OFFICIAL STATEMENT

<u>REFUNDING ISSUE</u> **SERIAL BOND**

STANDARD & POOR'S RATINGS: **See "BOND RATING" herein**

Insured "AA" (Stable Outlook)/Underlying "A+" (Stable Outlook)

Uninsured Bonds (2021-2023): "A+" (Stable Outlook)

KROLL RATING: **Insured "AA+" (Stable Outlook)**

In the opinion of Timothy R. McGill, Esq., Fairport, New York, Bond Counsel, under existing law (1) interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes and is not a specific preference item for the purposes of the alternative minimum tax imposed by the Revenue Code of 1986, as amended (the "Code"), except that the School District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance thereof, and (2) 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). See the caption "TAX MATTERS" herein.

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

$3,775,000
CHATEAUGAY CENTRAL SCHOOL DISTRICT
FRANKLIN COUNTY, NEW YORK
GENERAL OBLIGATIONS
CUSIP BASE:161789

$3,775,000 School District Refunding (Serial) Bonds, 2020
(referred to herein as the "Bonds")

Dated: Date of Delivery **Due: June 15, 2021-2027**

MATURITIES

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2021	$ 545,000	2.000%	0.400%	FA5	2025*	$ 125,000	4.000%	0.650%	FF4
2022	530,000	2.000%	0.500%	FB3	2026*	415,000	2.000%	0.800%	FG2
2023	545,000	2.000%	0.550%	FC1	2026*	160,000	4.000%	0.800%	FH0
2024*	555,000	2.000%	0.550%	FD9	2027*	210,000	2.000%	0.930%	FJ6
2025*	440,000	2.000%	0.650%	FE7	2027*	250,000	4.000%	0.930%	FK3

* The scheduled payment of principal of and interest on the Bonds maturing on June 15 in the years 2024 through 2027, inclusive (the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP. See "APPENDIX – D" herein.

ASSURED GUARANTY MUNICIPAL

The Bonds are not subject to redemption prior to maturity.

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

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

Interest on the Bonds will be payable on December 15, 2020, 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, as described herein.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Timothy R. McGill, Esq., Bond Counsel, Fairport, New York. Certain legal matters will be passed on for the Underwriter by its Counsel, Barclay Damon LLP., Albany, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about October 6, 2020.

The School District is unable to identify and state herein all of the direct or indirect effects, if any, of the COVID-19 pandemic on the School District or on the fair market value, at any time, of the Bonds.

ROOSEVELT & CROSS INCORPORATED

September 16, 2020

CHATEAUGAY CENTRAL SCHOOL DISTRICT
FRANKLIN COUNTY, NEW YORK

School District Officials

2020-21 BOARD OF EDUCATION

Christopher Jarvis - President
Lori Green - Vice President

Valerie Dalton
Kristen Green
Courtney Leonard
William Harrigan
Tony Martin

• •

Loretta Fowler – Superintendent/Business Administrator
Jackie Cowan –Treasurer
Mary Legacy – District Clerk

• •

School District Attorney

Ferrara Fiorenza, P.C.

BOND COUNSEL

Timothy R. McGill, Esq.

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the 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

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

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

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PREPARED WITH THE ASSISTANCE OF:

R. G. Timbs, Inc
24 Sherman Oaks Drive
New Hartford, New York 13413
877-315-0100
Expert@rgtimbsinc.net

OFFICIAL STATEMENT

of the

CHATEAUGAY CENTRAL SCHOOL DISTRICT
FRANKLN COUNTY, NEW YORK

Relating To

$3,775,000 School District (Serial) Bonds, 2020

This Official Statement, which includes the cover page, has been prepared by the Chateaugay Central School District, Franklin County, New York in connection with the sale by the School District of $3,775,000 aggregate principal amount of School District (Serial) Bonds, 2020 (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 School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the cover page. The Bonds are not subject to redemption. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on June 15, 2021, December 15, 2021, 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, as described herein.

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

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

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

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

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

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

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

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

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

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Purpose and Authorization

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly section 90.00 or 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Board of Education on August 10, 2020 (the “Refunding Bond Resolution”) and other proceedings and determinations related thereto. The Refunding Bond Resolution authorizes the refunding of all or a portion of the $3,865,000 outstanding principal balance of the School District (Serial) Bonds, 2012, dated June 15, 2012, originally issued by the School District in the aggregate principal amount of $7,710,053 (“Refunded Bonds”) and authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds.

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

$7,710,053 School District (Serial) Bonds, 2012 – June 15, 2012

Purpose	Amount Originally Issued
Additions and reconstruction of the school building and facilities	$ 7,710,053

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

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.

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

In the event the book-entry-only system is discontinued the following provisions will apply: The Bonds will be issued registered form in denominations of $5,000 each or integral multiples thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the School District upon termination of the book-entry-only system. Interest on the Bonds will remain payable on December 15, 2020 and semi-annually thereafter on June 15 and December 15, in each year to maturity. Interest on the Bonds will be payable by check or draft mailed by the fiscal agent to the registered owners of the Bonds, as shown on the registration books of the School District maintained by the fiscal agent as of the close of business on the Record Date, being the last day of business day of the calendar month preceding each interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner for Bonds of the same maturity or any other authorized denomination or denominations in the same aggregate principal amount in the manner described on the Bonds and as referenced in certain proceedings of the School District referred to therein.

The Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the District's refunding financial plan (the "Refunding Financial Plan") dated July 15, 2020. The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds) are to be applied to the purchase of the Government Obligations. The Government Obligations are to be placed in an irrevocable trust fund (the "Escrow Deposit Fund") with Manufacturers and Traders Trust Company (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the District and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, to meet principal and interest payments with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and securities necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

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

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

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

$7,710,053 School District (Serial) Bonds, 2012 – June 15, 2012
CUSIP BASE: 161789

Due June 15th	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CSP
2021	$530,000	2.125%	12/15/20	100.00%	DJ8
2022	540,000	2.250	12/15/20	100	DK5
2023	555,000	2.500	12/15/20	100	DL3
2024	570,000	3.000	12/15/20	100	DM1
2025	585,000	3.000	12/15/20	100	DN9
2026	600,000	3.000	12/15/20	100	DP4
2027	485,000	3.000	12/15/20	100	DQ2
	$3,865,000				

The proceeds of the Refunded Bonds have been expended.

Verification of Mathematical Computations

Causey Demgen & Moore PC, a firm of independent public accountants, will deliver to the District, on or before the date of delivery of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the District and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal of and interest on the Refunded Bonds.

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

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	Par Amount of the Bonds		$3,775,000.00
	Original Issue Premium (Discount)		236,847.05
		Total	$ 4,011,847.05
Uses:	Deposit to Escrow Fund		$3,916,587.74
	Underwriter's Discount		23,593.75
	Costs of Issuance and Contingency (Including Bond Insurance)		71,665.56
		Total	$ 4,011,847.05

THE SCHOOL DISTRICT

General Information

The Chateaugay Central School District, formed in 1950, is located in the Towns of Bellmont, Burke and Chateaugay, Franklin County and the Towns of Clinton and Ellenburg, Clinton County. The School District covers approximately 124 square miles. The School District is conveniently located to a number of cultural and educational centers, such as Lake Placid, Potsdam, Plattsburgh and Niontreal; all of which are within an hour and one-half driving range.

The School District is a mixture of residential and agricultural areas with one main business, the McCadam Cheese plant. A major source of jobs for area residents is the NYS Correctional System which operates seven facilities within a half-hour of Chateaugay.

Utilities are provided by New York State Electric & Gas Corporation. Telephone service is provided by Verizon New York Inc. Water and sewer service are provided by the Village of Chateaugay and fire protection is provided by the Chateaugay Volunteer Fire Department.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization on March 11, 2020. The outbreak of the disease has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The School District has been communicating with the New York State Education Department and with local and State level department of health agencies. The School District has been following all relevant guidance as it has been released by State and federal agencies. The School District is closed effective March 16, 2020 through the end of the 2019-20 academic year. Pursuant to an Executive Order of the Governor, the school district annual board of education elections and budget vote originally scheduled for May 19, 2020 was postponed until June 9, 2020. The degree of the impact of COVID-19 on the School District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate 12 geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. The State has publicly announced that COVID-19 will have a significant negative impact on the State's revenues and 2020-21 budget. There can be no assurances that the spread of COVID-19 will not result in a delay and/or reduction in State aid paid to school districts, including the School District. Any delay or reduction in State aid payment to the School District would have a negative impact on the School District's finances and operations.

District Population

The 2018 population of the School District is estimated to be 3,479 (Source: 2018 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	**2006-2010**	**2014-2018**	**2000**	**2006-2010**	**2014-2018**
Village of:						
Chateaugay	$16,436	$19,232	$23,698	$35,750	$49,375	$63,750
Towns Of:						
Bellmont	16,542	23,945	$34.241	35,852	52,344	68,750
Burke	14,434	23,852	25,411	36,477	49,306	63,864
Chateaugay	15,541	19,209	25,804	37,639	45,000	58,250
Clinton	11,787	17,578	25,821	34,375	56,000	71,042
Ellenburg	16,559	24,256	24,868	37,813	64,315	62,037
County Of:						
Franklin	15,888	19,807	25,491	38,472	50,816	63,530
Clinton	17,946	22,660	26,772	45,732	60,280	70,470
State Of:						
New York	23,389	30,948	37,740	51,691	67,405	80,419

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2014-2018 American Survey data.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Chateaugay Central School	PK-12	1952	900	2019

Source: District Officials

District Employees

The School District employs 107 full-time and 6 part-time employees. The number of members, the collective bargaining units which represent them and their current contract expiration dates are as follows:

Employees	Bargaining Unit	Expiration Date
66	Chateaugay Teachers' Association	06/30/2021
31	CSEA Local 1000	06/30/2023

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2015-16	540	2020-21	523
2016-17	522	2021-22	538
2017-18	559	2022-23	550
2018-19	531	2023-24	533
2019-20	522	2024-25	523

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

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

• Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.

• Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.

• Increasing the minimum years of service required to draw a pension from 5 years to 10 years.

• Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.

• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

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

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

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2019-20 fiscal years are as follows:

Fiscal Year	ERS	TRS
2014-2015	$ 202,600	$ 576,564
2015-2016	160,914	643,280
2016-2017	144,964	497,075
2017-2018	145,219	455,927
2018-2019	148,823	388,790
2019-2020 (Budgeted)	206,147	375,841
2020-2021 (Budgeted)	209,458	385,162

Source: District records

Retirement Incentive Program – Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently have early retirement incentive programs for its employees

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

A chart of average ERS and TRS rates as a percent of payroll (2016 to 2020) is show below:

Fiscal Year	ERS	TRS
2015-2016	18.2%	13.26%
2016-2017	15.5	11.72
2017-2018	15.3	9.80
2018-2019	14.9	10.62
2019-2020	14.6	8.86

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

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

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 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 State’s 2019-2020 Enacted Budget allowed school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

The investment of monies, and assumptions underlying some, 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.

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. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

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

Based on the most recent actuarial valuation dated July 1, 2017 and financial data as of July 1, 2018, the School District's beginning year total OPEB liability was $31,535,297 the net change for the year was ($277,121) resulting in a total OPEB liability of $31,258,176 for a fiscal year ending June 30, 2019. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2019 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.

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
McCadam Cheese	Cheese Production	125
Chateaugay Central School District	Public Education	102
Custom & Border Protection	Border Crossing	40
Noble Environmental Power LLC	Electricity/Windmills	29
Dunkin Donuts	Franchise	16
Trainer Real Estate LLC	Farming	15
Mountain Mart	Convenience Store	9

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 Franklin County. The data set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the School District is necessarily representative of the County or vice versa.

Year	Franklin County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2015	6.5%	5.3%	5.3%
2016	5.7%	4.9%	4.9%
2017	6.0%	4.7%	4.4%
2018	5.1%	4.1%	3.9%
2019	4.9%	4.0%	3.7%

2019-20 Monthly Figures

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Franklin	4.7%	4.5%	4.1%	4.1%	4.6%	5.4%	5.9%	5.6%	5.8%	14.3%	11.1%	11.1%
New York State	4.2%	4.1%	3.6%	3.7%	3.6%	3.7%	4.1%	3.9%	4.2%	15.1%	14.2%	15.6%

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

Unemployment rates for 2020 and potentially for the foreseeable future are expected to increase substantially over prior years as a result of the COVID-19 pandemic.

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.

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

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 Board of Education the policy-making body of the School District consists of seven members with overlapping three-year terms so that an equal number is elected to the Board each year. The President and the Vice President are selected by the Board members.

The duties of the administrative officers of the School District include the implementation of the policies of the Board of Education and the supervision of the operation of the school system.

Budgetary Procedures

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

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

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

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

The budget for the 2018-19 fiscal year was adopted by the qualified voters on May 15, 2018. The budget called for a total tax levy increase of 1.42%, which was above the District Tax Cap of 0.37%.

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 127 to 9. The School District's 2019-20 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2020-21 fiscal year was adopted by the qualified voters by a vote of 420 to 66. All ballots were counted as of June 16, 2020 as required by the Executive Order issued by Governor Andrew Cuomo due to the COVID-19.

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 2020-21 fiscal year.

State Aid

The School District receives financial assistance from the State. In its adopted budget for the 2019-20 fiscal year, approximately 66.09% of the revenues of the School District are estimated to be received in the form of State aid. If the State should experience difficulty borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, should the State budget not be adopted in a timely manner, municipalities and school districts in the State, including the School District, may be affected by a delay in the payment of State aid.

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

The Tax Cuts and Jobs Act also made extensive changes to the deductibility of various taxes, including placing a cap of $10,000 on a taxpayer's deduction of state and local taxes (the "SALT Deduction Limitation"). While it cannot yet be predicted what precise effects the SALT Deduction Limitation will have for the State, it is possible that government officials at both the State and local level may find it politically more difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

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, including the diversion of federal resources to address the current COVID -19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition the potential fiscal impact of policies that may be processed 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 2020-2021 Budget authorizes the State Budget Director to make uniform reductions to appropriations (including the appropriations for State aid to school districts) if the State's Enacted 2020-2021 Budget becomes unbalanced because revenues fall below projections or expenditures rise above projections during a given period. The proposed reductions would be shared with the Legislature which would then have 10 days to prepare and adopt their own plan. If the Legislature does not do so, the Budget Director's proposed reductions would go into effect automatically.

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

The 2016-2017 State Budget included a school aid increase of $991 million over 2015-2016, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the Enacted 20162017 State Budget included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment (the "GEA"). The majority of the remaining increase ($100 million) related to Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. Such funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

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

The State's 2019-20 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and provided additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increased the Community Schools set-aside funding amount by $49.99 million to a total of $250 million. This increased funding was targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-20 Budget increased the minimum community schools funding amount from $75,000 to $100,000. This ensured all high-need districts across the State could apply the funds to a wide-range of activities.

Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget; but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid totals $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent.

The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income.

Provisions in the State's 2020-2021 Enacted Budget grant the Budget Director the authority to reduce "aid-to-localities" appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the New York State Division of the Budget. Aid-to-localities is a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and the State's not-for-profit partners. In addition, the Budget Director is authorized to withhold and reduce specific local aid payments during the fiscal year. The State's Enacted Budget is deemed out of balance for the fiscal year, and the Budget Director's powers are activated, if actual tax receipts are less than 99 percent of estimated tax receipts, or actual disbursements are more than 101 percent of estimated disbursements, as measured at three points during the year (April 1-30, May 1-June 30, and July 1-December 31). The State's 2020-2021 Enacted Budget is premised on the assumption that the Budget Director's powers will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. Due principally to the COVID-19 pandemic, reduced receipts are expected through State fiscal year 2024. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID_19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

As described above the amount of State aid to school districts is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. Although the State's 2019-2020 Enacted Budget was adopted on March 31, 2019 and the State's 2018-2019 Enacted Budget was adopted on March 30, 2018, both in advance of the April 1 deadline, the State's 2017-2018 Enacted Budget was adopted on April 9, 2017, a delay of approximately 8 days, and the State's 2020-21 Enacted Budget was adopted on April 2, 2020, a one-day delay. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of Federal aid for health care, education, transportation and other governmental purposes, as well as Federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this Federal aid may be subject to change under the Federal administration and Congress. Current Federal aid projections, and the assumptions on which they rely, are subject to revision because of changes in Federal policy and the impacts of the COVID-19 pandemic.

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

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.

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.

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2014-2015	$ 11,870,541	$ 8,144,571	68.61%
2015-2016	12,056,156	8,290,741	68.77
2016-2017	12,211,974	8,458,771	69.27
2017-2018	11,773,929	7,771,231	66.00
2018-2019	12,378,449	8,139,716	65.76
2019-2020 (Budgeted)	13,484,518	8,912,579	66.09
2020-2021 (Budgeted)	13,773,040	8,812,263	63.98

Source: Audited financial statements for the 2014-2015 fiscal year through the 2018-2019 fiscal year and the adopted budgets of the District for the 2019-2020 and 2020-2021 fiscal years. 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 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 State Comptroller for the past four fiscal years if the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	6.7
2018	No Designation	3.3
2017	No Designation	6.7
2016	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 State Comptroller's office released an audit report of the District on July 15, 2016. The purpose of the audit was to evaluate the accuracy of employees' leave accrual records for the period July 1, 2014 through January 31, 2016

Key Findings

- We found errors in the leave accrual records for nine of the 15 employees' records we reviewed. The cumulative effect of these errors is that, as of January 31, 2016, four employees' leave accrual balances were overstated by a total of almost 20 days, valued at $8,201, and two employees' leave accrual balances were understated by a total of more than one day, valued at $298.
- The former principal clerk and the District Treasurer were responsible for maintaining employees' leave accrual records without supervisory oversight and District officials did not perform periodic reviews of employee leave accrual balances to ensure their accuracy.

Key Recommendations

- Ensure that District personnel properly calculate and deduct leave time use from employee leave accrual balances and that accrued leave is both earned and carried over from one fiscal year to the next.
- Designate an individual who is independent of leave accrual record maintenance to periodically review leave accrual records and balances for accuracy.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller’s audits of the District that are currently in progress or pending release.

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

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds were issued is the Education Law and 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, 2019 and may be found attached hereto as Appendix C.

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:

	2016	2017	2018	2019	2020
Assessed Valuations:					
Bellmont	$ 72,342,681	$ 72,688,664	$ 76,658,166	$ 77,320,689	$ 77,949,829
Burke	26,747,090	26,769,969	38,396,510	38,717,519	38,738,830
Chateaugay	72,511,939	76,969,981	82,163,220	82,705,905	83,310,133
Clinton	12,435,673	12,924,292	13,332,225	13,580,698	13,875,521
Ellenburg	5,676,553	5,797,772	5,824,351	5,723,713	5,733,768
Total	$ 189,713,936	$ 195,150,678	$ 216,374,472	$ 218,048,524	$ 219,608,081
Equalization Rates:					
Bellmont	100.00%	104.00%	104.00%	100.00%	100.00%
Burke	100.00%	100.00%	100.00%	100.00%	100.00%
Chateaugay	94.00%	92.00%	85.00%	85.00%	81.00%
Clinton	100.00%	100.00%	100.00%	100.00%	100.00%
Ellenburg	100.00%	100.00%	100.00%	100.00%	100.00%
Full Valuations:					
Bellmont	$ 72,342,681	$ 69,892,946	$ 73,709,775	$ 77,320,689	$ 77,949,829
Burke	26,747,090	26,769,969	38,396,510	38,717,519	38,738,830
Chateaugay	77,140,361	83,663,023	96,662,612	97,301,065	102,852,016
Clinton	12,435,673	12,924,292	13,332,225	13,580,698	13,875,521
Ellenburg	5,676,553	5,797,772	5,824,351	5,723,713	5,733,768
Total	$ 194,342,358	$ 199,048,002	$ 227,925,473	$ 232,643,684	$ 239,149,964

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2016	2017	2018	2019	2020
Bellmont	$ 15.21	$ 14.55	$ 17.70	$ 13.12	$ 12.42
Burke	15.21	15.13	17.79	17.76	16.87
Chateaugay	16.18	16.45	16.03	15.94	15.79
Clinton	15.21	15.13	12.88	12.76	12.15
Ellenburg	15.21	15.13	12.81	12.87	12.02

Tax Collection Procedure

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

Tax Collection Record

Fiscal Year Ended June 30:	2016	2017	2018	2019	2020*
General Fund Tax Levy	$ 2,927,078	$ 2,971,559	$2,943,395	$2,870,882	$2,928,299
Levy for Library	29,625	39,625	39,625	39,625	$39,625
STAR Program	515,572	501,248	476,184	448,996	$448,996
Net Taxes After STAR Program	$ 2,441,131	$ 2,509,936	$2,506,836	$2,461,511	$2,518,928
Taxes Collected Prior to Return	2,096,811	2,178,186	2,060,468	2,120,620	$2,165,926
Uncollected Date of Return	$ 344,320	$ 331,750	$446,367	$340,891	$353,002
Percentage Collected Prior to Return	85.90%	86.78%	82.19%	86.15%	85.98%

Note: * Collection figures as of October 9, 2019.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2014-2015	$ 11,870,541	$ 2,899,245	24.42%
2015-2016	12,056,156	2,927,078	24.28
2016-2017	12,211,974	2,971,559	24.33
2017-2018	11,773,929	2,410,585	20.47
2018-2019	12,378,449	2,468,936	19.95
2019-2020 (Budgeted)	13,484,518	2,870,882	21.29
2020-2021 (Budgeted)	13,773,040	2,908,840	21.12

Source: Audited financial statements for the 2014-15 fiscal year through 2018-19 fiscal year and the adopted budgets of the District for the 2019-2020 and 2020-2021 fiscal years. This table is not audited

Major Taxpayers 2019

For 2019-20 Tax Roll

Name	Type	Full Value
New York State Electric and Gas	Utility	$8,268,104
Shipman Farm LLC	Farming	3,559,090
Trainer Real Estate LLC	Farming	3,482,897
Chateaugay C0-OP	Industry	3,109,877
Chateaugay Woodlands LLC	Industry	2,341,091
Triton Power Company	Utility	1,387,654
State of New York	State Owned Land	1,373,625
Bilow Farms Realty LLC	Farming	1,207,132
Sunset Lake Farm No2 LLC	Farming	1,117,100
Chateaugay Industrial Park	Industry	925,926
Total		$26,772,496

1. The above taxpayers represent 11.19% of the School District's 2019-20 Full value of $239,149,964

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, 2019 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 homeowners 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.

Real Property Tax Rebate

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings

Under Chapter 20, the eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. However, for many taxpayers, 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. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limitation Law.

While the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law. The implication of this for future tax levies and for operations and services of the District are uncertain at this time.

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 modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds.

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:	2015	2016	2017	2018	2019
Serial Bonds	$8,150,000	$6,975,000	$5,775,000	$5,155,000	$4,520,000
Bond Anticipation Notes	0	0	0	0	5,185,000
Installment Purchase Debt	53,737	36,350	18,443	0	0
Total Debt Outstanding	$8,203,737	$7,011,350	$5,793,443	$5,155,000	$9,705,000

Status of Outstanding Bond Issues

Year of Issue:	2012	
Amount Issued:	$7,710,053	
Final Maturity:	6/15/2027	
Interest Rate/ Instrument:	2.5682% - SB	
Purpose:	Building	

Fiscal Year Ending June 30:	Principal	Interest
2021	$ 530,000	$ 104,488
2022	540,000	93,225
2023	555,000	81,075
2024	570,000	67,200
2025	585,000	50,100
2026	600,000	32,550
2027	485,000	14,550
Totals:	$ 3,865,000	$ 443,188

Year of Issue:	2019		2020	
Amount Issued:	$5,325,000		$825,000	
Final Maturity:	6/15/2034		6/15/2034	
Interest Rate/ Instrument:	Various % - SB		1.680% - SB	
Purpose:	Building		Building	

Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2021	$ 380,000	$ 102,250	$ 55,000	$ 13,745
2022	325,000	94,650	50,000	12,936
2023	325,000	88,150	50,000	12,096
2024	325,000	81,650	55,000	11,256
2025	330,000	75,150	55,000	10,332
2026	345,000	68,550	55,000	9,408
2027	355,000	61,650	55,000	8,484
2028	345,000	54,550	60,000	7,560
2029	355,000	47,650	60,000	6,552
2030	360,000	40,550	65,000	5,544
2031	370,000	32,900	65,000	4,452
2032	375,000	25,038	65,000	3,360
2033	385,000	17,069	65,000	2,268
2034	395,000	8,888	70,000	1,176
Totals:	$ 4,970,000	$ 798,694	$ 825,000	$ 109,169

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2021	965,000	220,483	1,185,483	10.77%
2022	915,000	200,811	1,115,811	20.90%
2023	930,000	181,321	1,111,321	30.99%
2024	950,000	160,106	1,110,106	41.07%
2025	970,000	135,582	1,105,582	51.12%
2026	1,000,000	110,508	1,110,508	61.20%
2027	895,000	84,684	979,684	70.10%
2028	405,000	62,110	467,110	74.34%
2029	415,000	54,202	469,202	78.60%
2030	425,000	46,094	471,094	82.88%
2031	435,000	37,352	472,352	87.17%
2032	440,000	28,398	468,398	91.42%
2033	450,000	19,337	469,337	95.69%
2034	465,000	10,064	475,064	100.00%
Totals:	$ 9,660,000	$ 1,351,050	$ 11,011,050	

Outstanding Debt Service - Current and Subsequent Fiscal Years

Fiscal Year Ending June 30th	PRIOR TO REFUNDING BONDS			LESS REFUNDED BONDS DEBT SERVICE	REFUNDING BONDS			TOTAL NEW DEBT SERVICE
	Principal	Interest	Total		Principal	Interest	Total	
2021	$965,000	$220,483	$1,185,483	$ 634,488.	$ 545,000	$ 59,622	$ 604,622	1,155,617
2022	915,000	200,811	1,115,811	633,225	530,000	75,300	605,300	1,087,886
2023	930,000	181,321	1,111,321	636,075	545,000	64,700	609,700	1,084,946
2024	950,000	160,106	1,110,106	637,200	555,000	53,800	608,800	1,081,706
2025	970,000	135,582	1,105,582	635,100	565,000	42,700	607,700	1,078,182
2026	1,000,000	110,508	1,110,508	632,550	575,000	28,900	603,900	1,081,858
2027	895,000	84,684	979,684	499,550	460,000	14,200	474,200	954,334
2028	405,000	62,110	467,110					467,110
2029	415,000	54,202	469,202					469,202
2030	425,000	46,094	471,094					471,094
2031	435,000	37,352	472,352					472,352
2032	440,000	28,398	468,398					468,398
2033	450,000	19,337	469,337					469,337
2034	465,000	10,064	475,064					475,064
TOTALS	$9,660,000	$1,351,050	$11,011,050	$ 4,308,188	$3,775,000	$339,222	$4,114,222	$10,817,084

Status of Short-Term Indebtedness

The School District has no outstanding short-term indebtedness as of the date of this Official Statement

Cash Flow Borrowings

The District, historically, does not issue Tax and or Revenue Anticipation Notes

Capital Project Plans

The District is contemplating a proposed capital project of $4,070,000 with a planned voter referendum to be held in December 2020.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 85.3%.

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

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

Debt Statement Summary

As of September 16, 2020

Town		Taxable Assessed Valuation	State Equalization Rate		Taxable Full Valuation
Bellmont	$	77,949,829	100.00%	$	77,949,829
Burke		38,738,830	100.00%		38,738,830
Chateaugay		83,310,133	81.00%		102,852,016
Clinton		13,875,521	100.00%		13,875,521
Ellenburg		5,733,768	100.00%		5,733,768
Total				$	239,149,964
Debt Limit: 10% of Full Valuation				$	23,914,996
Inclusions:					
Serial Bonds				$	9,660,000 [2]
Bond Anticipation Notes					-
Principal of this Issue					3,775,000
Total Inclusions:				$	13,435,000
Exclusions:					
Building Aid Estimate [1]					$0
Total Exclusions:					$0
Total Net Indebtedness				$	13,435,000
Net Debt Contracting Margin				$	10,479,996
Percentage of Debt-Contracting Power Exhausted					56.18%

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

2 $3,865,000 of the Serial Bonds listed above are to be expected to be refunded with the proceeds of the bonds.

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Franklin	$ 213,339,273					
County	$ 3,548,232,453	6.01%	3,460,151	N/A	3,460,151	208,043
Clinton	$ 19,304,411					
County	$ 4,822,562,471	0.40%	57,443,025	N/A	57,443,025	229,941
Town of	$ 77,320,689					
Bellmont	$ 165,699,656	46.66%	115,387	N/A	115,387	53,843
Town of	$ 38,717,519					
Burke	$ 63,719,094	60.76%	120,000	N/A	120,000	72,915
Town of	$ 97,301,065				-	
Chateaugay	$ 97,301,065	100.00%	129,067	N/A	129,067	129,067
Town of	$ 13,580,698				-	
Clinton	$ 46,116,614	29.45%	-	N/A	-	-
Town of	$ 5,723,713				-	
Ellenburg	$ 122,084,170	4.69%	134,500	N/A	134,500	6,306
Village of	$ 24,774,914				-	
Chateaugay	$ 24,774,914	100.00%	725,000	N/A	725,000	725,000
Total						$ 1,425,116

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 September 16, 2020:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness	$ 13,435,000	$ 3,861.74	5.618%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 14,860,116	$ 4,271.38	6.214%

(a) The District's estimated population is 3,479 (Source: 2018 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2019-20 is $239,149,964.
Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the 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 relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

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

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

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent 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 tax status of interest on the Bonds.

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 C".

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 Timothy R. McGill, Esq., Fairport, New York, Bond Counsel under existing law, (1) interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum taxes imposed by the Code. 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).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Bonds from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Bonds are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing to be rebated on a periodic basis to the Treasury Department of the United States of America. The District will covenant in the Tax Certificates as to Arbitrage and Use of Proceeds and Instructions as to Compliance with Provisions of Section 103(a) of the Code, that, to maintain the Code, and for no other purpose, the District shall comply with each applicable provision of the Code.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel also has advised that (1) with respect to certain insurance companies, the Code reduces the deduction for loss reserves for a portion of the sum of certain items, including interest on the Bonds; (2) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by the Code; (3) passive investment income, including interest on the Bonds, may be subject to Federal income taxation under the Code for certain Subchapter S corporations that have certain earnings and profits; (4) the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in the determining the taxability of such benefits, receipts or accruals of interest on the Bonds; and (5) under the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income tax credit.

A Bondholder’s federal, state and local tax liability may otherwise be affected by the ownership of disposition of the Bonds. The nature and extent of these other consequences will depend upon the Bondholder’s other item of income or deduction. Bond Counsel has expressed no option regarding any such tax consequences. Each purchaser of the Bonds should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

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

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Bonds is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding the foregoing matters. Bond Counsel has not undertaken to advise.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinions of Timothy R. McGill Esq., Fairport, New York, Bond Counsel, each to the effect that the Bonds as the case may be, are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Bonds and the interest thereon without limitations as to rate or amount, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purpose of the federal alternative minimum tax impose on individuals and that interest on the Bonds is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest of the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Such opinion will state that (a) the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstance that may thereafter come to their attention or ant changes in law that may occur thereafter.

In particular, no opinion is expressed, or may be inferred, with respect to the direct or indirect effect of the COVID-19 pandemic and the federal, state and local government and private industry responses thereto (i) on the financial condition of the School District, or (ii) on the market price and fair market value of the Bonds at initial issuance or at any time thereafter.

Certain legal matters will be passed upon for the underwriter by its counsel, Barclay Damon LLP, Albany New York.

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.

UNDERWRITING

The Bonds are being purchased by Roosevelt & Cross Incorporated (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to $3,988,253.30 (being the par amount of the Bonds plus a net original issue premium of $236,847.05, less an underwriter's discount for the transaction of $23,593.75). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyberattacks, the District invests in various forms of cybersecurity and operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard again cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S & P") is expected to assign its bond rating "AA (stable outlook)" and Kroll is expected to assign its bond rating "AA+" (stable outlook) to the Insured Bonds based upon the issuance by Assured Guaranty Municipal Corp. The significance of the AGM policy as well as its terms and conditions can be obtained from Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019 (for information concerning AGM Policy, see APPENDIX - E hereto).

S&P Global Ratings has assigned its rating of "A+" with a "Stable" outlook to the Uninsured Bonds maturing in 2021 through 2023 and its underlying rating of "A+" with a "Stable" outlook to the Insured Bonds.. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating. Any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

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. 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. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

MISCELLANEOUS

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

Statements in 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.

Neither Timothy R. McGill, Esq., Fairport, New York, Bond Counsel to the District nor Barclay Damon LLP, Albany, New York, counsel to the Underwriter, expresses no 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: Loretta Fowler, Superintendent and Business Administrator, Phone (518) 497-6611, email: lfowler@chateaugaycsd.org.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix D – Specimen Municipal Bond Insurance Policy".

Chateaugay Central School District

Dated: September 16, 2020
Chateaugay, New York

Christopher Jarvis
President of The Board of Education
And Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019	Budget 2020	
Beginning Fund Balance - July 1	$2,660,786	$2,532,330	$2,804,836	$2,804,391	$1,528,806	$1,862,413	
Revenues:							
Real Property Taxes	$2,899,245	$2,927,078	$2,971,559	$2,410,585	$2,468,936	$2,870,882	
Other Tax Items	599,872	574,032	538,036	1,280,374	1,276,349	807,722	
Charges for Services	57,190	70,829	78,834	96,763	133,623	133,846	
Use of Money & Property	5,060	5,810	2,643	2,125	9,065	20,000	
Sale of Property/Comp. for Loss	15,049	58,209	16,074	11,418	10,539	23,000	
Miscellaneous	106,552	71,813	86,477	157,036	245,273	586,489	
Interfund Revenues	20,412	28,038	22,940	7,873	11,489	0	
State Aid	8,144,571	8,290,741	8,458,771	7,771,231	8,139,716	8,912,579	
Federal Aid	22,590	29,606	36,640	36,524	83,459	30,000	
Interfund Transfers	0	0	0			100,000	
Total Revenues	$11,870,541	$12,056,156	$12,211,974	$11,773,929	$12,378,449	$13,484,518	
Expenditures:							
General Support	$1,651,954	$1,711,377	$1,773,169	$1,783,005	$2,023,977	$2,666,031	
Instruction	5,379,371	5,186,181	5,491,023	5,370,723	5,477,051	6,000,833	
Transportation	559,960	579,114	579,684	687,398	646,180	518,156	
Community Services	0	0	0	0	0	0	
Employee Benefits	2,989,888	2,844,108	2,949,840	2,963,831	3,073,031	3,533,018	
Debt Service	1,408,680	1,413,307	1,406,707	791,382	797,869	1,369,480	
Interfund Transfer	9,144	10,199	11,996	952,216	0	20,000	
Total Expenditures	$11,998,997	$11,744,286	$12,212,419	$12,548,555	$12,018,108	$14,107,518	
Adjustments	0	(39,364.00)	0	(500,959.00)	(26,734.00)	0	
Year End Fund Balance	$2,532,330	$2,804,836	$2,804,391	$1,528,806	$1,862,413	$1,239,413	E
Excess (Deficit) Revenues Over Expenditures	($128,456)	$311,870	($445)	($774,626)	$360,341	($623,000)	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 – Budget Summary

2020-21 Adopted Budget	
Revenues:	
Real Property Taxes	$2,908,840
Other Tax Items	8,560
Payment in Lieu of Taxes	801,975
Use of Money & Property	23,000
Miscellaneous	151,346
Inter Fund Transfer	75,343
State Aid	8,812,263
Federal Aid	30,000
Bond Anticipation Note	355,713
Appropriated Fund Balance	606,000
Total Revenues	$13,773,040
Expenditures:	
General Support	$2,453,027
Instruction	5,923,797
Transportation	531,608
Debt Service	1,257,087
Employee Benefits	3,554,521
Interfund Transfer	53,000
Total Expenditures	$13,773,040

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

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Assets:					
Unrestricted Cash	$1,564,390	$1,721,082	$1,346,143	$745,108	$661,731
Restricted Cash	315,113	313,047	304,855	251,780	260,448
Accounts Receivable	0	0	13,422	18,248	12,618
Due from Other Funds	622,765	558,207	441,099	512,926	575,404
Due From State & Federal	723,917	798,355	1,191,978	727,317	903,969
Due From Other Governments	12,239	16,622	20,579	8,277	1
Total Assets	$3,238,424	$3,407,313	$3,318,076	$2,263,656	$2,414,171
Liabilities:					
Accrued Liabilities	$1,164	$15,236	$0	$17,936	$586
Due to Other Funds	9,144	39,364	10,556	233,825	55,356
Due to State Teachers' Retirement System	643,280	497,075	457,655	377,280	441,523
Due to Employees' Retirement System	52,506	50,802	45,474	47,937	54,293
Total Liabilities:	$706,094	$602,477	$513,685	$676,978	$551,758
Fund Balances:					
Restricted	$315,114	$313,047	$304,855	$251,780	$260,448
Assigned:					
Appropriated Fund Balance	575,000	575,000	1,465,000	575,000	575,000
Unassigned					
Unappropriated Fund Balance	1,642,216	1,916,789	1,034,536	759,898	1,026,965
Total Fund Balance	$2,532,330	$2,804,836	$2,804,391	$1,586,678	$1,862,413
Total Liabilities and Fund Balance	$3,238,424	$3,407,313	$3,318,076	$2,263,656	$2,414,171

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

<u>APPENDIX B</u>

Audited Financial Statements

For The Fiscal Year Ended June 30, 2019

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

CHATEAUGAY CENTRAL SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2019 AND 2018

Contents

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA *STEPHEN P. WOOD, CPA*

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Chateaugay Central School District
Chateaugay, New York 12920

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Chateaugay Central School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the District's 2018 financial statements, and in our report dated October 1, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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 of 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.

206 W Bay Plz • Plattsburgh, NY 12901 • Phone 518-561-3790 • Fax 518-561-4044 • cbtt@cbtt.net

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Chateaugay Central School District, as of June 30, 2019, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 10), budgetary comparison information (pages 51 & 52), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 55) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 56-59) 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 inquires, 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.

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chateaugay Central School District's basic financial statements as a whole. The Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures and Net Investment in Capital Assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2019, on our consideration of the Chateaugay Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chateaugay Central School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
September 12, 2019

Chateaugay Central School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2019

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019.

Financial Highlights

Revenues totaled $13.7 million. Program revenues accounted for $1.3 million or 9.3% of total revenues, and general revenues accounted for $12.4 million or 90.7%.

The District's net position was approximately negative $22.6 million.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

- Fiduciary funds statements provide information about the financial relationships in which the district acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year.

District-wide Statements

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

The two district-wide statements report the district's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the district's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

In the district-wide financial statements, the District's activities are divided into two categories:

- Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

- Business-type activities: The District has no business-type activities at this time.

Fund Financial Statements

The fund financial statements provide more detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions.

The District has two kinds of funds:

- Governmental Funds: Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the notes to the financial statements.

- Fiduciary funds: The District is the trustee, or fiduciary, for its scholarship program and 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 district-wide financial statements because the assets cannot be utilized by the District to finance its operations.

Financial Analysis of the District as a Whole

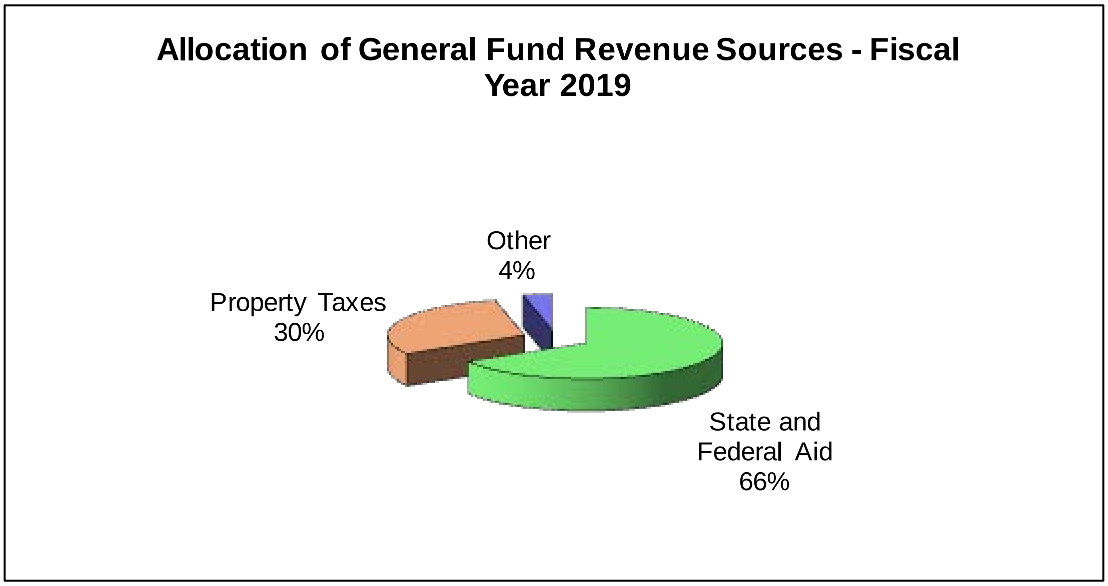
CHATEAUGAY CENTRAL SCHOOL DISTRICT
CONDENSED STATEMENT OF NET POSITION

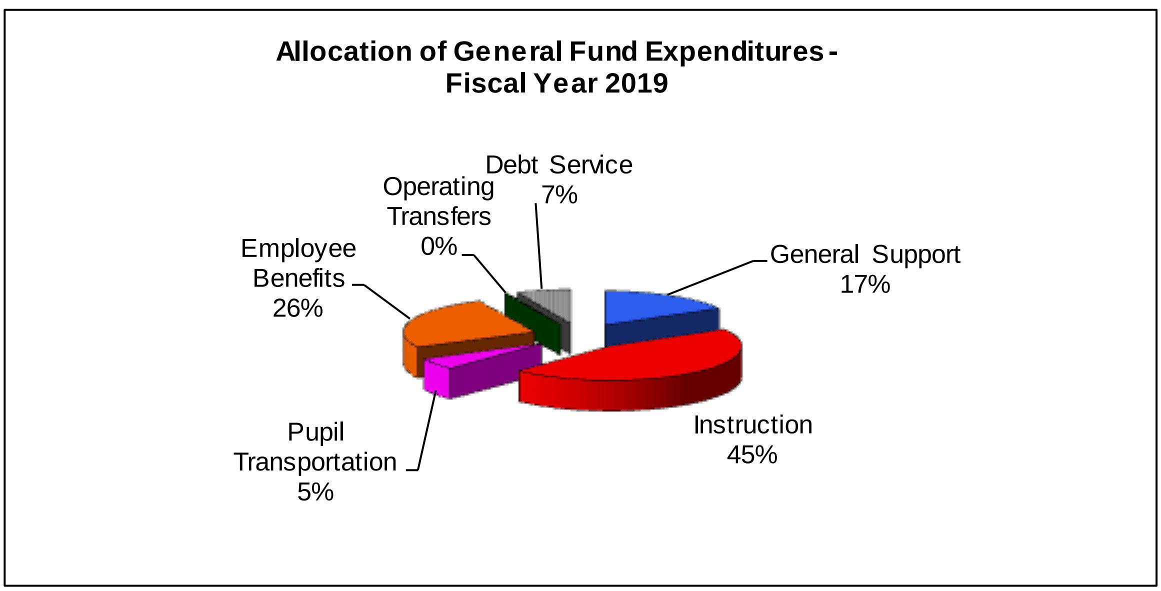
	6/30/2019	Restated 6/30/2018
ASSETS		
Current and other assets	$ 5,726,157	$ 2,721,763
Capital assets, net	20,876,674	18,176,288
Total Assets	26,602,831	20,898,051
Pensions & OPEB	3,461,451	3,684,408
Total Assets and Deferred Outflows of Resources	30,064,282	24,582,459
LIABILITIES		
Long-term debt outstanding	$ 36,345,968	$ 37,075,680
Other liabilities	6,071,702	473,296
Total Liabilities	42,417,670	37,548,976
Pensions & OPEB	10,258,323	11,907,834
NET POSITION		
Net investment in capital assets	13,592,739	13,021,288
Restricted	260,448	251,780
Unrestricted	(36,464,898)	(38,147,419)
Total Net Position	(22,611,711)	(24,874,351)
Total Liabilities, Deferred Inflows and Net Position	$ 30,064,282	$ 24,582,459

CHATEAUGAY CENTRAL SCHOOL DISTRICT
CHANGES IN NET POSITION FROM OPERATING RESULTS

REVENUES		
Program Revenues:		
Charges for services	$ 78,283	$ 88,188
Operating grants	1,194,575	1,287,616
General Revenues:		
Real property taxes	2,468,936	2,410,585
Other tax items/star aid	1,276,349	1,280,374
Charges for services	1,598	7,007
Other districts and governments	132,025	89,756
Use of money and property	9,065	2,125
Sale of property and compensation for loss	10,539	11,418
Miscellaneous	259,786	157,036
Interfund revenue	11,489	7,873
State sources	8,185,698	7,713,359
Federal sources	83,459	36,524
Total Revenues	13,711,802	13,091,861
EXPENSES		
General support	2,554,787	2,348,443
Instruction	6,330,390	6,474,756
Pupil transportation	603,025	486,772
Employee benefits	1,548,649	2,607,296
Debt service - interest	162,214	152,300
School lunch program	250,097	244,564
Total Expenses	11,449,162	12,314,131
Increase in Net Position	$ 2,262,640	$ 777,730

The graphs below illustrate the allocation of general fund revenues and expenditures.





Financial Analysis of the District's Funds – Fund Balances

The District's governmental funds (as presented on the balance sheet on page 13) reported a combined fund balance of negative $0.8 million, which is down from last year's total of $2.1 million. These figures represent all of the District's governmental funds, which include the General, Special Revenue, and Capital Project Funds. The General Fund fund balance figures below reflect Unassigned, Appropriated Fund Balance, as well as the District's strategic reserves.

	Current Year	Restated Prior Year	Change	Percent Change
General Fund	$ 1,862,413	$ 1,528,806	$ 333,607	21.82%
Special Revenue Fund	$ 57,436	$ 65,752	$ (8,316)	-12.65%
Capital Fund	$ (2,742,391)	$ 419,190	$ (3,161,581)	-754.21%

General Fund Budgetary Highlights

The District's budget is prepared in accordance with New York law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District under spent its budget by $923,644 and received $92,487 less in revenue than budgeted. Overall, the District continues to have a positive fund balance of $1.9 million, a portion of which the Board of Education decided to place in reserves for Unemployment, Retirement contributions, Repairs, Retirement of long-term debt and Employee benefits.

Capital Assets

The District has $20,876,674 invested in capital assets net of depreciation. Refer to page 33 for details of capital assets.

Long-Term Debt

At June 30, 2019, the District had $4,520,000 in outstanding bonds payable as compared to $5,155,000 at June 30, 2018. During the year the District paid $635,000 in principal and $136,869 in interest.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The 2019-2020 budget development process was hampered at the beginning with a negative -2.46 tax cap. The Board of Education considered overriding the tax cap for the second consecutive time by bringing the tax levy limit to zero percent (0.00%). However, a last minute discovery with a foster care placement and an increase of $138,059 in foundation aid allowed us to adjust the budget to stay with the tax cap limit. The tax levy of $2,870,882 is a *decrease* of $72,513 over last year's tax payer share.

In building this budget, we also worked to address cash flow concerns that have arisen due to maintaining the state mandated four percent (4%) fund balance. With this in mind, we elected to lease two buses versus purchasing them outright. The two installment purchases total $36,500 rather than over $200,000. Though the equipment budget decreased significantly, the maintenance department needed to replace the tractor and implements that are used for snow removal. An additional $30,000 was also budgeted to replace deteriorated and frayed carpets with tile flooring in the elementary school.

The largest expenditures in the budget are attributed to the issuance of Bond Anticipation Note (BAN) principal and interest payments for the District and the Franklin, Essex, Hamilton BOCES Capital Improvements Projects. The BAN principal payment for the District Capital Improvements project is $290,000 and the interest payment is $53,250. The District payment to BOCES for their Capital Improvements Project is $531,789. The principal payment for this BAN $62,502 and the interest payment is $17,165. We will have one more installment payment to BOCES in the 2020-2021 school year to fulfill our commitment to their project.

We were fortunate to receive a generous donation from the Watson family to support the Distance Learning initiative for high school students. The donated funds were designated to purchase the equipment and furniture for the distance learning space and offset the cost for acquiring the service through NERIC during this budget cycle.

Over the past few audits, expenditures for BOCES special education services through Franklin Essex Hamilton and Champlain Valley BOCES along with expenditures for placement of students in programs in other districts, and foster care have continued to increase and impact our general education funding. This year, we reduced the number of BOCES special education classrooms from two down to one. This action was taken after looking at the long range enrollment of our high needs students. Over the next 2 years, five students will graduate from the program. With the Chasm Road residential facility converting from an Intermediate Care Facility (ICF) to an Individualized Residential Alternative (IRA), the general population age range will be 21-65. The ARC will no longer specialize in school age placements.

The District continues to seek methods to increase revenues and decrease unplanned expenditures during our 2020-2021 budget planning process.

Contacting the District's Financial Management

This financial report is designated to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Superintendent, Chateaugay Central School District, and P.O. Box 904, Chateaugay, NY 12920.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 1**

STATEMENTS OF NET POSITION
June 30, 2019 and 2018

ASSETS	June 30, 2019	Restated June 30, 2018
Cash:		
Unrestricted	$ 764,805	$ 893,834
Restricted	3,045,088	536,061
Receivables:		
State and federal aid receivable	1,437,503	1,047,172
Due from other governments	1	8,277
Other receivables	52,087	51,859
Due from fiduciary funds	2,462	2,455
Inventories	4,857	4,374
Capital assets	20,876,674	18,176,288
Net pension asset-proportionate share	419,354	177,731
Total Assets	26,602,831	20,898,051
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	2,435,388	2,685,802
OPEB (GASB 75)	1,026,063	998,606
Total Deferred Outflows of Resources	3,461,451	3,684,408
Total Assets and Deferred Outflows of Resources	$ 30,064,282	$ 24,582,459
LIABILITIES		
Payables:		
Accrued liabilities	$ 362,106	$ 17,936
Bond anticipation notes payable	5,185,000	-
Due to teachers' retirement	441,523	377,280
Due to employees' retirement	54,293	47,937
Unearned revenue	23,773	24,493
Due to other governments	37	25
Accrued interest	4,970	5,625
Long-term liabilities		
Due and payable within one year:		
Bonds payable-current	655,000	635,000
Due and payable after one year		
Bonds payable - non-current	3,865,000	4,520,000
Compensated absences payable	298,642	269,424
Other post employment benefits	31,258,176	31,535,297
Net pension liability-proportionate share	269,150	115,959
Total Liabilities	42,417,670	37,548,976
DEFERRED INFLOWS OF RESOURCES		
Pensions	637,046	890,160
OPEB (GASB 75)	9,621,277	11,017,674
Total Deferred Inflows of Resources	10,258,323	11,907,834
NET POSITION		
Net investment in capital assets	13,592,739	13,021,288
Restricted	260,448	251,780
Unrestricted	(36,464,898)	(38,147,419)
Total Net Position	(22,611,711)	(24,874,351)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 30,064,282	$ 24,582,459

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 2**

STATEMENT OF ACTIVITIES
Years Ended June 30, 2019 and 2018

FUNCTIONS/ PROGRAMS	June 30, 2019 EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	Restated June 30, 2018 NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
General support	$ (2,554,787)	$ -	$ -	$ (2,554,787)	$ (2,348,443)
Instruction	(6,330,390)	-	1,015,653	(5,314,737)	(5,343,082)
Pupil transportation	(603,025)	-	-	(603,025)	(486,772)
Employee benefits	(1,548,649)	-	-	(1,548,649)	(2,607,296)
Debt service - interest	(162,214)	-	-	(162,214)	(152,300)
School lunch program	(250,097)	78,283	178,922	7,108	(434)
Total Functions and Programs	$ (11,449,162)	$ 78,283	$ 1,194,575	(10,176,304)	(10,938,327)
GENERAL REVENUES					
Real property taxes				2,468,936	2,410,585
Other tax items/star aid				1,276,349	1,280,374
Charges for services				1,598	7,007
Other districts and governments				132,025	89,756
Use of money and property				9,065	2,125
Sale of property and compensation for loss				10,539	11,418
Miscellaneous				259,786	157,036
Interfund revenue				11,489	7,873
State sources				8,185,698	7,713,359
Federal sources				83,459	36,524
Total General Revenues				12,438,944	11,716,057
Change in Net Position				2,262,640	777,730
Total Net Position - Beginning of Year				(24,874,351)	(25,652,081)
Total Net Position - End of Year				$ (22,611,711)	$ (24,874,351)

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 3**

BALANCE SHEETS-GOVERNMENTAL FUNDS
June 30, 2019 and 2018

	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	**6/30/2019 TOTAL**	Restated 6/30/2018 TOTAL
ASSETS					
Cash	$ 661,731	$ 103,074	$ -	**$ 764,805**	$ 893,834
Restricted cash	260,448	-	2,784,640	**3,045,088**	536,061
Due from other funds	575,404	26,119	29,237	**630,760**	746,750
Due from other governments	1	-	-	**1**	8,277
Accounts receivable	12,618	39,469	-	**52,087**	51,859
State and federal aid receivable	903,969	466,858	4,063	**1,374,890**	984,559
Inventories	-	4,857	-	**4,857**	4,374
Total Assets	$ 2,414,171	$ 640,377	$ 2,817,940	**$ 5,872,488**	$ 3,225,714
LIABILITIES					
Accrued liabilities	$ 586	$ -	$ 361,520	**$ 362,106**	$ 17,936
Bond anticipation notes payable	-	-	5,185,000	**5,185,000**	-
Unearned revenue	-	23,773	-	**23,773**	24,493
Due to other governments	-	37	-	**37**	25
Due to other funds	55,356	559,131	13,811	**628,298**	744,295
Due to teachers' retirement system	441,523	-	-	**441,523**	377,280
Due to employees' retirement system	54,293	-	-	**54,293**	47,937
Total Liabilities	551,758	582,941	5,560,331	**6,695,030**	1,211,966
FUND BALANCES					
Nonspendable	-	4,857	-	**4,857**	423,564
Restricted					
Unemployment insurance reserve	13,661	-	-	**13,661**	16,724
Retirement reserve - ERS	65,954	-	-	**65,954**	65,843
Employee benefits liability reserve	118,807	-	-	**118,807**	118,605
Repair reserve	20,181	-	-	**20,181**	20,146
Retirement of long-term debt	41,845	-	-	**41,845**	30,462
Assigned					
School lunch	-	52,579	-	**52,579**	61,378
Appropriated fund balance	575,000	-	-	**575,000**	575,000
Unassigned	1,026,965	-	(2,742,391)	**(1,715,426)**	702,026
Total Fund Balances	1,862,413	57,436	(2,742,391)	**(822,542)**	2,013,748
Total Liabilities and Fund Balances	$ 2,414,171	$ 640,377	$ 2,817,940	**$ 5,872,488**	$ 3,225,714

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 4**

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Years Ended June 30, 2019 and 2018

	General	Special Revenue	Capital Projects	6/30/2019 TOTAL	Restated 6/30/2018 TOTAL
REVENUES					
Real property taxes	$ 2,468,936	$ -	$ -	**$ 2,468,936**	$ 2,410,585
Other real property tax items	1,276,349	-	-	**1,276,349**	1,280,374
Charges for services	1,598	-	-	**1,598**	7,007
Other districts and governments	132,025	-	-	**132,025**	89,756
Use of money and property	9,065	-	-	**9,065**	2,125
Sale of property and compensation for loss	10,539	-	-	**10,539**	11,418
Miscellaneous	245,273	-	-	**245,273**	157,036
Interfund revenue	11,489	-	-	**11,489**	7,873
State sources	8,139,716	611,527	45,982	**8,797,225**	8,277,069
Federal sources	83,459	583,048	-	**666,507**	760,430
Sales	-	78,283	-	**78,283**	88,188
Total Revenues	12,378,449	1,272,858	45,982	**13,697,289**	13,091,861
EXPENDITURES					
General support	2,023,977	-	-	**2,023,977**	1,783,005
Instruction	5,477,051	833,817	-	**6,310,868**	6,323,646
Pupil transportation	646,180	-	-	**646,180**	687,398
Employee benefits	3,073,031	238,507	-	**3,311,538**	3,217,579
Debt service	797,869	-	-	**797,869**	791,382
Capital outlay	-	-	3,207,563	**3,207,563**	470,810
Cost of sales	-	250,097	-	**250,097**	244,564
Total Expenditures	12,018,108	1,322,421	3,207,563	**16,548,092**	13,518,384
Excess (Deficit) of Revenues over Expenditures	360,341	(49,563)	(3,161,581)	**(2,850,803)**	(426,523)

OTHER SOURCES AND USES					
BAN Premium	14,513	-	-	**14,513**	-
Operating Transfers In	-	41,247	-	**41,247**	952,216
Operating Transfers (Out)	(41,247)	-	-	**(41,247)**	(952,216)
Total Other Sources and Uses	(26,734)	41,247	-	**14,513**	-
Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses	333,607	(8,316)	(3,161,581)	**(2,836,290)**	(426,523)
Fund Balances, Beginning of Year	1,528,806	65,752	419,190	**2,013,748**	2,440,271
Fund Balances, End of Year	$ 1,862,413	$ 57,436	$ (2,742,391)	**$ (822,542)**	$ 2,013,748

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 5**

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2019 and 2018

	Private Purpose Trusts	Agency	**6/30/2019 Total**	6/30/2018 Total
ASSETS				
Unrestricted cash	$ -	$ 116,052	**$ 116,052**	$ 122,297
Restricted cash	288,631	-	**288,631**	281,050
Total Assets	$ 288,631	$ 116,052	**$ 404,683**	$ 403,347
LIABILITIES				
Extraclassroom activity balance	$ -	$ 111,695	**$ 111,695**	$ 115,409
Due to other funds	-	2,462	**2,462**	2,455
Other liabilities	-	1,895	**1,895**	4,433
Total Liabilities	-	116,052	**116,052**	122,297
NET POSITION				
Reserved for scholarships	288,631	-	**288,631**	281,050
Total Net Position	288,631	-	**288,631**	281,050
Total Liabilities and Net Position	$ 288,631	$ 116,052	**$ 404,683**	$ 403,347

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 6**

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended June 30, 2019 and 2018

	6/30/2019	6/30/2018
	Private Purpose Trust	Private Purpose Trust
ADDITIONS		
Gifts and contributions	**$ 54,434**	$ 134,455
Earnings on investments	**314**	15
Total Additions	**54,748**	134,470
DEDUCTIONS		
Scholarship awards	**47,167**	37,154
Total Deductions	**47,167**	37,154
Changes in Net Position	**7,581**	97,316
Net Position, Beginning of Year	**281,050**	183,734
Net Position, End of Year	**$ 288,631**	$ 281,050

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 7**

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Cash	$ 764,805	$ -	$ -	$ 764,805
Restricted cash	3,045,088	-	-	3,045,088
Due from other funds	630,760	-	(628,298)	2,462
Due from other governments	1	-	-	1
Accounts receivable	52,087	-	-	52,087
State and federal aid receivable	1,374,890	62,613	-	1,437,503
Inventories	4,857	-	-	4,857
Fixed assets	-	20,876,674	-	20,876,674
Net pension asset - proportionate share	-	419,354	-	419,354
Total Assets	5,872,488	21,358,641	(628,298)	26,602,831
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	2,435,388	-	2,435,388
OPEB (GASB 75)	-	1,026,063	-	1,026,063
Total Assets and Deferred Outflows of Resources	$ 5,872,488	$ 24,820,092	$ (628,298)	$ 30,064,282
LIABILITIES				
Accrued interest	$ -	$ 4,970	$ -	$ 4,970
Accrued liabilities	362,106	-	-	362,106
Bond anticipation notes payable	5,185,000	-	-	5,185,000
Unearned revenue	23,773	-	-	23,773
Due to other funds	628,298	-	(628,298)	-
Due to other governments	37	-	-	37
Due to teachers' retirement system	441,523	-	-	441,523
Due to employees' retirement system	54,293	-	-	54,293
Bonds payable	-	4,520,000	-	4,520,000
Compensated absences	-	298,642	-	298,642
Other post employment benefits	-	31,258,176	-	31,258,176
Net pension liability-proportionate share	-	269,150	-	269,150
Total Liabilities	6,695,030	36,350,938	(628,298)	42,417,670
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	637,046	-	637,046
OPEB (GASB 75)	-	9,621,277	-	9,621,277
Total Deferred Inflows of Resources	-	10,258,323	-	10,258,323
FUND BALANCE/NET POSITION				
Total Fund Balance/ Net Position	(822,542)	(21,789,169)	-	(22,611,711)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 5,872,488	$ 24,820,092	$ (628,298)	$ 30,064,282

See Notes to the Financial Statements.

CHATEAUGAY CENTRAL SCHOOL DISTRICT **EXHIBIT 8**

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	$ 2,468,936	$ -	$ -	$ -	$ -	$ 2,468,936
Other real property tax items	1,276,349	-	-	-	-	1,276,349
Charges for services	1,598	-	-	-	-	1,598
Other districts and governments	132,025	-	-	-	-	132,025
Use of money and property	9,065	-	-	-	-	9,065
Sale of property and compensation for loss	10,539	-	-	-	-	10,539
Miscellaneous	245,273	-	-	-	-	245,273
Interfund revenue	11,489	-	-	-	-	11,489
State sources	8,797,225	-	-	-	-	8,797,225
Federal sources	666,507	-	-	-	-	666,507
Sales	78,283	-	-	-	-	78,283
Total Revenues	13,697,289	-	-	-	-	13,697,289
EXPENDITURES						
General support	2,023,977	-	530,810	-	-	2,554,787
Instruction	6,310,868	-	19,522	-	-	6,330,390
Pupil transportation	646,180	-	(43,155)	-	-	603,025
Employee benefits	3,311,538	(1,762,889)	-	-	-	1,548,649
Debt service	797,869	(655)	-	(635,000)	-	162,214
Capital outlay	3,207,563	-	(3,207,563)	-	-	-
Cost of sales	250,097	-	-	-	-	250,097
Total Expenditures	16,548,092	(1,763,544)	(2,700,386)	(635,000)	-	11,449,162
Excess (Deficit) of Revenues over Expenditures	(2,850,803)	1,763,544	2,700,386	635,000	-	2,248,127
OTHER SOURCES AND USES						
BAN Premium	14,513	-	-	-	-	14,513
Operating Transfers In	41,247	-	-	-	(41,247)	-
Operating Transfers Out	(41,247)	-	-	-	41,247	-
Total Other Sources and Uses	14,513	-	-	-	-	14,513
Net Change for the Year	$ (2,836,290)	$ 1,763,544	$ 2,700,386	$ 635,000	$ -	$ 2,262,640

See Notes to the Financial Statements.

Note 1. Summary of Significant Accounting Policies

A. Reporting entity: The Chateaugay Central School District (the "District") is governed by the Education Law and other general laws of the State of New York. The governing body is the Board of Education of Chateaugay Central School (Board). The Board is the basic level of government, which has oversight responsibilities and control over all activities related to the public school education in the region of Chateaugay Central School District. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

   Extra Classroom Activity Funds: The Extra Classroom Activity Funds of the Chateaugay Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the School District.

B. Basis of presentation

   1. 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 nonexchange transactions.

      The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

   2. Fund Functional Statements

      The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are

Note 1. Summary of Significant Accounting Policies (continued)

presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column. The District elects to report all governmental funds as major funds.

The District reports the following major governmental funds:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources, except those accounted for in another fund.

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

- School Lunch Fund - used to account for transactions for the School District lunch and milk programs.

- Special Aid Fund - used to account for special operating projects or programs supported in whole, or in part, with federal funds or state grants.

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

Debt Service - the debt service funds are to account for the accumulation of resources and the payment of general long-term debt principal and interest.

Fiduciary Fund - the fiduciary funds consist of expendable trust and non-expendable trust that are used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Expendable trust includes scholarship funds and extra classroom activity funds. Non-expendable trust are agency funds that are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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.

C. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal

Note 1. Summary of Significant Accounting Policies (continued)

value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

a. Prepaids and inventory-type items are recognized at the time of purchase.

b. Principal and interest on indebtedness are not recognized as an expenditure until due.

c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

d. Pension costs are recognized as an expenditure when billed by the state.

e. The School District recognizes the cost of providing post-retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.

D. Inventories: Inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.

E. Capital assets: Capital assets are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial cost of $1,500 or more and an estimated useful life in excess of one year. Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the School District, and are also reflected in the general fixed asset group of accounts. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Note 1. Summary of Significant Accounting Policies (continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	Estimated Useful Life
Land Improvements	20 years
Buildings and improvements	50 years
Furniture, equipment and vehicles	5 - 20 years

F. Unearned revenue: Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the 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 Unearned revenues is removed and revenues are recognized.

G. Retirement plan: The School District provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.

H. General long-term debt: Bonds, capital notes, and bond anticipation notes issued for capital projects are recognized when issued.

I. Budgetary Procedures and Budgetary Accounting

1) General

The School District's policy relating to budgetary information as shown in the accompanying financial statements is as follows:

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the School District. Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred. The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types. Budget appropriations lapse at year-end.

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

Note 1. Summary of Significant Accounting Policies (continued)

Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

J. Equity Classifications:

District- wide statements:

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

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

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

Unrestricted net position – reports the balance of 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.

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.

Fund statements:

In the fund basis 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 the inventory recorded in the School Lunch Fund of $4,857.

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 School District has established the following restricted fund balances:

Note 1. Summary of Significant Accounting Policies (continued)

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

Unemployment Insurance
According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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 she School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Retirement Contributions
According to General Municipal Law §6-r, 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.

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

Note 1. Summary of Significant Accounting Policies (continued)

Debt Service
According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement.

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.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2019.

Assigned – Includes amounts that are constrained by the school 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 in the General Fund. There were no encumbrances reported in the General Fund.

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 School District.

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance

Note 1. Summary of Significant Accounting Policies (continued)

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. Assignments of fund balance cannot cause a negative unassigned fund balance.

K. Reclassifications: Certain amounts in the 2018 financial statements may have been reclassified to conform to the 2019 presentation.

L. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2019 and September 12, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

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

N. Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. Next, are the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Position. This amount represents contributions 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 qualifiy for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net positon. This represents the effect of the net change in the District's proportion of the collective net

Note 1. Summary of Significant Accounting Policies (continued)

pension liability (ERS/TRS Systems) and the difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The last item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effects of the new changes in assumptions or other inputs and differences between expected and actual experience.

O. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2019.

GASB has issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.*

Note 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 differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities:

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

Components of these differences follow:

Original Cost of Capital Assets	$	34,562,525
Accumulated Depreciation		13,685,851
	$	20,876,674

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables over 60 days) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the Statement of Net Position.

Long-term assets are reported in the Statements of Net Position, but are not in governmental funds, because they are not available in the current period.

Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Serial Bonds	$	4,520,000
Other Post Employment Benefits		31,258,176
Compensated Absences		298,642
	$	36,076,818

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1. Long-Term Revenue Differences

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

2. 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.

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

3. 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.

4. Other Post-Employment Benefits

   Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 75 requires an actuarial calculation of the future liability and to record the OPEB Obligation in the Statement of Net Position.

5. 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.

Explanation of Differences Between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds (Exhibit 4)	$ 13,697,289
No adjustments in current fiscal year	-
Total revenues of governmental activities in the Statement of Activities (Exhibit 8)	$ 13,697,289

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Exhibit 4)	$ 16,548,092
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned during the year exceeded the amount used.	29,218
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation expense in the current year.	(2,700,386)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities,	(635,000)
The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the Annual OPEB Cost exceeded the premiums paid.	(1,700,975)
In the Statement of Activities, accrued interest expense is measured by the amount accrued at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Accrued interest was less than the amount accrued in the prior year.	(655)
(Increases) decreases in proportionate share of net pensions asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.	
Teachers' Retirement System	(116,851)
Employees' Retirement System	25,719
Total expenses of governmental activities in the Statement of Activities (Exhibit 8)	$ 11,449,162

Note 3. Cash and Investments

According to the New York State Education Law, the Board may invest the District's money in special time-deposit accounts or certificates of deposit; however, such time-deposit accounts or certificates of deposit must be made in the name of the district and payable in time for the proceeds to be available to meet expenditures for which the money was obtained. Furthermore, the time-deposit account or certificates of deposit must be secured "by a pledge of obligations of the United States of America, or obligations of the State of New York or obligations of any municipal corporation, district or district corporation of the State of New York".

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of municipalities, school districts, or district corporations other than the one investing the money.

The district may make a variety of short-term investments that include the purchase of United States Treasury bills, United States Treasury certificates of indebtedness or United States Treasury notes and bonds. In addition, it may invest in negotiable certificates of deposit.

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the School's name.

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 June 30, 2019 was $3,045,088.

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2019 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	$ 575,404	$ 55,356	$ -	$ 41,247
Capital projects	29,237	13,811	-	-
Trust and Agency	-	2,462	-	-
Special revenue:				
Special aid	26,119	559,131	41,247	-
Total	$ 630,760	$ 630,760	$ 41,247	$ 41,247

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The School District typically transfers money from the General Fund to the Special Aid Fund for its share of special aid programs.

Note 4. Interfund Balances and Activity (continued)

The district typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

Note 5. Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets that				
are not depreciated:				
Land	$ 16,350	$ -	$ -	$ 16,350
Construction in progress	470,810	3,207,564	-	3,678,374
	487,160	3,207,564	-	3,694,724
Capital assets that				
are depreciated:				
Land Improvements	626,854	-	-	626,854
Buildings	27,555,306	7,273	-	27,562,579
Furniture & Equipment	2,613,944	239,625	(175,201)	2,678,368
Total depreciable historical cost	30,796,104	246,898	(175,201)	30,867,801
Less accumulated depreciation:				
Land Improvements	467,723	31,064	-	498,787
Buildings	10,729,484	552,402	-	11,281,886
Furniture & Equipment	1,909,769	170,610	(175,201)	1,905,178
Total accumulated depreciation	13,106,976	754,076	(175,201)	13,685,851
Total depreciable historical cost, net	17,689,128	(507,178)	-	17,181,950
Total Capital Assets	$ 18,176,288	$ 2,700,386	$ -	$ 20,876,674

Depreciation was charged to governmantal functions as follows:

	6/30/2019
General support	$ 565,651
Instruction	24,977
Pupil Transportation	163,448
	$ 754,076

Note 6. Compensated Absences

Compensated absences consist of unpaid accumulated annual vacation time.

District employees are granted vacation in varying amounts, based primarily on length of service and service position.

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

In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

Note 7. Indebtedness

Short-term Debt:

Bond Anticipation Notes – Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. 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. The School District has two BAN's outstanding. The interest rate on the BANs is 2.0%. The BANs had an outstanding balance of $5,185,000 at June 30, 2019.

The following is a summary of changes in short-term debt:

	Balance 6/30/2018	Additions	Deletions	**Balance 6/30/2019**
Bond Anticipation Notes	$ -	$ 1,500,000	$ 1,500,000	**$ -**
Bond Anticipation Notes	-	950,000	-	950,000
Bond Anticipation Notes	-	4,235,000	-	4,235,000
	$ -	$ 6,685,000	$ 1,500,000	$ 5,185,000

Note 7. Indebtedness (continued)

BANs are comprised of the following:

Payee	Interest Rate	Date Issued	Maturity Date	Purpose	Balance 6/30/2019
Oppenheimer & Co.	3.0%	11/28/2018	6/26/2019	Construction	$ -
Oppenheimer & Co.	2.0%	5/15/2019	12/19/2019	Construction	950,000
Jefferies LLC	2.0%	6/25/2019	12/19/2019	Construction	4,235,000
					$ 5,185,000

Interest expense on the District's BAN obligations amounted to $26,000 for 2018-2019.

a. Long-Term Debt Interest

Interest expense paid was $136,869 for the year ended June 30, 2019. Accrued interest adjustment amounted to $(655) for a total interest expense of $136,214.

b. Changes

The changes in the District's indebtedness during the year ended June 30, 2019 are summarized as follows:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Bonds				
Serial Bond 2005	$ 265,000	$ -	$ 130,000	$ 135,000
Serial Bond 2012	4,890,000	-	505,000	4,385,000
Compensated absences	269,424	29,218	-	298,642
Other post employment benefits	31,535,297	-	277,121	31,258,176
	$ 36,959,721	$ 29,218	$ 912,121	$ 36,076,818

c. Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2019
Serial Bond 2005	6/15/2005	6/15/2020	4.0%	$ 135,000
Serial Bond 2012	6/15/2012	6/15/2027	2.125%-3.0%	4,385,000
Total				$ 4,520,000

Note 7. Indebtedness (continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 655,000	$ 120,938	$ 775,938
2021	530,000	104,488	634,488
2022	540,000	93,226	633,226
2023	555,000	81,076	636,076
2024	570,000	67,200	637,200
2025-2029	1,670,000	97,200	1,767,200
	$ 4,520,000	$ 564,128	$ 5,084,128

Note 8. Pensions

Pension Obligations
New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems.)

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)
The District participates in the New York Teachers' retirement System (TRS). This is a cost-sharing multiple-employer retirement system. 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. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 of by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)
The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated

Note 8. Pensions (continued)

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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. The District also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For 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. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

CONTRIBUTIONS

	ERS	TRS
2019	$ 148,823	$ 388,790
2018	$ 145,219	$ 455,927
2017	$ 144,964	$ 497,075

ERS has provided additional disclosures for entities that elected to participate in Chapter 260, 57, and 105.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019 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

Note 8. Pensions (continued)

asset/(liability) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected 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
Measurement Date	3/31/2019	6/30/2018
Net Pension asset/(liability)	$ (269,150)	$ 419,354
District's portion of the Plan's total net pension asset/(liability)	-0.0037987%	0.023191%
Change in proportion since the prior measurement date	$ (153,191)	$ 241,623

For the year ended June 30, 2019, the District's recognized pension expense of $180,897 for ERS and the Actuarial value $328,131 for TRS. At June 30, 2019 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 53,001	$ 313,380	$ 18,068	$ 56,765
Changes of assumptions	67,653	1,465,918	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	69,079	465,515
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	16,733	30,992	9,865	17,754
District's contributions subsequent to the measurement date	54,293	433,418	-	-
Total	$ 191,680	$ 2,243,708	$ 97,012	$ 540,034

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

Note 8. Pensions (continued)

	ERS	TRS
Year ended:		
2019	$ -	$ 423,005
2020	57,333	288,053
2021	(51,247)	32,768
2022	(4,235)	287,065
2023	38,524	192,648
Thereafter	-	46,716
Total	$ 40,375	$ 1,270,255

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/2019	6/30/2018
Actuarial valuation date	4/1/2018	6/30/2017
Interest rate	7.0%	7.25%
Salary scale	4.2%	1.90%-4.72%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30,2014 System Experience
Inflation rate	2.5%	2.25%

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 20, 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, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

Note 8. Pensions (continued)

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

Measurement Date	ERS	TRS
	3/31/2019	6/30/2018
Asset Type:	%	%
Domestic equity	4.55	5.80
International equity	6.35	7.30
Private equity	7.50	8.90
Real estate	5.55	4.90
Absolute return strategies	3.75	-
Domestic fixed income securities	-	1.30
Global fixed income securities	-	0.90
High-yield fixed income securities	-	3.50
Mortgages and bonds	1.31	2.80
Opportunistic portfolio	5.68	-
Real assets	5.29	-
Cash	(0.25)	-
Inflation-indexed bonds	1.25	-
Short-term	-	0.30
Private debt	-	6.80
Global equities	-	6.70

Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions form plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net positon was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 8. Pensions (continued)

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

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

ERS	1% Decrease 6.0%	Current Assumption 7.0%	1% Increase 8.0%
Employer's proportionate share of the net pension asset (liability)	$ (1,176,765)	$ (269,150)	$ 493,312

TRS	1% Decrease 6.25%	Current Assumption 7.25%	1% Increase 8.25%
Employer's proportionate share of the net pension asset (liability)	$ (2,881,032)	$ 419,354	$ 3,184,161

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	ERS	TRS	Total
Valuation date	3/31/2019	6/30/2018	
Employers' total pension asset/(liability)	$ (189,803,429)	$ (118,107,253,288)	$ (118,297,056,717)
Plan Net Position	182,718,124	119,915,517,622	120,098,235,746
Employers' net pension asset/(liability)	$ (7,085,305)	$ 1,808,264,334	$ 1,801,179,029
Ratio of plan net position to the Employers' total pension asset/ (liability)	-96.27%	101.53%	101.52%

Note 8. Pensions (continued)

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, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to $54,293.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contribution for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019 amounted to $441,523.

Note 9. Post-Employment (Health Insurance) Benefits

The District provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating $759,312 for 98 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

A. General Information about the OPEB Plan

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

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

Note 9. Post-Employment (Health Insurance) Benefits (continued)

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	87
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	96
	183

B. Total OPEB Liability

The District's total OPEB liability of $31,258,176 was measured as of July 1, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2 Percent
Salary Increases	3.5 percent
Discount Rate	3.87 percent
Healthcare Cost Trend Rates	6.5 percent for 2019, decreasing annually to an ultimate rate of 4.03 percent for 2078 and later years

The discount rate was based on Bond Buyer GO-20 Municipal Bond Index.

Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2014.

Note 9. Post-Employment (Health Insurance) Benefits (continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	$	31,535,297
Changes for the Year-		
Service Cost		1,018,400
Interest		1,153,958
Changes of benefit terms		(220,830)
Differences between expected and actual experience		-
Changes in assumptions or other inputs		(1,230,043)
Benefit payments		(998,606)
Net Changes		(277,121)
Balance at June 30, 2019	$	31,258,176

Changes of benefit terms reflect;

Changes of assumptions and other inputs reflect a change in the discount rate from 3.60% percent in 2018 to 3.87% percent in 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	$ 36,651,753	$ 31,258,176	$ 26,934,194

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 26,238,879	$ 31,258,176	$ 37,753,190

Note 9. Post-Employment (Health Insurance) Benefits (continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of $674,912. At June 30, 2019, 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	$ -	$ 5,469,174
Changes of assumptions or other inputs	-	4,152,103
Contributions subsequent to the measurement period	1,026,063	-
Total	$ 1,026,063	$ 9,621,277

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

Fiscal Year Ending June 30,	Amount
2020	$ (2,626,440)
2021	(2,626,440)
2022	(2,626,440)
2023	(1,616,084)
2024 and Thereafter	(125,873)
	$ (9,621,277)

Note 10. Commitments and Contingencies

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

The Chateaugay Central School District is exposed to various risk of loss related to damage to and destruction of assets: injuries to employees and student; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

Note 11. Joint Venture

The Chateaugay Central School District is one of 10 component school districts in the Franklin-Essex-Hamilton 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.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are also 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 Education Law, Section 1950(4)(b)(7).

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

During the year ended June 30, 2019, the Chateaugay Central School District was billed $2,036,748 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2019, the Chateaugay Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Franklin-Essex-Hamilton BOCES are available from BOCES administrative office at 23 Huskie Lane, Malone, New York. The District's share of BOCES income amounted to $778,864. BOCES also refunded the District $185,010 for excess expenses billed in prior years.

Also during the year ended June 30, 2019, the District paid $128,334 of its portion of the BOCES capital project. The District made a second payment of $531,789 in July 2019 with final payment of $355,713 due in July 2020.

Note 12. Prior Period Information

Comparative prior period information has been presented in summary form. This information was derived from the District’s June 30, 2018 financial statements, and in our report dated October 1, 2018 we expressed an unmodified opinion.

Note 13. Stewardship, Compliance and Accountability

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2019 was $1,026,965 which represents 7.28% of next year's budget.

The Capital Projects had a deficit fund balance of $2,742,391. This will be funded when the District obtains permanent financing for its current construction project.

Note 14. Tax Abatements

Franklin County enters into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced $5,582,790. The districts received payment in lieu of tax (PILOT) totaling $766,663.

Note 15. Prior Period Restatement

It was determined during the audit period that amounts carried as due from New York State were not collectible due to an overall reduction in aid. The amount deemed uncollectible totaled $57,872.

	6/30/2018
Total net position, as originally stated	$ (24,816,479)
Reduction in state aid receivable	(57,872)
Total net position, as restated	$ (24,874,351)

CHATEAUGAY CENTRAL SCHOOL DISTRICT

COMBINING BALANCE SHEETS - SPECIAL REVENUE FUNDS
June 30, 2019 and 2018

	Special Aid	School Lunch	**6/30/2019 Total**	6/30/2018 Total
ASSETS				
Unrestricted cash	$ 64,661	$ 38,413	**$ 103,074**	$ 148,726
Accounts receivable	39,469	-	**39,469**	33,611
Due from other funds	26,119	-	**26,119**	89,430
State and federal aid receivables	452,655	14,203	**466,858**	315,114
Inventories	-	4,857	**4,857**	4,374
Total assets	$ 582,904	$ 57,473	**$ 640,377**	$ 591,255
LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to other funds	$ 559,131	$ -	**$ 559,131**	$ 500,985
Unearned revenue	23,773	-	**23,773**	24,493
Due to other governments	-	37	**37**	25
Total liabilities	582,904	37	**582,941**	525,503
Fund Balance:				
Nonspendable				
Inventories	-	4,857	**4,857**	4,374
Assigned				
School Lunch	-	52,579	**52,579**	61,378
Total unreserved fund balance	-	57,436	**57,436**	65,752
Total liabilities and fund balance	$ 582,904	$ 57,473	**$ 640,377**	$ 591,255

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - SPECIAL REVENUE FUND
Years Ended June 30, 2019 and 2018

	Special Aid	School Lunch	**6/30/2019 Total**	6/30/2018 Total
REVENUES				
State and local sources	$ 606,043	$ 5,484	**$ 611,527**	$ 563,710
Federal sources	409,610	173,438	**583,048**	723,906
Sales	-	78,283	**78,283**	88,188
Total revenues	1,015,653	257,205	**1,272,858**	1,375,804
EXPENDITURES				
Instruction	818,393	15,424	**833,817**	952,923
Employee Benefits	238,507	-	**238,507**	253,748
Cost of sales	-	250,097	**250,097**	244,564
Total expenditures	1,056,900	265,521	**1,322,421**	1,451,235
OTHER SOURCES				
Operating Transfers In	41,247	-	**41,247**	62,216
Total Other Sources	41,247	-	**41,247**	62,216
Excess (deficit) of revenues and other sources over expenditures	$ -	$ (8,316)	**$ (8,316)**	$ (13,215)

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
Year Ended June 30, 2019

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	$ 12,982,999
No adjustments	-
Final budget	$ 12,982,999

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2019-2020 expenditure budget		14,107,518
Maximum allowed (4% of 2019-20 budget)		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Committed fund balance	$ -	
Assigned fund balance	575,000	
Unassigned fund balance	1,026,965	
Total unrestricted fund balance	1,601,965	
Less:		
Appropriated fund balance	575,000	
Encumbrances included in committed and assigned fund balance	-	
Total adjustments	575,000	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		1,026,965
Actual percentage		7.28%

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2019

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	$ 2,943,395	$ 2,467,211	$ 2,468,936	$ 1,725
Other real property tax items	797,329	1,273,513	1,276,349	2,836
Charges for services	2,500	2,500	1,598	(902)
Other districts and governments	31,345	31,345	132,025	100,680
Use of money and property	200	200	9,065	8,865
Sale of property and compensation for loss	23,000	23,000	10,539	(12,461)
Miscellaneous	67,500	67,500	245,273	177,773
Interfund Revenues	-	-	11,489	11,489
State sources	8,357,730	8,357,730	8,139,716	(218,014)
Federal sources	30,000	30,000	83,459	53,459
Total revenues	12,252,999	12,252,999	12,378,449	125,450
Other Financing Sources				
BAN premium	-	-	14,513	14,513
Interfund transfers	107,000	107,000	-	(107,000)
Appropriated reserves	48,000	48,000	-	
	155,000	155,000	14,513	(92,487)
Total revenues and appropriated fund balance	$ 12,407,999	$ 12,407,999	$ 12,392,962	

See Independent Auditor's Report.

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	$ 11,450	$ 6,483	$ 5,227	$ -	$ 1,256
Central administration	144,700	136,052	133,563	-	2,489
Finance	218,464	209,118	197,866	-	11,252
Staff	99,119	109,663	109,663	-	-
Central services	1,341,653	1,353,982	1,265,399	-	88,583
Special items	318,184	323,151	312,259	-	10,892
Instructional:					
Administration and improvement	314,211	314,747	304,526	-	10,221
Teaching - regular school	2,893,228	2,944,481	2,878,743	-	65,738
Programs for Children with Handicapping	1,921,612	1,877,051	1,627,277	-	249,774
Occupational Education	70,525	70,525	68,093	-	2,432
Instructional media	133,312	133,616	105,556	-	28,060
Pupil service	476,302	536,372	492,856	-	43,516
Pupil transportation	676,021	686,741	646,180	-	40,561
Employee benefits	3,447,224	3,319,648	3,073,031	-	246,617
Debt service	904,994	904,994	797,869	-	107,125
Total expenditures	12,970,999	12,926,624	12,018,108	-	908,516
Other financing uses:					
Interfund transfer	12,000	56,375	41,247	-	15,128
Total expenditures and other uses	12,982,999	12,982,999	12,059,355	-	923,644
Net change in fund balance	(575,000)	(575,000)	333,607		
Fund balance - beginning (restated)	1,528,806	1,528,806	1,528,806		
Fund balance - ending	$ 953,806	$ 953,806	$ 1,862,413		

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
Year Ended June 30, 2019

			Expenditures to Date				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2019
Main Building, Annex and Bus Garage	$ 6,215,000	$ 6,215,000	$ 470,810	$ 3,149,825	$ 3,620,635	$ 2,594,365	$ -	$ -	$ 890,000	$ 890,000	$ (2,730,635)
SMART Schools	633,985	633,985	-	57,738	57,738	576,247	-	45,982	-	45,982	(11,756)
	$ 6,848,985	$ 6,848,985	$ 470,810	$ 3,207,563	$ 3,678,373	$ 3,170,612	$ -	$ 45,982	$ 890,000	$ 935,982	$ (2,742,391)

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2019

Capital Assets, Net	$	20,876,674
Add: Unspend BAN proceeds		2,421,065
Deduct:		
Bond anticipation notes		(5,185,000)
Short-term portion of bonds payable		(655,000)
Long-term portion of bonds payable		(3,865,000)
Net Investment in capital assets	$	13,592,739

See Independent Auditor's Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended June 30, 2019

	2019	2018
Measurement Date	July 1, 2018	July 1, 2017
Service Cost	$ 1,018,400	$ 1,359,652
Interest	1,153,958	1,260,081
Changes in benefit terms	(220,830)	-
Differences between expected and acutal experience	-	(8,524,580)
Changes of assumption or other inputs	(1,230,043)	(4,898,700)
Benefit payments	(998,606)	(1,029,703)
Net change in total OPEB liability	(277,121)	(11,833,250)
Total OPEB liability - beginning	31,535,297	43,368,547
Total OPEB liability - Ending	$ 31,258,176	$ 31,535,297
Covered payroll	$ 4,977,067	$ 4,721,401
Total OPEB liability as a percentage of covered payroll	628%	668%

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

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2019

NYSERS Pension Plan
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.0037987%	0.0035929%	0.0037901%	0.0035615%	0.003834%					
District's proportionate share of the net pension liability (asset)	$ 269,150	$ 115,959	$ 356,127	$ 571,630	$ 129,521					
District's covered- employee payroll	$ 1,169,569	$ 1,066,126	$ 987,423	$ 1,086,214	$ 1,029,777					
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.01%	10.88%	36.07%	52.63%	12.58%					
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%					

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2019

NYSERS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 148,823	$ 145,219	$ 144,964	$ 160,914	$ 202,600	151,274	199,521	-	-	-
Contributions in relation to the contractually required contribution	$ 148,823	$ 145,219	$ 144,964	$ 160,914	$ 202,600	151,274	199,521	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	$ 1,169,569	$ 1,066,126	$ 987,423	$ 1,086,214	$ 1,029,777					
Contributions as a percentage of covered employee payroll	12.7%	13.6%	14.7%	14.8%	19.7%					

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2019

NYSTRS Pension Plan
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	-0.231910%	-0.02338%	0.023237%	-0.023726%	-0.023316%	-0.022639%				
District's proportionate share of the net pension liability (asset)	$ (419,354)	$ (177,731)	$ 248,883	$ (2,464,349)	$ (2,597,272)	$ (149,020)				
District's covered- employee payroll	$ 4,064,347	$ 3,668,238	$ 3,705,369	$ 3,479,898	$ 3,445,677					
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.32%	-4.85%	6.72%	-70.82%	-75.38%					
Plan fiduciary net position as a percentage of the total pension liability (asset)	-101.53%	-100.66%	99.01%	-110.46%	-111.48%					

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor’s Report.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2019

NYSTRS Pension Plan
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 370,200	$ 434,269	$ 475,473	$ 624,757	$ 559,675	-	-	-	-	-
Contributions in relation to the contractually required contribution	$ 370,200	$ 434,269	$ 475,473	$ 624,757	$ 559,675	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	$ 4,064,347	$ 3,668,238	$ 3,705,369	$ 3,479,898	$ 3,445,677					
Contributions as a percentage of covered employee payroll	9.11%	11.84%	12.83%	17.95%	16.24%					

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor’s Report.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA *STEPHEN P. WOOD, CPA*

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 Board of Education
Chateaugay Central School District
Chateaugay, New York 12920

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Chateaugay Central School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Chateaugay Central School District's basic financial statements and have issued our report thereon dated September 12, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of the 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. We did

206 W Bay Plz ● Plattsburgh, NY 12901 ● Phone 518-561-3790 ● Fax 518-561-4044 ● cbtt@cbtt.net

identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiencies. The findings are referenced as 19-001 and 19-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chateaugay Central School District's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 19-001.

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.

Boulrice & Wood CPAs, PC

September 12, 2019

CHATEAUGAY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

SECTION II – FINANCIAL STATEMENTS

19-001 Excess Fund Balance

Condition: The District's unassigned general fund balance was 7.28% of next year's budget.

Effect: The District's unassigned general fund balance was 3.28% or $462,664 over the amount allowable by law.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Recommendation: We recommend the District keep in mind this law when preparing next year's budget.

Corrective Action: The Board will be using Fund Balance for a BOCES Capital Project.

19-002 Segregation of Duties

Condition: Proper internal control includes the segregation of duties. For example, individuals should not have custody of the funds and access to the financial accounting data. Also, the person charged with printing checks should not be the same individual who signs the checks and posts the general ledger and reconciles bank accounts. Our review indicated that the district treasurer performs all of the above duties.

Effect: Misstatements due to errors or fraud which are material to the financial statements may go undetected by employees performing their assigned functions.

Criteria: A system of internal control should be established in which the design and operation reduces to relatively low level of risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited would be detected in timely manner by employees in the normal course of performing their assigned functions.

Recommendation: We recommend the District explore ways to segregate duties.

Corrective Action: The District is exploring options to reassign various duties currently performed by the Treasurer to others within the business office.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA ***STEPHEN P. WOOD, CPA***

INDEPENDENT AUDITOR'S REPORT

To the School Board
Chateaugay Central School District
Chateaugay, New York 12920

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Chateaugay Central School District as of and for the year June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion 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 minimum program procedures established by the New York State Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

206 W Bay Plz • Plattsburgh, NY 12901 • Phone 518-561-3790 • Fax 518-561-4044 • cbtt@cbtt.net

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Chateaugay Central School District as of June 30, 2019, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Boulrice & Wood CPAs, PC

September 12, 2019

CHATEAUGAY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
June 30, 2019 and 2018

	6/30/2019	6/30/2018
Assets		
Cash	**$ 111,695**	$ 115,409
Total Assets	**$ 111,695**	$ 115,409
Fund Balance		
Extraclassroom Activity	**$ 111,695**	$ 115,409
Total Fund Balance	**$ 111,695**	$ 115,409

CHATEAUGAY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES
Year Ended June 30, 2019

Activity	Balance June 30, 2018	Receipts	Disbursements	**Balance June 30, 2019**
Class of 2016	$ 30	$ -	$ 30	**$ -**
Class of 2018	392	-	-	**392**
Class of 2019	15,781	15,375	29,598	**1,558**
Class of 2020	6,370	22,043	13,734	**14,679**
Class of 2021	4,837	9,225	5,474	**8,588**
Class of 2022	-	4,216	2,716	**1,500**
Athletic Club	39,222	33,729	29,133	**43,818**
Business Club	3,379	8,857	9,858	**2,378**
French Club	1,010	3,209	1,940	**2,279**
FFA	2,168	7,697	5,896	**3,969**
Instrumental Music	10,755	925	1,785	**9,895**
Musical	12,259	20,892	26,389	**6,762**
Library Club	7,017	3,241	5,530	**4,728**
National Honor Society	746	325	-	**1,071**
Rotary Interact	84	-	-	**84**
SADD	-	986	247	**739**
Science Club	5,156	511	320	**5,347**
Ski Club	62	2,752	2,814	**-**
Student Council	4,526	1,405	3,606	**2,325**
Student Council/Spec	1,505	12	-	**1,517**
Sales Tax	110	2,009	2,053	**66**
	$ 115,409	$ 137,409	$ 141,123	**$ 111,695**

See Notes to the Financial Statements – Extraclassroom Activity Funds.

CHATEAUGAY CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Basis of Accounting: The books and records of the Chateaugay Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Chateaugay Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.

APPENDIX C

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 September 16, 2020 of the School District relating to the Bonds by December 31 following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2020, 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, 2020; 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 successor or additional trustee or the change of name of a trustee, if material

(o) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security 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 afore described 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.

APPENDIX D

Bond Insurance and Specimen Policy

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy") for the Bonds maturing on June 15 of the years 2024 through 2027, inclusive (the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an Appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 16, 2020, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 19, 2019, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 13, 2019, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM

At June 30, 2020:

- The policyholders' surplus of AGM was approximately $2,667 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,018 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100