perez Jaquith
Howard Schlossberg
Jennifer Zhao

Cosmo Tangorra Jr. Ed.D. - Superintendent of Schools
Carrie Nyc-Chevrier – Director of Business and Finance
Jamie Maloney – School District Treasurer
Cynthia Gagon – District Clerk

School District Attorneys

Guercio & Guercio

Ferrara Firm

Higgins, Roberts & Suprunowicz

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF:

R. G. Timbs, Inc
24 Sherman Oaks Drive
New Hartford, New York 13413
315.749.3637
Expert@rgtimbsinc.net

OFFICIAL STATEMENT

of the

NISKAYUNA CENTRAL SCHOOL DISTRICT

COUNTY, NEW YORK

Relating To

$4,448,000 School District (Serial) Bonds, 2019

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 “School District” or “District”, “Counties” and “State”) in connection with the sale by the School District of $4,448,000 aggregate principal amount of School District (Serial) Bonds, 2019 (herein referred to as the “Bonds”).

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

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

Description of the Bonds

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

The Bonds will be dated the date of delivery and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are not subject to redemption prior to maturity. The record date for the Bonds will be the last business day of the calendar month preceding each interest payment date. Interest on the Bonds will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of $5,000 or integral multiples thereof except one bond in a denomination which is or includes $8,000 maturing in 2020. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on December 15, 2019 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "Book-Entry Only System" herein. If the Bonds are issued in registered certificated form, principal and interest will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

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Nature of the Obligation

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

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

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

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

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX INFORMATION - 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 Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and Local Finance Law, and pursuant to a bond resolution that was adopted by the Board of Education of the District on January 10, 2017 authorizing the issuance of $5,614,000 Serial Bonds for the financing of the reconstruction of various School Buildings.

There are currently outstanding against the January 10, 2017 Bond Resolution, $4,921,000 Bond Anticipation Notes maturing June 27, 2019. These Notes will be paid in full with this issue together with $851,000 available funds and $378,000 of new monies will be issued.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bond is discontinued.

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond 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, bond 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued or the successful bidder elects to have the Bonds issued in registered certificated form, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity thereof except one bond maturing in 2020 in a denomination which is or includes $8,000. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system or by the successful bidder if the Bonds are issued in registered certificated form is chosen. Interest on the Bonds will be payable on December 15, 2019 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

The District

General Information

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 23,277 (2017 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 23,277 (Source: 2017 U.S. Census Bureau estimate)

Economic Developments

General Electric Corporation announced layoffs for 200 people in August 2018.

A significant number of large Residential Projects are planned within the Niskayuna Central School District. They include a 44-unit condominium project in Glenville, and within the Niskayuna community three projects in the review/planning stage. They include Rivers Ledge Apartments – 266 apartments, Nott St. East Apartment Building – 26 units and Disarro Property tentatively at 200+ townhomes. The projects at Ridge Manor – 15 Townhomes and Harmon Groove – 66 single family homes, have already been approved.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Birchwood Elementary	K-5	1954	513	2018
Craig Elementary	K-5	1948	540	2018
Glencliff Elementary	K-5	1955	459	2018
Hillside Elementary	K-5	1962	567	2018
Rosendale Elementary	K-5	1955	567	2018
Iroquois Middle School	6-8	1968	764	2018
Van Antwerp Middle School	6-8	1910	575	2018
High School	9-12	1957	1903	2018

Source: District Officials

District Employees

The District employs a total of 592 full-time and 177 part-time employees with representation by the various bargaining units listed below

Bargaining Unit	Employees	Expiration Date
Niskayuna Teachers' Association	375	6/30/2022
Niskayuna Administrators' Association	12	6/30/2023
Niskayuna Education Sec. Association	22	6/30/2022
Niskayuna School District Employee Association	145	6/30/2022
Niskayuna Educational Support Personnel Association	171	6/30/2019[1]
Niskayuna Directors' Association	9	6/30/2023
Niskayuna Nurse Association	10	6/30/2020

Note 1. Currently Negotiating

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2014-15	4,087	2019-20	4,282
2015-16	4,123	2020-21	4,297
2016-17	4,196	2021-22	4,353
2017-18	4,248	2022-23	4,363
2018-19	4,255	2023-24	4,384

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 2018-19 Budget, the appropriation for payments to ERS is $1,302,000.

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 2018-19 Budget, the appropriation for payments to TRS is $3,758,000.

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 on or before April 1, 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 o 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.

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

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

<u>Stable Rate Pension Contribution Option:</u> 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 District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB 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 June 30, 2016 and financial data as of June 30, 2018, the School District's beginning year total OPEB liability was $132,321,250, the net change for the year was $307,684, resulting in a total OPEB liability of $132,628,934 for a fiscal year ending June 30, 2018. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2018 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 the two prior legislative sessions.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases 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.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Knolls Atomic Power Laboratory	Defense Industry	2600
General Electric Corpoate Research & Development Center.	Research & Development	2000*
Niskayuna	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 200 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 Counties 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 Counties or vice versa.

Year	County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2014	5.4%	6.3%	6.2%
2015	4.7%	5.3%	5.3%
2016	4.3%	4.9%	4.9%
2017	4.5%	4.7%	4.4%
2018	4.0%	4.1%	4.0%

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 State's 2018-19 Enacted Budget includes a school building-based budget approval review process. Beginning with the 2018-19 school year, any school district with at least four schools that receives at least 50% percent of its total revenue through State aid will be required to annually report its budgeted support for individual schools within the school district. The report must follow a format, to be developed by the State Division of Budget ("DOB") in consultation with SED. In 2019-20, this requirement will expand to all school districts with at least four schools, regardless of State aid. In 2020-21, the requirement will apply to all school districts in the State. This report will be due to the State by the beginning of the school year, and the State will have 30 days to respond. While DOB or SED will not formally approve a school district's school-based budget, DOB and SED will have authority to determine whether the information was provided in a timely and sufficient manner. The reporting must include demographic data, per pupil funding, source of funds and uniform decision rules regarding allocation of centralized spending to individual schools from all funding sources. Should either DOB or SED determine that a school district did not meet this requirement, the school district's State aid increase can be withheld for the applicable year until compliance is determined by DOB and SED. If either DOB or. SED determines that a school district has not properly complied, the school district will have 30 days to "cure" the problem. In the event the problem is not cured in 30 days, the city comptroller or chief financial officer, and in the event a school district located outside a city, the chief financial officer in the municipality where the school district is most located, will be authorized, at his or her discretion, to gather information and submit on behalf of the school district. Under this newly enacted legislation, the School District will be required to annually report its budgeted support for individual schools beginning with the 2019-20 fiscal year.

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 by a vote of 1,186 to 525. The School District's 2018-19 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The School District's Proposed 2019-20 Budget is within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2018-2019 fiscal year, approximately 27.68% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Potential reductions in Federal aid received by the State.

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

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

The State's Enacted 2019-20 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less that what was expected. If federal support is reduced by $850 million or more the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

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

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

Building aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-20 preliminary building aid ratios, the District expects to receive State building aid of approximately 72.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

School district fiscal year (2012-2013): The State Legislature adopted the State budget on March 30, 2012. The budget included an increase of $751 million in State aid for school districts.

The 2012-2013 State budget linked additional school aid to compliance with a new teacher evaluation process. A school district would not be eligible for an aid increase in 2012-2013 unless it had its teacher evaluation process reviewed and approved by the New York State Education Department by January 17, 2013. The New York State Education Department approved the District's most recent Annual Professional Performance Review Plan (APPR) on June 20, 2016.

School district fiscal year (2013-2014): The State Legislature adopted the State budget on March 29, 2013. The budget included an increase of $1.0 billion in State aid for school districts.

School district fiscal year (2014-2015): The 2014-2015 State budget included a $1.1 billion or 5.3% increase in State aid to school districts for the 2014-2015 school year. High-need school districts received 70% of the school aid increase. The 2014-15 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 Smart Schools Bond Act was proposed as part of the 2014-2015 State budget and was subsequently approved by the voters of the State. The Smart Schools Bond Act authorized the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds thereunder is $2,002,780.

School district fiscal year (2015-2016): The 2015-2016 State budget included a partial reduction in the Gap Elimination Adjustment with $603 million in GEA cuts being restored, and provided an additional $428 million in foundation aid and $268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

School district fiscal year (2016-2017): The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District received $141,704 in State aid to be used on community schools activities.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $7.9 million. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

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

Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State'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. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected.

School district fiscal year (2019-2020): The State’s 2019-20 Enacted Budget includes more than $1 billion increase in aid to school districts, including a $618 million increase in Foundation Aid. The new State education aid total is $27.9 billion and increase of 3.8%. The 2019-20 Enacted Budget directs a majority of such additional funding (over 70%) to the State’s more economically disadvantaged school districts.

State Aid Litigation

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

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues (1)	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2013-2014	$ 73,184,869	$ 17,763,968	24.27%
2014-2015	75,287,460	17,593,878	23.37%
2015-2016	77,624,296	20,702,855	26.67%
2016-2017	79,201,947	21,896,805	27.65%
2017-2018	81,254,540	22,106,889	27.21%
2018-2019 (Budgeted)	82,630,346	22,874,107	27.68%

)General fund only, includes inter-fund transfers and use of reserve funds.

Source: 2014 through 2018 audited financial statements and 2018-19 budget of the District. This table is not audited.

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, 2018 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 reports of the State Comptroller for the past five fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2018	No Designation	0.0%
2017	No Designation	0.0%
2016	No Designation	6.7%
2015	No Designation	6.7%
2014	No Designation	6.7%

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.

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.

In December the State Comptroller began an audit of the District's current $5.6m Capital Project. The audit is still ongoing.

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 Bonds 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 Bonds 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, 2018 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

Fiscal Year Ended June 30:

	2015	2016	2017	2018	2019
Assessed Valuations:					
Niskayuna	$ 2,197,267,043	$ 2,170,857,316	$ 2,176,522,214	$ 2,187,825,821	$ 2,186,268,622
Glenville	185,539,996	184,423,498	183,976,060	187,026,444	187,622,616
Colonie	130,229,128	126,587,230	128,849,461	131,399,258	134,961,697
Clifton Park	88,184,112	86,459,852	86,361,183	86,334,301	86,517,892
Total	$ 2,601,220,279	$ 2,568,327,896	$ 2,575,708,918	$ 2,592,585,824	$ 2,595,370,827
Equalization Rates:					
Niskayuna	107.95%	107.95%	100.00%	100.00%	100.00%
Glenville	96.00%	96.00%	94.00%	92.00%	89.00%
Colonie	68.50%	68.50%	67.50%	66.50%	64.25%
Clifton Park	58.00%	58.00%	58.00%	58.00%	56.00%
Full Valuations:					
Niskayuna	$ 2,035,448,859	$ 2,010,984,082	$ 2,176,522,214	$ 2,187,825,821	$ 2,186,268,622
Glenville	193,270,829	192,107,810	195,719,213	203,289,613	210,811,928
Colonie	190,115,515	184,798,876	190,888,090	197,592,869	210,057,116
Clifton Park	152,041,572	149,068,710	148,898,591	148,852,243	154,496,236
Total	$ 2,570,876,776	$ 2,536,959,478	$ 2,712,028,109	$ 2,737,560,546	$ 2,761,633,902

Valuations Based on Regular Equalizations Ratios

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2015	2016	2017	2018	2019
Niskayuna	$ 19.54	$ 19.80	$ 20.07	$ 20.31	$ 19.34
Glenville	21.97	22.26	21.35	22.08	21.74
Colonie	30.79	31.20	29.73	30.54	30.84
Clifton Park	36.36	36.84	34.60	35.02	34.67

Tax Collection Procedure

School taxes are due September 1, payable during the month of September without penalty. Payments during the next 30 days are subject to a 2% penalty. No payments are accepted after November 1. Uncollected school taxes are turned over to the Counties after November 15 for collection with a penalty and additional interest added. The Counties reimburse the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:	2015	2016	2017	2018	2019
Net Taxes on Roll	$54,225,111	$54,215,653	$54,444,020	$55,587,951	$57,045,635
Less STAR Reimbursement	4,419,081	4,528,901	4,388,554	4,214,672	4,081,695
Total Taxes to be Collected	49,806,030	49,686,752	50,055,466	51,373,279	52,963,940
Taxes Collected Prior to Return to County	48,372,211	48,354,127	48,635,636	49,966,243	51,470,127
Returned to County	$1,433,819	$1,332,625	$1,419,830	$1,407,036	$1,493,813
% Collected Prior to Return	97.12%	97.32%	97.16%	97.26%	97.18%

Major Taxpayers 2018

For 2018-19 Tax Roll

Name	Type	Full Value
General Electric Company[1]	Research and Development	$172,691,000
Niagara Mohowk Power Company	Utilities	26,726,659
SI Group, Inc.	Chemical Manufacturer	20,000,000
Iroquois Development Group, LLC	Apartments	13,000,000
FCA Group, LLC	Professional Services	10,521,401
MSF Niskayuna, LLC	Supermarket	9,750,000
Liberty Management Capital Dist	Healthcare	8,258,427
Plaza 7, LLC	Shopping Plaza	8,171,206
530 East 14th Street, LLC	Shopping Plaza	7,421,500
Cameo Estates, LLC	Apartments	7,400,000
Total		$283,940,193

The above taxpayers represent 10.28% of the School District's 2018-19 Full value of $2,761,633,902

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.

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, 2018 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.

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 $88,050 or less in 2020, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 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 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared to a $500,000 limit for the credit. Homeowners with STAR Adjusted Gross Income of $250,000 have the option. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

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”). The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law will affect school district tax levies for the school district fiscal year beginning July 1, 2012. The Tax Levy Limit Law was set to expire on June 15, 2020 unless extended; recent legislation has made it permanent.

Prior to the enactment of the Tax Levy Limit 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 Bonds.

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"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of Tax Levy Limitation Law. School districts budgets must comply in their 2014-15 and 2015-16 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

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 20162019. 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 and Chapter 20 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by Chapter 97. The implications of this program on future tax levies and for operations and services of the School District are uncertain at this time.

Status of Indebtedness

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The District 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.

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

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.

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Serial Bonds	$76,209,375	$67,644,625	$59,429,875	$52,240,000	$45,060,000
Bond Anticipation Notes	0	0	0	0	4,921,000
Total Debt Outstanding	$76,209,375	$67,644,625	$59,429,875	$52,240,000	$49,981,000

Status of Outstanding Bond Issues

Year of Issue: 2013
Amount Issued: $3,200,000
Interest Rate/ Instrument: Multiple% - SB
Purpose: Building

Fiscal Year Ending June 30:	Principal	Interest
2019	$ 200,000	$ 72,356
2020	205,000	66,356
2021	210,000	60,206
2022	215,000	53,906
2023	225,000	47,456
2024	230,000	40,706
2025	235,000	33,806
2026	245,000	26,463
2027	250,000	18,500
2028	260,000	9,750
Totals:	$ 2,275,000	$ 429,505

Year of Issue:	2014		2015	
Amount Issued:	$40,735,000		$800,000	
Interest Rate/ Instrument:	Multiple% - RSB		Multiple% - SB	
Purpose:	Refunding			
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2019	$ 6,335,000*	$ 1,439,175	$ 165,000*	$ 5,676
2020	6,505,000	1,229,000	165,000	2,987
2021	6,780,000	968,800	-	-
2022	7,065,000	698,600	-	-
2023	7,305,000	421,000	-	-
2024	3,375,000	147,875	-	-
Totals:	$ 37,365,000	$ 4,904,450	$ 330,000	$ 8,663

Year of Issue:	2016		2016	
Amount Issued:	$3,245,000		$1,111,050	
Interest Rate/ Instrument:	1.4049% - RSB		.99997% - SB	
Purpose:	Refunding		Buses	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2019	$ 5,000*	$ 102,500	$ 220,000	$ 13,800
2020	605,000	102,400	230,000	9,400
2021	625,000	78,200	240,000	4,800
2022	635,000	65,700	-	-
2023	650,000	53,000	-	-
2024	675,000	27,000	-	-
Totals:	$ 3,195,000	$ 428,800	$ 690,000	$ 28,000

*Principal reduction made prior to date of Debt Statement, May 20, 2019

Year of Issue:	2017		2018	
Amount Issued:	$766,676		$703,930	
Interest Rate/ Instrument:	1.8718% - SB		2.0000% - SB	
Purpose:	Buses		Buses	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2019	$ 150,000	$ 11,444	$ -	$ 13,082
2020	155,000	8,819	143,930	16,129
2021	155,000	6,106	150,000	13,250
2022	160,000	3,200	200,000	10,250
2023	-	-	210,000	5,250
Totals:	$ 620,000	$ 29,569	$ 703,930	$ 57,961

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2019	7,075,000	1,658,033	8,733,033	17.10%
2020	8,008,930	1,435,091	9,444,021	35.60%
2021	8,160,000	1,131,362	9,291,362	53.79%
2022	8,275,000	831,656	9,106,656	71.62%
2023	8,390,000	526,706	8,916,706	89.08%
2024	4,280,000	215,581	4,495,581	97.89%
2025	235,000	33,806	268,806	98.41%
2026	245,000	26,463	271,463	98.95%
2027	250,000	18,500	268,500	99.47%
2028	260,000	9,750	269,750	100.00%
Totals:	$ 45,178,930	$ 5,886,948	$ 51,065,878	

Schedule of Principal Payments – Outstanding and Proposed Bonds

Fiscal Year Ending June 30:	Prior Issues	This issue	Total Maturing Principal	Year-End Outstanding Principal
2019	$ 7,075,000	$ -	$ 7,075,000	$ 42,551,930
2020	8,008,930	1,058,000	9,066,930	33,485,000
2021	8,160,000	975,000	9,135,000	24,350,000
2022	8,275,000	1,010,000	9,285,000	15,065,000
2023	8,390,000	905,000	9,295,000	5,770,000
2024	4,280,000	365,000	4,645,000	1,125,000
2025	235,000	25,000	260,000	865,000
2026	245,000	25,000	270,000	595,000
2027	250,000	25,000	275,000	320,000
2028	260,000	30,000	290,000	30,000
2029	-	30,000	30,000	-
Totals:	$ 45,178,930	$ 4,448,000	$ 49,626,930	

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	6/27/2017	6/27/2019	2.75%	$4,921,000[1]

Note: 1. To be paid in full at maturity with proceeds of the Bonds.

Cash Flow Borrowings

The School District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes, and does not expect to issue such notes in the foreseeable future.

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. The Issuance of Bonds will allow for the redemption of the outstanding $4,921,000 Bond Anticipation Notes that matures on June 27, 2019 and issuance of the remaining $378,000 of new monies for this Authorization.

Other than annual bus purchases, 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 issued bonds for this authorization on August 23, 2018. A bus borrowing proposition will be brought to the voters for the 2019-20 year of an amount not to exceed $991,066.

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 2018-19 Building Aid Ratio of 71.6%.

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 20, 2019

Town		Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Niskayuna	$	2,186,268,622	100.00%	$ 2,186,268,622
Glenville		187,622,616	89.00%	210,811,928
Colonie		134,961,697	64.25%	210,057,116
Clifton Park		86,517,892	56.00%	154,496,236
Total				$ 2,761,633,902

Debt Limit: 10% of Full Valuation		$ 276,163,390
Inclusions:		
Serial Bonds		$ 38,673,930
Bond Anticipation Notes		4,921,000
Total Inclusions:		$ 43,594,930
Exclusions:		
Building Aid Estimate [1]		$0
Total Exclusions:		$0
Total Net Indebtedness Before Giving Effect to This Issue		$ 43,594,930
This Issue	$ 4,448,000	
Proceeds to Be Used to Renew Indebtedness Listed Under Inclusions	4,070,000	$ 378,000
Total Net Indebtedness After Giving Effect to This Issue		$ 43,972,930
Net Debt Contracting Margin		$ 232,190,460
Percentage of Debt-Contracting Power Exhausted		15.92%

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	$ 2,397,080,550					
County	$ 9,483,339,340	25.28%	78,525,000	N/A	78,525,000	19,848,573
Albany	$ 210,057,116					
County	$ 24,480,396,929	0.86%	295,589,303	N/A	295,589,303	2,536,341
Saratoga	$ 154,496,236					
County	$ 24,045,893,346	0.64%	54,975,000	N/A	54,975,000	353,218
Town of	$ 2,186,268,622					
Niskayuna	$ 2,527,825,878	86.49%	32,322,541	N/A	32,322,541	27,955,152
Town of	$ 210,811,928				-	
Glenville	$ 2,175,681,737	9.69%	14,893,972	N/A	14,893,972	1,443,146
Town of	$ 210,057,116				-	
Colonie	$ 8,700,251,200	2.41%	106,653,518	N/A	106,653,518	2,575,021
Town of	$ 154,496,236					
Clifton Park	$ 4,087,636,666	3.78%	11,582,635	N/A	11,582,635	437,777
Total						$ 55,149,228

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2017

Notes:

1 Bonds and Bond Anticipation notes as of 2017 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 20, 2019:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 43,972,930	$ 1,899.12	1.592%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 99,122,158	$ 4,258.37	3.589%

(a) The District's estimated population is 23,277 (Source: 2017 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2018-19 is $2,761,633,902.

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 Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds. 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 required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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

The financial and economic condition of the District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State 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 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds 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 Bonds, or the tax status of interest on the Bonds. See "TAX MATTERS" herein.

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

Continuing Disclosure

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

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

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

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

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is 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 Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made which would limit the exclusion from gross income of interest on obligations like the Bonds 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 Bonds. 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 Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinion at the time of issuance of the Bonds substantially in the form set forth in "APPENDIX - C" hereto.

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 $3,100,000. 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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the School District

Bond Rating

The School District has applied to Standard & Poor’s Ratings Service, a division of the McGraw-Hill Companies, Inc., for a rating for this issue.

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 Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

Miscellaneous

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

Statements in the Official Statement and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties , and which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District document or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward looking statements.

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

Orrick, Herrington and Sutcliffe LLP, New York, New York, Bond Counsel to the District, expresses not opinion as to the accuracy or completeness of information in any document prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the Sate and various State and federal laws are only brief outlines of certain provisions thereof and do purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstance under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

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's contact information is as follows: Carrie Nyc-Chevrier, Director of Business and Finance, Phone (518) 377-4666 x50712, email: cnyc-chevrier@niskyschools.org.

Niskayuna Central School District

Dated: May 20, 2019
Niskayuna, New York

JACK CALARESO
President of The Board of Education
And Chief Fiscal Officer

<u>APPENDIX A</u>

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018	Budget 2019	
Beginning Fund Balance - July 1	$8,619,718	$9,155,332	$8,370,961	$9,298,238	$12,683,145	$14,695,130	
Revenues:							
Real Property Taxes	$52,979,818	$54,219,475	$54,219,475	$54,443,652	$51,451,489	$52,722,574	
Other Tax Items	683,166	549,171	468,750	294,900	4,436,129	4,553,415	
Charges for Services	272,294	411,301	434,818	753,168	844,684	813,500	
Use of Money & Property	583,043	603,361	702,313	558,751	734,066	653,750	
Sale of Property/Comp. for Loss	2,466	14,049	63691	5,320	9,675	5,000	
Miscellaneous	458,770	637,771	611,514	583,419	1,274,137	503,000	
State Aid	17,763,968	17,593,878	20,702,855	21,896,805	22,106,889	22,874,107	
Federal Aid	441,344	458,454	416,494	421,197	393,427	505,000	
Interfund Transfers	0	800,000	4,386	244,735	4,044	0	
Total Revenues	$73,184,869	$75,287,460	$77,624,296	$79,201,947	$81,254,540	$82,630,346	
Expenditures:							
General Support	$7,521,400	$8,164,566	$7,115,252	$6,917,846	$7,407,448	$7,906,776	
Instruction	35,357,194	37,609,295	39,078,888	39,755,232	41,589,817	44,279,182	
Transportation	3,147,387	3,855,425	3,536,594	3,299,654	3,689,337	4,034,453	
Community Services	5,000	7,000	0	0	0	0	
Employee Benefits	15,366,224	14,862,104	16,446,971	15,202,606	16,101,364	17,386,430	
Debt Service	10,483,738	0	0	10,382,740	10,178,581	10,287,005	
Interfund Transfer	768,312	11,573,441	10,519,314	258,962	276,008	300,000	
Total Expenditures	$72,649,255	$76,071,831	$76,697,019	$75,817,040	$79,242,555	$84,193,846	
Adjustments	0	0	0	0	0	0	
Year End Fund Balance	$9,155,332	$8,370,961	$9,298,238	$12,683,145	$14,695,130	$13,131,630	E
Excess (Deficit) Revenues Over Expenditures	$535,614	($784,371)	$927,277	$3,384,907	$2,011,985	($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

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Assets:					
Unrestricted Cash	$12,214,788	$13,520,625	$9,213,461	$8,843,548	$9,340,093
Restricted Cash	2,613,697	3324084	4083586	7,207,309	9,245,111
Accounts Receivable	405,159	296,611	741,819	886,438	1,450,187
Due from Other Funds	2,104,197	683,010	1,366,913	1,784,266	5,648,971
Due from State & Federal	345,717	620,371	1,136,423	570,703	540,699
Due From Other Governments	470,371	711,134	689,740	618,334	703,867
Prepaid Expenditures	208242	21369	24168	349	215
Total Assets	$18,362,171	$19,177,204	$17,256,110	$19,910,947	$26,929,143
Liabilities:					
Accounts Payable	$1,186,229	$1,858,055	$1,187,618	$1,543,490	$877,107
Accrued Liabilities	1,960,934	2,623,596	1,313,680	1,286,172	1,188,782
Due to Other Funds	1,030,409	745,250	906,396	227,336	6,472,362
Due to State Teachers' Retirement System	4,767,360	5,273,409	4,270,748	3,881,687	3,334,366
Due to Employees' Retirement System	232,042	249,053	235,150	254,305	258,941
Refundable Advances	29,865	0	44,280	34,812	102,455
Deferred Revenues	0	56,880	0	-	-
Total Liabilities:	$9,206,839	$10,806,243	$7,957,872	$7,227,802	$12,234,013
Fund Balances:					
Nonspendable	$208,242	$21,369	$24,168	$349	$215
Restricted	2,613,697	3,324,084	4,083,586	7,207,309	9,245,111
Assigned:					
Encumbrances	407,607	359,971	433,436	656,324	0
Appropriated Fund Balance	4,225,268	1,563,500	1,563,500	1,563,500	2,082,051
Unassigned					
Unappropriated Fund Balance	1,700,518	3,102,037	3,193,548	3,255,663	3,367,753
Total Fund Balance	$9,155,332	$8,370,961	$9,298,238	$12,683,145	$14,695,130
Total Liabilities and Fund Balance	$18,362,171	$19,177,204	$17,256,110	$19,910,947	$26,929,143

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

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2018

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, 2018

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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, 2018, 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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1- A9, budgetary comparison information on pages C1 and C2, schedule of changes in total OPEB liability 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 on page F3 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 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 12, 2018, 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.

October 12, 2018

NISKAYUNA CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2018

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, 2018.

FINANCIAL HIGHLIGHTS

- The District's reliance on fund balance to balance the budget continues to represent less than 2% of budget in 2018-19.
- The District's Capital Reserve Fund increased by $2,015,805 to a total of $5,958,307.
- The District maintained unassigned fund balance at 4.00% of budget for 2018-19.
- 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 a $2,500,000 bond anticipation note at 1.31% for Phase 1A of the $5.6 million capital improvement project. The bond anticipation note was renewed in June for $4,921,000 at 1.95% to include Phase 1B of the project.
- The District issued $766,676 in serial bonds at 1.87% to purchase ten school buses.
- In May 2018, the 2018-19 budget was approved by a 69% margin. The 2018-19 budget totaling $84,193,846 represents a $2,793,534 increase from 2017-18.
- For 2018-19 District's allowable tax levy cap is 3.07%, however, the budgeted levy amount was a 2.64% increase over the prior year, falling below the allowable tax cap limit.

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 identified below. 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, 2018 and 2017

	Governmental Activities		Variance Increase/
	2018	**2017**	**(Decrease)**
Current Assets	$24,654,086	$20,360,262	$4,293,824
Capital Assets, net	81,756,296	83,331,121	(1,574,825)
Pension Asset	1,512,413	-	1,512,413
Total Assets	107,922,795	103,691,383	4,231,412
Deferred Outflows of Resources	24,896,639	25,447,958	(551,319)
Total Assets and Deferred Outflows of Resources	$132,819,434	$129,139,341	$3,680,093
Current Liabilities	20,346,117	16,670,594	3,675,523
Other Post Employment Benefits Payable	132,628,934	132,321,250	307,684
Other Noncurrent Liabilities	48,039,544	59,519,248	(11,479,704)
Total Liabilities	201,014,595	208,511,092	(7,496,497)
Deferred Inflows of Resources	12,929,025	17,828,219	(4,899,194)
Total Liabilities and Deferred Inflows of Resources	213,943,620	226,339,311	(12,395,691)
Net Position:			
Investments in Capital Assets, Net of Related Debt	31,786,559	30,694,287	1,092,272
Restricted for Debt, Employee Benefits & Taxes	10,274,457	8,246,844	2,027,613
Unrestricted	(123,185,202)	(136,141,101)	12,955,899
Total Net Position	($81,124,186)	($97,199,970)	$16,075,784

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.

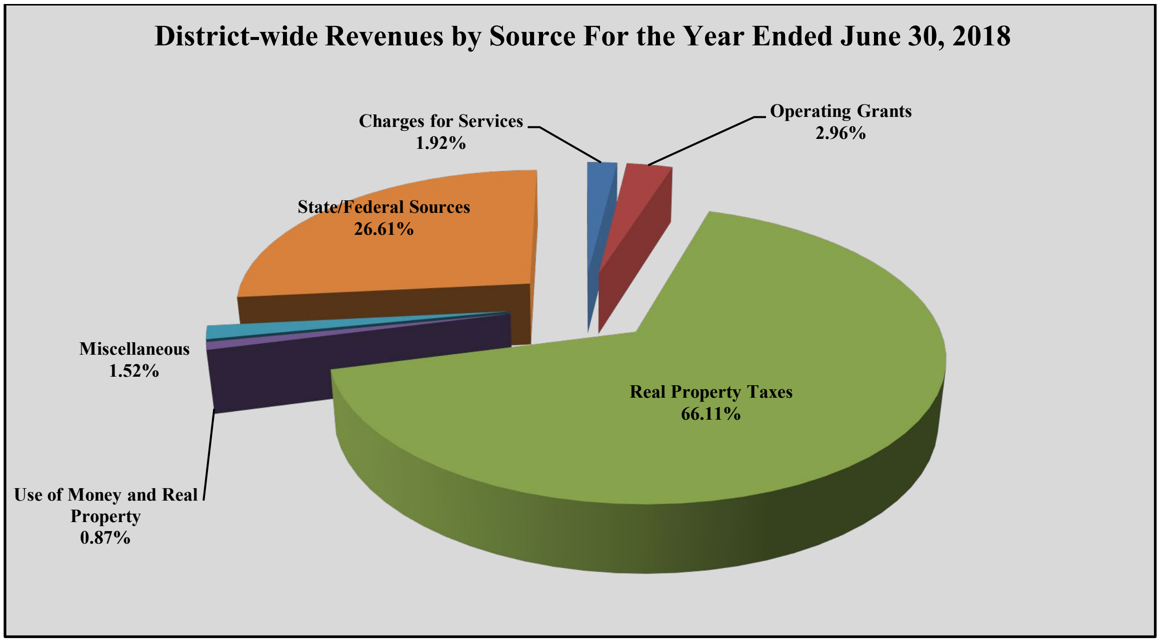
Niskayuna Central School District
Changes in Net Position
For the Years Ended June 30, 2018 and 2017

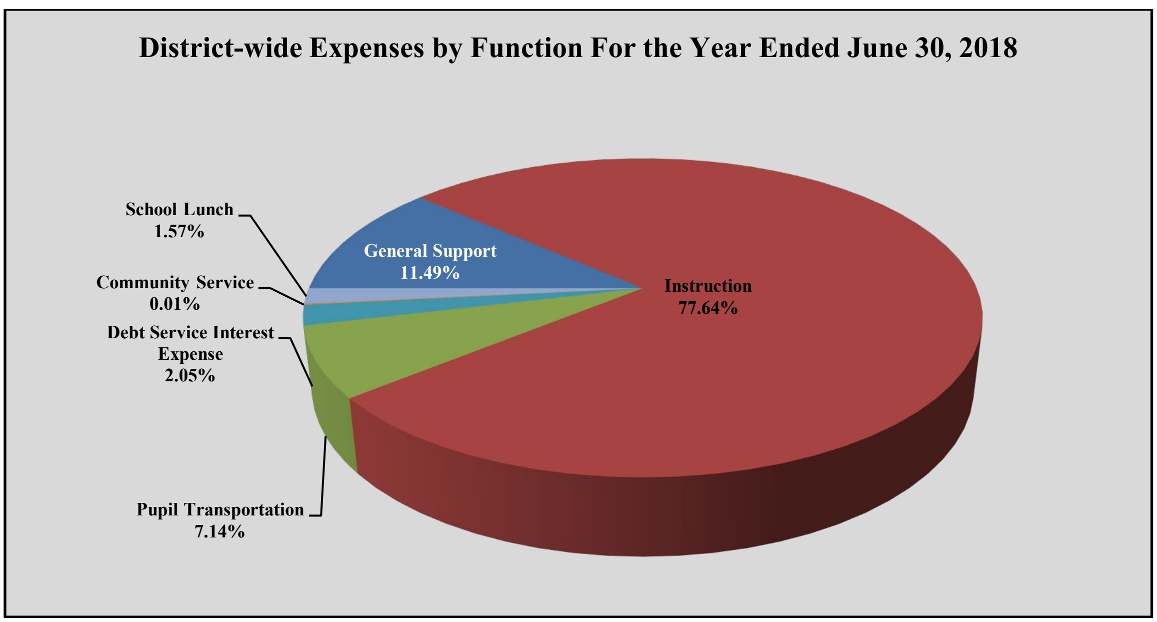
	Governmental Activities		Variance
	2018	**2017**	**Increase/ (Decrease)**
Revenues:			
Program Revenues:			
Charges for Services	$1,626,944	$1,622,879	$4,065
Operating Grants	2,504,824	1,987,941	516,883
Total Program Revenues	4,131,768	3,610,820	520,948
General Revenues:			
Real Property Taxes	55,887,618	54,738,552	1,149,066
Use of Money and Real Property	734,211	558,786	175,425
Sale of Property & Compensation for Loss	9,675	5,320	4,355
Miscellaneous	1,278,946	588,346	690,600
State Sources	22,106,889	21,896,805	210,084
Federal Sources	393,427	421,197	(27,770)
Total General Revenues	80,410,766	78,209,006	2,201,760
Total All Revenues	$84,542,534	$81,819,826	$2,722,708
Gross Expenses:			
General Support	$7,863,640	$10,378,526	($2,514,886)
Instruction	53,154,813	61,845,020	(8,690,207)
Pupil Transportation	4,889,744	4,066,621	823,153
Community Service	-	-	-
Debt Service Interest Expense	1,400,468	1,553,016	(152,548)
Capital & Other Expenditures	80,589	1,558,586	(1,477,997)
School Lunch	1,077,466	1,157,282	(79,816)
Total Expenses	$68,466,750	$80,559,051	($12,092,301)
Prior Period Adjustment:			
Cumulative Effect of Change in Accounting Principle	-	92,133,439	(92,133,439)
Change in Net Position	$16,075,784	($90,872,664)	$106,948,448

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, unused vacation/sick leave, and proceeds from Revenue Anticipation Notes and related interest).

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, 2018 and 2017.

	Fund Equity		Variance Increase/
Fund	**2018**	**2017**	**(Decrease)**
General	$14,695,130	$12,683,145	$2,011,985
School Lunch	(216,325)	(190,091)	(26,234)
Special Aid	-	-	-
Capital	(2,394,865)	(758,137)	(1,636,728)
Debt Service	1,029,346	1,029,201	145
Totals	$13,113,286	$12,764,118	$349,168

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, 2015 TO JUNE 30, 2018

Assets	**2017-2018**	**2016-2017**	**2015-2016**
Cash	$18,585,204	$16,050,857	$13,297,047
Other Assets	8,343,939	3,860,090	3,959,063
Total Assets	$26,929,143	$19,910,947	$17,256,110
Liabilities			
Accounts Payable and Accrued Liabilities	$2,065,889	$2,829,662	$2,501,298
Due to Teachers' Retirement System	3,334,366	3,881,687	4,270,748
Due to Employees' Retirement System	258,941	254,305	235,150
Other Liabilities	6,574,817	262,148	950,676
Total Liabilities	12,234,013	7,227,802	7,957,872
Fund Equity (Deficiency)			
Non-spendable	215	349	24,168
Restricted	9,245,111	7,207,309	4,083,586
Committed	-	-	-
Assigned	2,082,051	2,219,824	1,996,936
Unassigned	3,367,753	3,255,663	3,193,548
Total Fund Equity (Deficiency)	14,695,130	12,683,145	9,298,238
Total Liabilities and Fund Equity (Deficiency)	$26,929,143	$19,910,947	$17,256,110

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

Revenues	2018	2017	Variance Increase/ (Decrease)
Taxes	$55,887,618	$54,738,552	$1,149,066
Charges for Services	844,684	753,168	91,516
Sale of Property/Compensation for Loss	9,675	-	9,675
Use of Money and Property	734,066	558,751	175,315
State/Federal Sources	22,500,316	22,318,002	182,314
Other	1,274,137	588,739	685,398
Totals	$81,250,496	$78,957,212	$2,293,284

Expenses	2018	2017	Increase/ (Decrease)
General Support	$7,407,448	$6,917,846	$489,602
Instruction	41,589,817	39,755,232	1,834,585
Pupil Transportation	3,689,337	3,299,654	389,683
Community Service	-	-	-
Employee Benefits	16,101,364	15,202,606	898,758
Debt Service	10,178,581	10,382,740	(204,159)
Totals	$78,966,547	$75,558,078	$3,408,469

Other Financing Sources (Uses)	2018	2017	Variance Increase/ (Decrease)
Interfund Transfers, net	($271,964)	($14,227)	($257,737)
Proceeds of Long Term Debt	-	-	-
Proceeds from Advanced Refunding	-	-	-
Payment to Escrow Agent	-	-	-
BANs Redeemed From Appropriations	-	-	-
Totals	($271,964)	($14,227)	($257,737)

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, 2018 are as follows:

Asset Description	Net Book Value
Land	$895,205
Buildings and Improvements	73,130,386
Machinery and Equipment	5,335,450
Vehicles	2,395,255
Total	$81,756,296

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, 2018 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, 2018 the District's general obligation debt represented 1.68% of the 5 year average full valuation of taxable real property.

Debt Description	Outstanding Balance
Bond Issues, Net of Deferred Amounts on Refundings	$42,450,399
Unamortized Bond Premiums	2,598,338
Judgments and Claims	7,390,249
Workers' Compensation	301,248
Compensated Absences	353,160
Other Post-Employment Benefits (OPEB)	132,628,934
Total	$185,722,328

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 $187,431 increase in Foundation Aid for the 2018-19 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, 2018

ASSETS		
Current Assets:		
Cash and Investments	$	21,050,644
Accounts Receivable		1,451,377
Due From Fiduciary Funds		297,450
State and Federal Aid Receivable		1,136,123
Due From Other Governments		703,867
Inventories		14,410
Prepaid Expenditures		215
Capital Assets, net		81,756,296
Net Pension Asset, Proportionate Share		1,512,413
Total Assets		107,922,795
DEFERRED OUTFLOWS OF RESOUCES		
Amounts Deferred on Defeasance of Debt		2,609,601
Pensions		22,287,038
Total Deferred Outflows of Resources		24,896,639
Total Assets and Deferred Outflows of Resources	$	132,819,434
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	1,632,043
Accrued Liabilities		1,188,782
Bond Anticipation Notes		4,921,000
Due to Other Governments		930
Bond Interest Accrued		358,762
Due to Teachers' Retirement System		3,334,366
Due to Employees' Retirement System		258,941
Refundable Advances		204,738
Long-Term Liabilities - Due and Payable Within One Year		
Bonds		7,660,000
Unamortized Bond Premiums		786,555
Long-Term Liabilities		
Bonds		37,400,000
Unamortized Bond Premiums		1,811,783
Compensated Absences		353,160
Workers' Compensation		301,248
Judgments and Claims		7,390,249
Other Post Employment Benefits Payable		132,628,934
Net Pension Liability, Proportionate Share		783,104
Total Liabilities		201,014,595
DEFERRED INFLOWS OF RESOUCES		
Pensions		7,018,493
Other Post Employment Benefits		5,910,532
Total Deferred Inflows of Resources		12,929,025
Total Liabilities and Deferred Inflows of Resources		213,943,620
NET POSITION		
Invested in Capital Assets, Net of Related Debt		31,786,559
Restricted Net Position		10,274,457
Unrestricted Net Position (Deficit)		(123,185,202)
Total Net Position		(81,124,186)
Total Liabilities, Deferred Inflows of Resources and Net Position	$	132,819,434

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 7,863,640	$ 70,513	$ -	$ (7,793,127)
Instruction	53,154,813	774,171	1,935,136	(50,445,506)
Pupil Transportation	4,889,774	-	-	(4,889,774)
Debt service - interest	1,400,468	-	-	(1,400,468)
Capital Outlay	80,589	-	405,525	324,936
School Lunch Program	1,077,466	782,260	164,163	(131,043)
Total Functions and Programs	$ 68,466,750	$ 1,626,944	$ 2,504,824	(64,334,982)
GENERAL REVENUES				
Real property taxes				51,451,489
Other tax items				4,436,129
Use of money and property				734,211
Sale of property and compensation for loss				9,675
State sources				22,106,889
Federal sources				393,427
Miscellaneous				1,278,946
Total General Revenues				80,410,766
Change in Net Position				16,075,784
Total Net Position - Beginning of Year				(97,199,970)
Total Net Position - End of Year				$ (81,124,186)

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
Assets						
Unrestricted Cash	$ 9,340,093	$ 780,002	$ 204,444	$ 451,698	$ -	$ 10,776,237
Restricted Cash	9,245,111	-	-	-	1,029,296	10,274,407
State and Federal Receivable, net	540,699	595,424	-	-	-	1,136,123
Due From Other Governments	703,867	-	-	-	-	703,867
Due From Other Funds	5,648,971	873,858	206,451	5,365,980	50	12,095,310
Accounts Receivable	1,450,187	530	660	-	-	1,451,377
Inventories	-	-	14,410	-	-	14,410
Prepaid Expenditures	215	-	-	-	-	215
Total Assets	$ 26,929,143	$ 2,249,814	$ 425,965	$ 5,817,678	$ 1,029,346	$ 36,451,946
Liabilities						
Accounts Payable	$ 877,107	$ 1,458	$ 1,440	$ 752,038	$ -	$ 1,632,043
Accrued Liabilities	1,188,782	-	-	-	-	1,188,782
Bond Anticipation Notes	-	-	-	4,921,000	-	4,921,000
Due to Other Funds	6,472,362	2,237,309	588,139	2,500,050	-	11,797,860
Due to Other Governments	-	930	-	-	-	930
Due to Teachers' Retirement System	3,334,366	-	-	-	-	3,334,366
Due to Employees' Retirement System	258,941	-	-	-	-	258,941
Refundable Advances	102,455	10,117	52,711	39,455	-	204,738
Total Liabilities	12,234,013	2,249,814	642,290	8,212,543	-	23,338,660
Fund Equity						
Non-spendable	215	-	14,410	-	-	14,625
Restricted	9,245,111	-	-	-	1,029,346	10,274,457
Committed	-	-	-	-	-	-
Assigned	2,082,051	-	-	-	-	2,082,051
Unassigned	3,367,753	-	(230,735)	(2,394,865)	-	742,153
Total Fund Equity	14,695,130	-	(216,325)	(2,394,865)	1,029,346	13,113,286
Total Liabilities and Fund Equity	$ 26,929,143	$ 2,249,814	$ 425,965	$ 5,817,678	$ 1,029,346	$ 36,451,946

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

Total governmental fund equity per above	$ 13,113,286
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,756,296
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	2,609,601
Accrued interest expense is reported under the accrual basis.	(358,762)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(188,331,929)
Net change in net pension asset and net pension (liability)	729,309
Deferred outflows of resources - Pensions	22,287,038
Deferred inflows of resources - Pensions	(7,018,493)
Deferred inflows of resources - OPEB	(5,910,532)
Net Position of Governmental Activities	$ (81,124,186)

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, 2018

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
Revenues						
Real Property Taxes and Tax Items	$ 51,451,489	$ -	$ -	$ -	$ -	$ 51,451,489
Nonproperty Taxes	4,436,129	-	-	-	-	4,436,129
Charges for Services	844,684	-	-	-	-	844,684
Use of Money and Property	734,066	-	-	-	145	734,211
Sale of Property and Compensation for Loss	9,675	-	-	-	-	9,675
Miscellaneous	1,274,137	530	4,809	-	-	1,279,476
State Sources	22,106,889	553,608	9,318	405,525	-	23,075,340
Federal Sources	393,427	1,380,998	154,845	-	-	1,929,270
Sales	-	-	782,260	-	-	782,260
Total Revenues	81,250,496	1,935,136	951,232	405,525	145	84,542,534
Expenditures						
General Support	7,407,448	9,197	489,408	-	-	7,906,053
Instruction	41,589,817	1,814,148	-	-	-	43,403,965
Pupil Transportation	3,689,337	102,077	-	766,675	-	4,558,089
Employee Benefits	16,101,364	181,678	167,208	-	-	16,450,250
Debt Service	10,178,581	-	-	-	-	10,178,581
Cost of Sales	-	-	420,850	-	-	420,850
Capital Outlay	-	-	-	2,357,254	-	2,357,254
Total Expenditures	78,966,547	2,107,100	1,077,466	3,123,929	-	85,275,042
Excess (Deficiency) of Revenues Over Expenditures	2,283,949	(171,964)	(126,234)	(2,718,404)	145	(732,508)
Other Financing Sources And (Uses)						
Interfund Transfers in	4,044	176,008	100,000	-	-	280,052
Interfund Transfers (out)	(276,008)	(4,044)	-	-	-	(280,052)
Proceeds of Long Term Debt	-	-	-	766,676	-	766,676
BANs Redeemed From Appropriations	-	-	-	315,000	-	315,000
Total Other Financing Sources (Uses)	(271,964)	171,964	100,000	1,081,676	-	1,081,676
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	2,011,985	-	(26,234)	(1,636,728)	145	349,168
Fund Equity, Beginning of Year	12,683,145	-	(190,091)	(758,137)	1,029,201	12,764,118
Fund Equity, End of Year	$ 14,695,130	$ -	$ (216,325)	$ (2,394,865)	$ 1,029,346	$ 13,113,286

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, 2018

Net changes in fund balance - total governmental funds			$ 349,168
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	$ (5,019,325)	
	Capital outlays	3,444,500	(1,574,825)
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 2017/18 results in less expense.			50,192
Proceeds of serial bond principal and bond premiums are revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net position.			(766,676)
Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			7,946,676
Amortization of issuance costs and loss on refunding bonds			(399,251)
Amortization of bond premiums			865,496
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:			
	Other Post Employment Benefits		10,098,127
	Compensated Absences		(17,444)
	Workers Compensation		(48,992)
	Judgement and Claims		96,756
	Adjustments for net pension liability - ERS		63,949
	Adjustments for net pension asset - TRS		(587,392)
Change in net position - governmental activities			$ 16,075,784

See accompanying notes to financial statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018

	Agency	Private Purpose Trusts
ASSETS		
Cash - unrestricted	$ 478,447	$ -
Cash - restricted	116,163	94,845
Due from other funds	32,581	-
Total Assets	$ 627,191	$ 94,845
LIABILITIES		
Extraclassroom activity balances	$ 116,163	$ -
Due to other funds	323,523	6,508
Other liabilities	187,505	-
Total Liabilities	$ 627,191	$ 6,508
NET ASSETS		
Reserved for scholarships		$ 88,337

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Private Purpose Trusts
ADDITIONS	
Investment earnings	$ 50
Total Additions	50
DEDUCTIONS	
Scholarships and awards	6,508
Total Deductions	6,508
Change in Net Assets	(6,458)
Net Assets - Beginning of year	94,795
Net Assets - End of year	$ 88,337

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 District is a component district of 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. There is no authority or process by which a school district can terminate its status as a BOCES component.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

BOCES are organized under Section 1950 of the 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 1950 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.

During the year ended June 30, 2018, the Niskayuna Central School District was billed $5,034,072 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $1,479,434. Financial 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial statements

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2017. Taxes were collected during the period September 1 through October 31, 2017.

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. The budget policies are as follows:

   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. The following supplemental appropriations occurred during the year:

From Additional Revenues:	
Expenses associated with supplies	$ 1,453
Expenses associated with equipment	31,591
Expenses associated with educational programs	70,864
Total Supplemental Appropriations	$ 103,908

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 $215 and Inventory recorded in the School Lunch Fund of $14,410 for a total of $14,625.

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:

<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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Insurance

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.

Capital Reserve

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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.

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	$ 5,958,307
Employee Benefit Accrued Liability	353,161
Insurance	250,563
Retirement Contributions	300,675
Tax Certiorari	1,940,821
Unemployment Insurance	158,011
Workers' Compensation	283,573
Debt Service Fund	1,029,346
Total Restricted Funds	$ 10,274,457

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, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Encumbrances

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 the General Fund amounted to $518,551. Assigned fund balance is comprised of:

General Fund:		
Board of Education	$	8,334
Central Administration		40,900
Finance		28,341
Staff		11,678
Central Services		139,233
Instruction, Administration and Improvement		13,682
Teaching - Regular School		37,595
Programs for Students with Disabilities		52,684
Instructional Media		111,469
Pupil Services		52,569
Pupil Transportation		22,066
Appropriated Fund Balance		1,563,500
Total Assigned Funds	$	2,082,051

Unassigned - includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. See Note 6.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, actuarial calculation of net pension asset/liability, deferred inflows/outflows, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

U. Accounting Changes

During the fiscal year ended June 30, 2018 the District adopted:

GASB issued Statement 81, *Irrevocable Split-Interest Agreements*, effective for the year ending June 30, 2018.

GASB issued Statement 85, *Omnibus*, effective for the year ending June 30, 2018.

GASB issued Statement 86, *Certain Debt Extinguishing Issues*, effective for the year ending June 30, 2018.

V. Future Changes in Accounting Standards

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, effective for the year ending June 30, 2019.

GASB has issued Statement 84, *Fiduciary Activities*, effective for the year ending June 30, 2020.

GASB has issued Statement 87, *Leases*, effective for the year ending June 30, 2021.

GASB has issued Statement 88, *Certain Disclosures Related to Debt*, Including Direct Borrowing and Direct Placements, effective for the year ending June 30, 2019.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* 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 five categories. The differences represent:

Long-Term Revenue and Expense 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.

OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Balances

There was a deficit fund balance in the School Lunch Fund of $216,325 for the year ended June 30, 2018. 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 $2,394,865 for the year ended June 30, 2018. The District issued a $4,921,000 Bond Anticipation Note in June 2018 to alleviate the deficit and fund summer construction.

4. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash

I. Cash

The District's aggregate bank balances at June 30, 2018 were $21,050,644. All deposits were fully insured and collateralized.

4. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash

2. Restricted Cash

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	$ 283,573	Workers' Compensation Reserve
	158,011	Unemployment Insurance Reserve
	353,161	Reserve for Employee Benefit Accrued Liability
	300,675	ERS Reserve
	5,958,307	Capital Reserve
	250,563	Insurance Reserve
	1,940,821	Tax Certiorari Reserve
Total General Fund	$ 9,245,111	
Debt Service Fund	$1,029,296	Debt Service Payments
Trust and Agency	$ 116,163	Extraclassroom Activity Funds
Private Purpose Trust Fund	94,845	Scholarships and Memorials
Total Fiduciary	$ 211,008	

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, 2018 are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 5,648,971	$ 6,472,362	$ 4,044	$ 276,008
Special Aid Fund	873,858	2,237,309	176,008	4,044
School Lunch Fund	206,451	588,139	100,000	-
Debt Service Fund	50	-	-	-
Capital Projects Fund	5,365,980	2,500,050	-	-
Total Governmental Activities	12,095,310	11,797,860	280,052	280,052
Fiduciary Fund	32,581	330,031	-	-
Totals	$12,127,891	$12,127,891	$ 280,052	$ 280,052

4. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Transactions

The General Fund transferred $176,008 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 $4,044 to the General Fund for indirect cost allocations.

III. Capital Assets

Capital asset balances and activity for the year ended June 30, 2018 are as follows:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Governmental Activities				
Capital assets that are not depreciated:				
Construction in progress	$ 310,601	$ 735,374	$ -	$ 1,045,975
Land	895,205	-	-	895,205
Total Non-depreciable Capital Assets	1,205,806	735,374	-	1,941,180
Capital assets that are depreciated:				
Buildings and improvements	120,890,302	1,394,978	-	122,285,280
Vehicles	9,077,480	766,675	675,898	9,168,257
Machinery and equipment	11,257,719	547,473	-	11,805,192
Total Depreciable Capital Assets	141,225,501	2,709,126	675,898	143,258,729
Less accumulated depreciation:				
Buildings and improvements	46,361,793	3,839,076	-	50,200,869
Vehicles	6,758,998	689,902	675,898	6,773,002
Machinery and equipment	5,979,395	490,347	-	6,469,742
Total Accumulated Depreciation	59,100,186	5,019,325	675,898	63,443,613
Total Capital Assets, Net	$ 83,331,121	$ (1,574,825)	$ -	$ 81,756,296

Depreciation expense charged to governmental functions as follows:

General Support	$ 100,439
Instruction	4,194,251
Pupil Transportation	724,635
Community Service	-
Total	$ 5,019,325

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.

		6/30/2018
10/22/2014 Bond - Amount Deferred on Defeasance	$	2,351,501
6/15/2016 Bond - Amount Deferred on Defeasance		258,100
ERS - Pension Plan Differences		2,284,646
TRS - Pension Plan Differences		20,002,392
Total Deferred Outflows	$	24,896,639

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). Collectively, TRS and ERS are referred to herein as the "Systems". These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

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 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
2017-18	$ 1,008,652	$ 3,695,445
2016-17	957,626	3,603,336
2015-16	996,212	4,070,599

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, 2018, 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, 2018 for ERS and June 30, 2017 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	April 1, 2017	June 30, 2016
Net pension asset/(liability)	$(783,104)	$1,512,413
District's portion of the Plan's Total net pension asset/(liability)	.0242639%	.198976%

Pension Expense

For the year ended June 30, 2018, the District recognized its proportionate share of pension expense of $946,755 for ERS and $3,810,305 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2018, 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	$ 279,308	$ 1,260,884	$ 230,810	$ 589,672
Changes in assumptions	519,263	15,389,097	-	-
Net difference between projected and actual earning on pension plan investments	1,137,397	-	2,262,252	3,562,378
Changes in proportion and differences between contributions and proportionate share of contributions	89,737	18,045	43,801	329,580
Contributions subsequent to the measurement date	258,941	3,334,366	-	-
Total	$ 2,284,646	$ 20,002,392	$ 2,536,863	$ 4,481,630

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 asset/(liability) in the year ended March 31, 2019 for ERS and June 30, 2018 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
2018	$ -	$ 299,699
2019	153,101	4,021,193
2020	151,083	2,863,328
2021	(545,301)	673,014
2022	(270,041)	2,854,851
Thereafter	-	1,441,231

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2018	June 30, 2017
Actuarial valuation date	April 1, 2017	June 30, 2016
Interest Rate	7.0%	7.25%
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 MP-2014.

For ERS, the actuarial assumptions used in the April 1, 2017 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, 2017 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 2018**	**Long-term expected Real rate of return* 2018**
Asset Class:		
Domestic equities	36%	4.55%
International equities	14	6.35
Private equity	10	7.50
Real estate	10	5.55
Absolute return strategies(1)	2	3.75
Opportunistic portfolio	3	5.68
Real assets	3	5.29
Bonds and mortgages	17	1.31
Cash	1	(0.25)
Inflation-Indexed bonds	4	1.25
Total	100%	

* Real rates of return are net of the long-term inflation assumption of 2.5% for 2018.
(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Actuarial Assumptions

TRS	Target Allocation 2017	Long-term expected Real rate of return* 2017
Asset Class:		
Domestic equities	35%	5.9%
International equities	18	7.4
Real estate	11	4.3
Private equities	8	9.0
Total equities	72	
Domestic fixed income securities	16	1.6
Global fixed income securities	2	1.3
High-yield fixed income securities	1	3.9
Mortgages	8	2.8
Short-term	1	0.6
Total fixed income	28	
Total	100%	

* Real rates of return are net of the long-term inflation assumption of 2.5% for 2017.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 7.00% for ERS and 7.25% 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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2018 calculated using the discount rate of 7% for ERS and 7.25% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (6% for ERS and 6.25% for TRS) or 1-percentage-point higher (8% for ERS and 8.25% for TRS) than the current rate.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

I. Pension Plans

Discount rate:

	1% Decrease (6.0%)	**Current Assumption (7.0%)**	**1% Increase (8.0%)**
ERS			
Employer's proportionate share of the net pension asset/(liability)	$(5,925,179)	$(783,104)	$3,566,885

	1% Decrease (6.25%)	**Current Assumption (7.25%)**	**1% Increase (8.25%)**
TRS			
Employer's proportionate share of the net pension asset/(liability)	$(26,054,397)	$1,512,413	$24,598,248

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, 2018 is $4,684,291.

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, 2018 represent the projected employer contribution for the period of April 1, 2010 through June 30, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2018 amounted to $258,941.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2018 are paid to the System in September, October and November 2010 through a state aid intercept. Accrued retirement contributions as of June 30, 2018 represent employee and employer contributions for the fiscal year ended June 30, 2018 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, 2018 amounted to $3,334,366.

4. DETAIL NOTES ON ALL FUNDS

C. Liabilities

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. A $2,500,000 bond anticipation note was issued in August 2017 and renewed for $4,921,000 in June 2018.

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	$	1,916,905
Less interest accrued in the prior year		(408,954)
Plus current year accrued interest		358,762
Amortization of deferrals on advanced refundings		399,251
Amortization of premiums		(865,496)
Total Expense	$	1,400,468

b. Prior Year Defeasance

On 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, 2018, $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 noncurrent 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, 2018 are summarized as follows:

	Balance 7/1/2017	New Issues/ Additions	Maturities/ Payments	Balance 6/30/2018
General Long-Term Debt:				
Bonds Payable	$ 52,240,000	$ 766,676	$ 7,946,676	$ 45,060,000
Less: Deferred Amounts on Refunding	(3,008,852)	-	(399,251)	(2,609,601)
	49,231,148	766,676	7,547,425	42,450,399
Unamortized Bond Premium	3,463,834	-	865,496	2,598,338
Judgements and Claims	7,487,005	388,497	485,253	7,390,249
Workers' Compensation	252,256	48,992	-	301,248
Compensated Absences	335,716	17,444	-	353,160
Other Postemployment Benefits	132,321,250	307,684	-	132,628,934
Total General Long-Term Debt	$ 193,091,209	$ 1,529,293	$ 8,898,174	$ 185,722,328

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	6/30/2018
Serial Bonds:				
Renovations	2010	2024	2.50 - 4.00%	$ 585,000
Acquisition of Bus Garage	2013	2028	2.50 - 3.75%	2,275,000
Renovations - Advanced Refunding	2014	2024	2.00 - 4.50%	37,365,000
Finance School Buses	2015	2020	0.65 - 1.81%	330,000
Renovations - Advanced Refunding	2016	2024	1.00 - 4.00%	3,195,000
Finance School Buses	2016	2021	0.65 - 1.81%	690,000
Finance School Buses	2017	2022	1.75 – 2.00%	620,000
				$45,060,000

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

Year	Principal	Interest	Premium	Total
2019	$ 7,660,000	$ 1,662,501	$ 786,555	$ 10,109,056
2020	7,865,000	1,418,962	650,903	9,934,865
2021	8,010,000	1,118,113	511,497	9,639,610
2022	8,075,000	821,406	366,521	9,262,927
2023	8,180,000	521,456	218,161	8,919,617
Thereafter	5,270,000	313,600	64,701	5,648,301
Total	$ 45,060,000	$ 5,856,038	$ 2,598,338	$ 53,514,376

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, 2018 the District has exhausted 18.66% 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, 2018 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 a monthly basis by funding the separate bank account. The total cash in the account amounted to $168,540 at June 30, 2018. The District estimates the liability for unpaid health insurance claims to be $1,003,591 at June 30, 2018.

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 a monthly basis by wiring funds to Delta Dental. The District estimates the liability for unpaid dental insurance claims to be $48,626 for the year ended June 30, 2018. 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, 2018.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2018 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:

	2018	2017
Unpaid claims and claim adjustment expenses at beginning of year	$ 982,152	$ 1,133,976
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	8,831,831	7,394,247
Increase (decrease) in provision for incurred events of prior years	-	-
Total incurred claims and claim adjustment expenses	9,813,983	8,528,223
Payments made for claims during the current year	(8,761,766)	(7,546,071)
Total unpaid claims and claim adjustment expenses at end of year	$ 1,052,217	$ 982,152

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

	2018	2017
Unpaid claims and claim adjustment expenses at beginning of year	$ 252,256	$ 318,726
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	303,770	259,164
Increase (decrease) in provision for incurred events of prior years	17,310	(84,022)
Total incurred claims and claim adjustment expenses	573,336	493,868
Payments made for claims during the current year	(272,088)	(241,612)
Total unpaid claims and claim adjustment expenses at end of year	$ 301,248	$ 252,256

D. Deferred Inflows of Resources

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

	6/30/2018
ERS - Pension Plan Differences	$ 2,536,863
TRS - Pension Plan Differences	4,481,630
OPEB Differences	5,910,532
Total Deferred Inflows	$ 12,929,025

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.

5. COMMITMENTS AND CONTINGENCIES

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

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 $2,258,000.

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, 2018, 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	-
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 June 30, 2018; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

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	1.00%
Wage inflation	3.20%
Salary increases	10.47% - 3.20%
Discount Rate	3.87%
Healthcare cost trend rates	
Pre-Medicare	5.50% for 2018 decreasing to an ultimate rate of 3.84% by 2078.
Medicare	5.50% for 2018 decreasing to an ultimate rate of 3.84% by 2078.

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, 2017	$ 132,321,250	$ -	$ 132,321,250
Changes for the year:			
Service cost	4,485,736	-	4,485,736
Interest	4,696,671	-	4,696,671
Difference between expected and actual experience	-	-	-
Contributions – employer	-	2,258,661	(2,258,661)
Net investment income	-	-	-
Changes of assumptions or other inputs (change in discount rate)	(6,616,062)	-	(6,616,062)
Benefit payments	(2,258,661)	(2,258,661)	-
Administrative expense	-	-	-
Net changes	307,684	-	307,684
Balances, June 30, 2018	$ 132,628,934	$ -	$ 132,628,934

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Sensitivity of the Net OPEB Liability to Changes in the Discount

The following presents the District's net OPEB liability, as well as what the District's net OPEB liability would be if it were calculated using discount and healthcare cost trend rates rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	$161,223,510	$132,628,934	$114,117,145

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Cost Trend Current	1% Increase
Total OPEB Liability	$112,529,290	$132,628,934	$163,737,614

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of $8,476,877.
At June 30, 2018, 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	$ -	$ -
Amounts recognized in OPEB expense	-	-
Changes of assumptions	-	(5,910,532)
Net difference between projected and actual earnings on Plan investments	-	-
Total	$ -	$ (5,910,532)

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

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

Year ending June 30,		
2019	$	(705,530)
2020		(705,530)
2021		(705,530)
2022		(705,530)
2023		(705,530)
Thereafter		(2,382,882)

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 $40,434. The District received Payments in Lieu of Tax (PILOT) totaling $221,457.

8. LEASE OBLIGATIONS

The District leases certain copiers under various non-cancelable leases. Rental expense for the year was $397,379. Minimum annual rentals for each of the remaining years of the leases for the fiscal years ended June 30:

Year ending June 30,		
2019	$	293,622
2020		164,063
2021		15,848

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 12, 2018, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2018, 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, 2018

	Original Budget	Revised Budget	Actual	Over (Under) Revised Budget
Revenues				
Local Sources				
Real Property Taxes	$ 55,575,524	$ 55,575,524	$ 55,666,161	$ 90,637
Real Property Tax Items	221,382	221,382	221,457	75
Charges for Services	476,500	476,500	844,684	368,184
Use of Money and Property	551,450	551,450	734,066	182,616
Sale of Property and Compensation for Loss	5,000	5,000	9,675	4,675
Miscellaneous	434,000	535,908	1,274,137	738,229
State Sources	22,082,956	22,084,956	22,106,889	21,933
Federal Sources	340,000	340,000	393,427	53,427
Other Sources				
Interfund Transfers	150,000	150,000	4,044	(145,956)
Total Revenue and Other Sources	79,836,812	79,940,720	$ 81,254,540	$ 1,313,820
Appropriated Fund Balance				
Prior Year Encumbrances	656,324	656,324		
Appropriated Fund Balance	1,563,500	1,563,500		
Total Appropriated Fund Balance	2,219,824	2,219,824		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 82,056,636	$ 82,160,544		

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, 2018

	Original Budget	Revised Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support					
Board of Education	$ 56,903	$ 57,432	$ 43,292	$ 8,334	$ 5,806
Central Administration	300,422	381,758	337,689	40,900	3,169
Finance	749,226	737,022	687,380	28,341	21,301
Staff	591,900	649,933	615,185	11,678	23,070
Central Services	5,813,363	5,664,869	4,945,232	139,233	580,404
Special Items	808,800	789,838	778,670	-	11,168
Instruction					
Instruction, Administration & Improvement	3,059,441	3,077,473	2,988,520	13,682	75,271
Teaching - Regular School	23,737,750	23,683,058	23,142,905	37,595	502,558
Programs for Students with Disabilities	8,938,735	8,688,213	8,173,714	52,684	461,815
Occupational Education	557,500	512,700	510,326	-	2,374
Teaching - Special Schools	252,585	254,551	220,702	-	33,849
Instructional Media	2,810,023	3,234,729	3,042,226	111,469	81,034
Pupil Services	3,621,975	3,677,356	3,511,424	52,569	113,363
Pupil Transportation	3,591,155	3,799,855	3,689,337	22,066	88,452
Employee Benefits	16,654,350	16,439,249	16,101,364	-	337,885
Debt Service					
Debt Service Principal	8,151,676	8,261,676	8,261,676	-	-
Debt Service Interest	2,035,832	1,925,832	1,916,905	-	8,927
Total Expenditures	81,731,636	81,835,544	78,966,547	518,551	2,350,446
Other Uses					
Interfund Transfer	325,000	325,000	276,008	-	48,992
Total Expenditures and Other Uses	$ 82,056,636	$ 82,160,544	79,242,555	$ 518,551	$ 2,399,438
Net Change in Fund Balances			$ 2,011,985		
Fund Balance - Beginning of Year			12,683,145		
Fund Balance - Beginning of Year			$ 14,695,130		

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

	Fiscal Year Ending * 2018	2017
Total OPEB Liability		
Measurement Date	June 30, 2018	June 30, 2017
Service cost at end of year	$ 4,485,736	$ 4,542,839
Interest	4,696,671	4,130,495
Changes in benefit terms	-	-
Difference between expected and actual experience	-	-
Changes in assumptions - rate	(6,616,062)	(18,598,429)
Benefit payments	(2,258,661)	(2,683,293)
Net Change in Total OPEB Liability	307,684	(12,608,388)
Total OPEB Liability - beginning	132,321,250	144,929,638
Total OPEB Liability - ending	$ 132,628,934	$ 132,321,250
Covered-employee payroll	$ 35,706,244	$ 33,704,631
Total OPEB Liability as a percentage of covered-employee payroll	371.44%	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. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2018

ERS Pension Plan
Last 10 Fiscal Years

	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.02%	0.02%	0.02%	0.02%
Proportionate share of the net pension liability (asset)	$ 783,104	$ 2,275,210	$ 3,620,757	$ 773,633
Covered-employee payroll	$ 7,153,843	$ 8,254,813	$ 8,091,957	$ 6,126,997
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	11%	28%	45%	13%
Plan fiduciary net position as a percentage of the total pension (asset) liability	98.24%	94.70%	90.71%	97.90%

TRS Pension Plan
Last 10 Fiscal Years

	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.20%	0.20%	0.19%	0.19%
Proportionate share of the net pension liability (asset)	$ (1,512,413)	$ 2,130,723	$ (20,083,066)	$ (21,293,295)
Covered-employee payroll	$33,098,923	$ 32,450,865	$ 31,550,574	$ 27,976,129
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-5%	7%	-64%	-76%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.66%	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. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

ERS Pension Plan
Last 10 Fiscal Years

	2018	2017	2016	2015
Contractually required contribution	$ 1,008,652	$ 957,626	$ 996,212	$ 919,814
Contributions in relation to the contractually required contribution	(1,008,652)	(957,626)	(996,212)	(919,814)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 7,153,843	$ 8,254,813	$ 8,091,957	$ 6,126,997
Contributions as a percentage of covered-employee payroll	14.10%	11.60%	12.31%	15.01%

TRS Pension Plan
Last 10 Fiscal Years

	2018	2017	2016	2015
Contractually required contribution	$ 3,603,336	$ 4,070,599	$ 5,091,418	$ 4,588,404
Contributions in relation to the contractually required contribution	(3,603,336)	(4,070,599)	(5,091,418)	(4,588,404)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 33,098,923	$ 32,450,865	$ 31,550,574	$ 27,976,129
Contributions as a percentage of covered-employee payroll	10.89%	12.54%	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. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

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, 2018

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 81,400,312
Add: Prior year's encumbrances	656,324
Original Budget	82,056,636
Budget Revisions	103,908
Final Budget	$ 82,160,544

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2018-19 voter-approved expenditure budget		$ 84,193,846
Maximum allowed (4% of 2018-19 budget)		3,367,754
General Fund Fund-Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted Fund Balance:		
Committed Fund Balance	$ -	
Assigned Fund Balance	2,082,051	
Unassigned Fund Balance	3,367,753	
Total Unrestricted Fund Balance	$ 5,449,804	
Less:		
Appropriated Fund Balance	$ 1,563,500	
Insurance Recovery Reserve	-	
Tax Reduction Reserve	-	
Encumbrances in Committed and Assigned Fund Balance	518,551	
Total Adjustments	$ 2,082,051	
General Fund Fund-Balance Subject to Section 1318 of Real Property Tax Law		$ 3,367,753
Actual Percentage		4.00%

* Per office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2018

			Expenditures				Methods of Financing				
PROJECT TITLE	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Serial Installment Bonds	State Sources	Local Sources	Total	Fund Balance June 30, 2018
School Buses Purchases	$ 766,676	$ 766,676	$ (1)	$ 766,676	$ 766,675	$ 1	$ 766,676	$ -	$ -	$ 766,676	$ 1
Birchwood ES Phase 1B SED Project # 1009	1,143,000	1,143,000	73,628	286,608	360,236	782,764	-	-	64,133	64,133	(296,103)
VAMS Roof Project SED Project # 1014	1,570,000	1,570,000	463,517	868,644	1,332,161	237,839	-	-	88,092	88,092	(1,244,069)
VAMS Phase 1B SED Project # 1015	135,000	135,000	7,183	22,179	29,362	105,638	-	-	7,575	7,575	(21,787)
Craig ES Phase 1B SED Project # 2015	1,294,000	1,294,000	83,381	431,660	515,041	778,959	-	-	72,606	72,606	(442,435)
Glencliff ES Phase 1B SED Project # 3015	128,000	128,000	7,183	16,313	23,496	104,504	-	-	7,182	7,182	(16,314)
Rosendale ES Phase 1B SED Project # 4013	221,000	221,000	14,365	26,006	40,371	180,629	-	-	12,400	12,400	(27,971)
Bus Garage Roof Project SED Project # 5002	108,000	108,000	44,766	18,051	62,817	45,183	-	-	6,060	6,060	(56,757)
NHS Phase 1B SED Project # 6026	396,000	396,000	24,383	96,723	121,106	274,894	-	-	22,220	22,220	(98,886)
Hillside ES Phase 1B SED Project # 7013	159,000	159,000	9,753	72,239	81,992	77,008	-	-	8,921	8,921	(73,071)
IRMS Phase 1B SED Project # 8015	460,000	460,000	29,979	94,245	124,224	335,776	-	-	25,811	25,811	(98,413)
Smart Schools Bond Act Phase 1 SED Project # 9BA1	487,700	487,700	-	424,585	424,585	63,115	-	405,525	-	405,525	(19,060)
Totals	$ 6,868,376	$ 6,868,376	$ 758,137	$ 3,123,929	$ 3,882,066	$ 2,986,310	$ 766,676	$ 405,525	$ 315,000	$ 1,487,201	$ (2,394,865)

NISKAYUNA CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2018

Capital Assets, Net		$ 81,756,296
Add:		
Deferred financing costs	$ 2,609,601	
		2,609,601
Deduct:		
Unamortized bond premiums	(2,598,338)	
Bond anticipation note	(4,921,000)	
Short-term portion of bonds payable	(7,660,000)	
Long-term portion of bonds payable	(37,400,000)	
		(52,579,338)
Net Investment in Capital Assets		$ 31,786,559

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

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, 2018, 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 12, 2018.

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.

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www.marvincpa.com

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 12, 2018

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, 2018. 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, 2018.

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 12, 2018

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster 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	0032-18-0830	$ -	$ 781,962
Special Education - Grants to States (IDEA, Part B - DISC)	84.027	0031-18-0024	-	202,909
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-18-0830	-	10,458
Total Special Education Cluster				995,329
Title I - Grants to Local Educational Agencies	84.010	0021-18-2740	-	284,490
Title II, Part A - Teacher and Principal Training and Recruitment	84.367	0147-18-2740	-	59,599
Title III, Part A - Immigration	84.011	0149-18-2740	-	437
Title III, Part A - Immigration	84.011	0149-17-2740	-	17,018
Total U.S. Department of Education				1,356,873
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
National School Lunch Program	10.555	Not Applicable	-	119,834
School Breakfast Program	10.553	Not Applicable	-	35,011
Total Child Nutrition Cluster				154,845
Total U.S. Department of Agriculture				154,845
U.S. Department of Homeland Security				
Passed Through New York State Division of Homeland Security and Emergency Services				
Disaster Grants- Public Assistance	97.036	Not Applicable	-	43,996
Total U.S. Department of Homeland Security				43,996
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,555,714

See accompanying notes to schedule of expenditures of federal awards.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

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 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). 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.

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, 2018

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
84.027, 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, 2018

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

June 25, 2019

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
$4,448,000 School District (Serial) Bonds, 2019

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $4,448,000 School District (Serial) Bonds, 2019 (the "Obligations"), of the Niskayuna Central School District, Counties of Schenectady, Saratoga, and Albany, State of New York (the "Obligor"), dated June 25, 2019, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds, in such amounts as hereinafter set forth, bearing interest at the rate of _________________________ hundredths per centum (________%) per annum as to bonds maturing in each of the years 2020 to ______, both inclusive, and at the rate of __________________________ hundredths per centum (___________%) per annum as to bonds maturing in each of the years ________ to ________, both inclusive, payable on December 15, 2019 and semi-annually thereafter on June 15 and December 15, and maturing in the amount of $_________________ on June 15, 2020, $_________________ on June 15, 2021, and $______________ on June 15 in each of the years 2022 to 2029, both inclusive.

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 Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations, including the form of the Obligations. 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 Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (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 Obligations; 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 Obligations are 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 Obligations 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 Obligations.

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 Obligations) 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 Obligations 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 Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations 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 Obligations 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 Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations 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 Obligations, 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,

/S/ORRICK, HERRINGTON & SUTCLIFFE LLP

/zmt

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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

(i) to the Electronic Municipal Market Access (“EMMA”) systems of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross referenced in the final Official Statement dated June 5, 2019 of the School District relating to the Bonds under the sections “General Information”, “Population”, “Economic Developments”, “District Facilities”, “District Employees”, “Historical and Projected Enrollment”, “Employee Pension Benefits”, “Other Post-Employment Benefits”, “Major Employers”, “Unemployment Rate Statistics”, “Investment Policy”, “Form of School Government”, “Budgetary Procedures”, “State Aid”, “Fiscal Stress Monitoring”, State Comptroller Report of Examination”, “Other Information”, “Financial Statements”, “Valuations”, “Tax Rate per $1,000”, “Tax Collection Procedure”, “Tax Collection Record”, “Major Taxpayers”, “General Fund Operations”, “STAR-School Tax Exemption, “Tax Levy Limitation Law”, “Real Property Tax Rebate”, “Debt Outstanding End of Fiscal Year”, “Status of Outstanding Bond Issues”, “Total Annual Bond Principal and Interest Due”, “Status of Short-Term Indebtedness”, “Cash Flow Borrowings”, “Capital Project Plans”, “School Bus Borrowing”, “Building Aid Estimate”, “Debt Statement Summary”, “Estimated Overlapping Indebtedness”, “Debt Ratios”, “Litigation”, ‘Bond Rating”, “Appendix A”, and “Appendix B” by December 31 following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2019, and (ii) a copy of the audited financial statements if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2019; such audit, if any, will be so provided on or prior to the later of either December 31 of each such succeeding fiscal year or, if an audited financial statement at that time, within sixty days following receipt by the School District of its audited financial statement for the proceeding fiscal year, but in any event not later than June 30 of each succeeding fiscal year: and provided further in the event that the audited financial statement for any fiscal year is not available by December 31 following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however , that provision of unaudited financial statements in any year shall be further conditioned upon the determination by the School District of whether such provision is complaint with the requires of federal Securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a) (2) of Securities Act of 1933

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

(d) 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 Bond, or other material events affecting the tax status of the Bond

(g) modifications to rights of Bondholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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