PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes, and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

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

$27,760,000

PITTSFORD CENTRAL SCHOOL DISTRICT

MONROE & ONTARIO COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 725635

$27,760,000 Bond Anticipation Notes, 2018 (Renewals)

(the "Notes")

Dated: February 8, 2018 **Due: July 19, 2018**

The Notes are general obligations of the Pittsford Central School District, Monroe and Ontario Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW", herein.

The Notes are not subject to redemption prior to maturity. At the option of the Purchaser(s), the Notes will be issued as registered book-entry form notes or in registered certificated form, registered in the name of the purchaser. If such Notes are issued as registered in certificated form, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued in registered book-entry form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased. Individual purchases will be issued in book-entry-only form, in denominations of $5,000 or integral multiples thereof. Payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Harris Beach PLLC, Bond Counsel, Rochester, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about February 8, 2018.

ELECTRONIC BIDS for the Notes must be submitted via Grant Street Group's MuniAuction website ("MuniAuction") accessible via www.GrantStreet.com on January 23, 2018 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via MuniAuction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

January 12, 2018

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN EVENTS AS REQUIRED BY THE RULE. SEE "APPENDIX-C, UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS" HEREIN.

Pittsford Schools

2017-2018 BOARD OF EDUCATION

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KIM MCCLUSKI
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* * * * *

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Superintendent

DARRIN KENNEY
Assistant Superintendent for Business

VERONICA WALKER
School District Clerk

LEEANNE REISTER
Director of Finance

LAURA PURCELL, ESQ.
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HARRIS BEACH PLLC
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
120 Walton Street, Suite 600
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

PITTSFORD CENTRAL SCHOOL DISTRICT
MONROE & ONTARIO COUNTIES, NEW YORK

Relating To

$27,760,000 Bond Anticipation Notes, 2018 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Pittsford Central School District, Monroe & Ontario Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $27,760,000 principal amount of Bond Anticipation Notes, 2018 (Renewals) (the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes are dated February 8, 2018 and mature, without option of prior redemption, on July 19, 2018. The Notes will be issued in either (i) registered certificated form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, as may be determined by the successful bidder(s) or (ii) at the option of the purchaser(s), as registered book-entry form, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

If the Notes are registered in the name of the purchaser, principal and interest on the Notes shall be payable at the office of the School District Clerk, Pittsford, New York, who will act as Paying Agent for the Notes.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purposes of Issue

On December 11, 2012, the qualified voters of the District approved a proposition authorizing the District to undertake a district-wide capital improvement project (the "District-wide Capital Project") consisting of the construction of alterations, renovations and improvements to all of the District's school building and facilities, at a maximum cost of $35,567,898, with such cost being funded with $11,000,000 from the District's existing General Capital Reserve Fund and the balance of such cost, not in excess of $24,567,898, through the issuance of the District's serial bonds.

On December 11, 2012, the qualified voters of the District approved a second proposition authorizing the School District to undertake certain improvements to the outdoor athletic facilities at Pittsford Mendon High School and Pittsford Sutherland High School (the "Outdoor Athletic Facilities Project") at a maximum cost of $7,563,888, with such cost being funded with $1,500,000 from the District's existing General Capital Reserve Fund, up to $892,000 in private donations expected to be raised by community fundraising efforts, and the balance of such cost, not in excess of $5,171,888, through the issuance of the District's serial bonds.

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and by a bond resolution duly adopted by the Board of Education of the District on January 28, 2013, authorizing the issuance of (i) $24,567,898 in serial bonds of the District to finance the District-wide Capital Project, and (ii) $5,171,888 to finance the Outdoor Athletic Facilities Project.

The proceeds of the Notes, together with available funds of the District in the amount of $1,145,493 will be applied to pay the maturing principal of, and to renew part of the District's $28,905,493 bond anticipation notes maturing on February 9, 2018.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at the office of the School District Clerk, Pittsford, New York, or at the election of the District, at the principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The School District covers approximately 30 square miles and is 10 miles from the City of Rochester. The School District is primarily a residential community and includes the incorporated Village of Pittsford, a major portion of the Town of Pittsford and small portions of the Towns of Perinton, Mendon, Brighton and Penfield in Monroe County and the Town of Victor in Ontario County. The majority of residents are employed in professional and executive positions.

Electricity and natural gas are provided throughout the School District by Rochester Gas and Electric Corporation. Police protection is provided by the Monroe County Sheriff's Department and the New York State Police. The Pittsford Volunteer Fire Department provides fire protection. Educational opportunities include a number of public and private institutions. Within a five-mile radius are the Rochester Institute of Technology, University of Rochester, St. John Fisher College, Nazareth College and Monroe County Community College.

Available transportation in the area includes air, bus, rail and major commercial carriers. Major highways include Routes 390, 490 and 590, all of which feed on to and off of the New York State Thruway system. The School District is also served by a substantial number of commercial and savings banks.

Source: District Officials.

Population

The current estimated population of the District is 33,863. (Source: 2015 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2011-2015	2000	2006-2010	2011-2015
Towns of:						
Pittsford	$ 42,723	$ 50,484	$ 52,317	$ 102,215	$ 114,456	$ 119,976
Perinton	31,948	38,306	41,386	80,606	94,209	96,086
Mendon	35,949	43,537	55,735	87,827	111,700	112,813
Brighton	32,642	37,610	41,519	70,436	85,906	94,343
Penfield	29,576	34,767	39,801	74,959	89,615	98,321
Victor	31,321	42,401	48,259	71,526	106,573	112,479
Counties of:						
Monroe	22,821	26,999	29,424	55,900	65,240	69,363
Ontario	21,533	28,950	30,934	52,698	69,877	71,483
State of:						
New York	23,389	30,948	33,236	51,691	67,405	71,913

Note: 2012-2016 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2011-2015 American Community Survey data.

Larger Employers

Some of the major employers located in or in close proximity to the District are as follows:

Company	Type	Approximate # of Employees
Pittsford Central School District	Public Education	1,186
Wegman's Properties, Inc.	Grocery Store	943
St. John Fisher College	Higher Education	833
Nazareth College	Higher Education	760
Manimus	Health	500

Source: District Officials.

Unemployment Rate Statistics

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

Annual Average

	2010	2011	2012	2013	2014	2015	2016
Monroe County	8.0%	7.7%	7.9%	7.0%	5.8%	5.1%	4.7%
Ontario County	7.4	7.1	7.3	6.3	5.2	4.7	4.3
New York State	8.6	8.3	8.5	7.7	6.3	5.3	4.8

2017 Monthly Figures

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Monroe County	5.0%	5.3%	4.6%	4.6%	4.5%	4.9%	5.1%	5.1%	4.9%	4.7%	5.1%	N/A
Ontario County	5.3	5.4	4.7	4.3	4.0	4.3	4.1	4.0	4.1	4.1	4.6	N/A
New York State	4.9	5.0	4.4	4.2	4.3	4.5	4.9	4.9	4.7	4.6	4.5	N/A

Note: Unemployment rates for the month of December of 2017 is unavailable as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap") plus exclusions, then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the 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 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

The budget for the 2016-17 fiscal year was adopted by the qualified voters on May 17, 2016. The approved budget did not cause the tax levy for the 2016-17 fiscal year to exceed the Tax Cap.

The budget for the 2017-18 fiscal year was not adopted by the qualified voters on May 16, 2017. A 60% supermajority was required in order to override the tax cap, however, only 53% of voters approved the budget.

On June 20, 2017, the District voters approved the District's 2017-18 budget by a vote of 3,107 yes to 1,234 no. The budget remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.7%, which is below the District tax levy limit of 2.72%

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 deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and School District (Serial) Bonds issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of 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 either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the 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.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2017-2018 fiscal year, approximately 18.56% the revenues of the School District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, as this year, 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 District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2017-2018 preliminary building aid ratios, the District State Building aid of approximately 65.3% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

The 2012-2013 State budget linked additional school aid to compliance with a new teacher evaluation process. A school district would not be eligible for an aid increase in 2012-2013 unless it had its teacher evaluation process reviewed and approved by the New York State Education Department by January 17, 2013. The New York State Education Department approved the District's Annual Professional Performance Review Plan (APPR) on November 5, 2012. The most recent APPR plan was approved on September 9, 2016.

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

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

The Smart Schools Bond Act was proposed as part of the 2014-2015 State budget and was subsequently approved by the voters of the State. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds thereunder is $1,509,818.

School district fiscal year (2015-2016): The 2015-2016 State Executive Budget passed on March 31, 2015 and included the partial reduction in Gap Elimination Adjustment with $603 million in GEA cuts being restored, and provided an additional $428 million in foundation aid and $268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

School district fiscal year (2016-2017): The 2016-17 State budget includes a school aid increase of $991 million over 2015-16, $863 million of which consists of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also includes a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase includes $100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District is not a part of the Community Schools Grant Initiative (CSGI).

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The GEA was restored in full in the 2016-17 fiscal year. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year, as the GEA was completely eliminated in the 2016-2017 Enacted State Budget.

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

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

State Aid Litigation

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues [1]	Total State Aid [1]	Percentage of Total Revenues Consisting of State Aid
2012-2013	$ 113,365,851	$ 18,344,061	16.18%
2013-2014	116,584,187	18,181,602	15.59
2014-2015	119,390,541	19,726,011	16.52
2015-2016	122,358,066	20,743,133	16.95
2016-2017	125,602,324	22,297,952	17.75
2017-2018 (Budgeted)	127,817,518	23,727,820	18.56

(1) General Fund only.

Source: Audited financial statements for the 2012-2013 fiscal year through and including the 2016-2017 fiscal year and adopted budget of the District for the 2017-2018 fiscal year. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Renovations
Allen Creek Elementary	K-5	442	1929, 1990, 2006, 2011, 2016
Jefferson Road Elementary	K-5	681	1957, 1990, 2006, 2011, 2015
Mendon Center Elementary	K-5	856	1962, 1990, 2006, 2015
Park Road Elementary	K-5	780	1964, 1990, 2006, 2015
Thornell Road Elementary	K-5	702	1970, 1990, 2006, 2016
Barker Road Middle School	6-8	1,410	1966, 1996, 2009, 2011, 2016
Calkins Road Middle School	6-8	1,398	2006
Pittsford Mendon High School	9-12	1,238	1972, 1990, 2006, 2009, 2015, 2016
Pittsford Sutherland High School	9-12	1,245	1951, 1990, 2006, 2014, 2015

It is the District's objective to implement a Full Day Kindergarten program in the fall of 2018. Currently a half day program is in place. Implementation would impact future expenses primarily in personnel and benefits but would also impact transportation, buildings and grounds, food service, equipment and supplies.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2013-2014	5,911	2018-2019	5,805
2014-2015	5,866	2019-2020	5,815
2015-2016	5,718	2020-2021	5,815
2016-2017	5,682	2021-2022	5,815
2017-2018	5,685	2022-2023	5,815

Source: District Officials.

Employees

The District employees are represented by various unions as follows:

Number of Employees	Union	Contract Expiration Date
768	Pittsford District Teachers' Association	6/30/2019
22	Pittsford District Administrators' Association	6/30/2020
125	Pittsford Bus Drivers' Association	6/30/2018
86	Pittsford Central School Association of Educational Office Personnel	6/30/2019
100	Pittsford Maintenance, Custodial & Mechanics Association	6/30/2020
22	Pittsford District Supervisory & Technical Association	6/30/2020
35	Pittsford School Food Service Personnel	6/30/2019
9	Pittsford District Managerial/Confidential	6/30/2020

Source: District officials.

Status and Financing of Employee Pension Benefits

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

On December 12, 2009, a new Tier V was signed into law.

The legislation creates a new Tier V pension level, at the time, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

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

On March 16, 2012, the Governor signed into law a New Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2017-2018 fiscal years are as follows:

Fiscal Year	ERS	TRS
2012-2013	$ 2,500,579	$ 4,710,507
2013-2014	2,616,844	6,532,324
2014-2015	2,249,803	7,087,077
2015-2016	2,207,027	5,510,949
2016-2017	1,924,890	5,055,020
2017-2018 (Budgeted)	2,605,161	5,066,081

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 School District does not currently have any early retirement incentive programs.

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 has the intent to do so in the foreseeable future.

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 (2013 to 2019) is shown below:

Year	ERS	TRS
2012-13	18.9%	11.84%
2013-14	20.9	16.25
2014-15	20.1	17.53
2015-16	18.2	13.26
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	N/A*

* The range for the TRS rate for 2018-19 fiscal year is estimated to be between 10.50% and 11.00%. An Administrative Bulletin will be provided in February 2018 with a more precise estimate of this rate.

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

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

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

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

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

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

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

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

The District contracted with First Niagara Benefits Consulting to calculate its OPEB liability in accordance with GASB 45. Based on the most recent actuarial valuation and financial data as of June 30, 2016, the following tables shows the components of the District's annual OPEB cost, the amount actuarially contributed to the plan, changes in the District's net OPEB obligation and funding status as of the June 30, 2016 fiscal year.

Annual OPEB Cost and Net OPEB Obligation:	***2016***
Annual required contribution (ARC)	$ 14,085,447
Interest on net OPEB obligation	1,81,0994
Adjustment to ARC	(1,875,441)
Annual OPEB cost (expense)	14,021,000
Contributions made	5,423,291
Increase in net OPEB obligation	8,597,709
Net OPEB obligation - beginning of year	45,274,845
Net OPEB obligation - end of year	$ 53,872,554
Percentage of annual OPEB cost contributed	38.68%

Funding Status:

Actuarial Accrued Liability (AAL)	$ 190,444,681
Actuarial Value of Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 190,444,681
Funded Ratio (Assets as a Percentage of AAL)	0.00%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	$ 14,021,000	38.68%	$ 53,872,554
2015	12,528,803	37.72	45,274,845
2014	11,176,830	33.84	37,472,355

Note: The above tables are not audited.

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

Summary of Changes from the Last Valuation. The first actuarial valuation under GASB 75 was completed for the fiscal year ending June 30, 2017. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The last full valuation was done for the fiscal year ending June 30, 2016 under GASB 45 guidelines. The District's total OPEB liability of $265,743,300 was measured as of March 31, 2017 and was determined by an actuarial valuation as of that date.

The following outlines the changes to the Total OPEB Liability during the 2017 fiscal year, by source.

Balance at June 30, 2016	$ 240,847,764
Changes for the year:	
Service cost	$ 8,311,872
Interest	8,148,245
Differences between expected and actual experience	31,761,645
Changes in assumptions or other inputs	(17,397,777)
Benefit payments	(5,928,449)
Net Changes	$ 24,895,536
Balance at June 30, 2017	$ 265,743,300

Source: Audited financial reports of the District. The above tables are not audited.

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

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

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

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

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

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. While it was not enacted into law in the last two legislative sessions, it is not possible to predict whether the Comptroller's proposed legislation will be enacted into law in the future.

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2017 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller 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 August 12, 2016. The purpose of the audit was to determine if District officials adequately safeguarded Personal, Private and Security Information (PPSI) on mobile computing devices (MCDs) and cash collections for extracurricular activities for the period July 1, 2014 through January 21, 2016.

Key Findings:

- District officials have not adopted policies and procedures for staff use of personal removable storage devices or addressed security features such as passwords or data encryption, if PPSI is allowed on these devices, and did not have an inventory prepared evaluating where PPSI data resides.
- Prenumbered receipts were not used by student treasurers.
- Officials did not implement policies and procedures over athletic event admissions.
- The athletic director did not monitor or periodically reconcile the athletic event ticket inventory to account for the number of tickets sold.

Key Recommendations:

- Adopt formal written policies to protect PPSI on MCDs and ensure that a complete classification and inventory of PPSI stored on all District computer equipment is prepared to ensure data confidentiality, integrity and availability.
- Ensure that prenumbered cash receipt forms are used.
- Develop policies and procedures for handling cash collections for athletic events.
- Monitor and periodically reconcile athletic event ticket inventory to account for the number of tickets sold.

The District provided a complete response to the State Comptroller's office on July 14, 2016. 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 recent State Comptroller's audits of the District nor any that are currently in progress or pending release.

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

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past four fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2016	No Designation	0.0%
2015	No Designation	6.7%
2014	No Designation	6.7%
2013	No Designation	20.0%

Source: Website of the Office of the New York State Comptroller. Information for the fiscal year ending 2017 is unavailable as of the date of this Official Statement.

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

TAX INFORMATION

Valuations

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Towns of:					
Pittsford [1]	$ 2,773,368,877	$ 2,813,618,090	$ 2,830,709,618	$ 2,859,099,837	$ 2,876,363,732
Perinton [2]	572,607,246	574,517,716	581,062,147	577,236,762	586,695,389
Mendon	59,429,851	59,754,141	60,343,737	61,370,559	62,351,637
Brighton	151,803,417	151,510,775	151,078,967	152,371,394	151,491,475
Penfield	18,851,678	19,206,190	19,481,058	19,282,517	19,490,169
Victor	52,411,720	52,256,374	53,209,902	53,435,593	53,464,329
Total Assessed Valuations	$ 3,628,472,789	$ 3,670,863,286	$ 3,695,885,429	$ 3,722,796,662	$ 3,749,856,731
State Equalization Rates					
Towns of:					
Pittsford	100.00%	100.00%	100.00%	100.00%	100.00%
Perinton	100.00%	100.00%	100.00%	100.00%	100.00%
Mendon	100.00%	100.00%	100.00%	100.00%	100.00%
Brighton	100.00%	98.00%	95.00%	94.00%	89.00%
Penfield	100.00%	100.00%	100.00%	100.00%	100.00%
Victor	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 3,628,472,789	$ 3,673,955,343	$ 3,703,836,954	$ 3,732,522,496	$ 3,768,580,396

(1) Includes Clergy Exemption. Fiscal Years Ending June 30, 2014 and 2015 include $12,000 and $15,000 of such exemptions, respectively.

(2) Includes Clergy Exemption. Fiscal Years Ending June 30, 2014 and 2015 include $3,000 and $1,500 of such exemptions, respectively.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Towns of:					
Pittsford	$ 25.08	$ 25.20	$ 25.56	$ 25.51	$ 25.95
Perinton	25.08	25.20	25.56	25.51	25.94
Mendon	25.08	25.20	25.56	25.51	25.95
Brighton	25.08	25.71	26.91	27.11	29.16
Penfield	25.08	25.20	25.56	25.51	25.95
Victor	26.37	26.49	25.62	26.85	27.24

Tax Collection Record

Fiscal Year Ending June 30:	2014	2015	2016	2017	2018
Total Tax Levy	$ 91,075,881	$ 92,666,331	$ 94,750,493	$ 95,301,955	$ 97,875,108
Amount Uncollected	N/A	N/A	N/A	N/A	N/A
% Uncollected	N/A	N/A	N/A	N/A	N/A

(1) See "Tax collection Procedure."

Tax Collection Procedure

School District taxes are due September 1. If paid by September 30, no penalty is imposed. A 2% penalty is charged if paid by the end of October, and a 5% penalty is charged if paid in November, prior to November 15 for Monroe County properties. Ontario County taxpayers pay a 2% penalty for October, with taxes accepted to October 31 only.

At the end of the collection period, a list of all unpaid taxes is given to the County Treasurers for relevy on County/Town tax rolls with additional penalties.

The District is reimbursed by the Counties for all unpaid taxes to assure 100% collection of its tax levy each year.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Property Tax Levy	Percentage of Total Revenues Consisting of Real Property Tax
2012-2013	$ 113,365,851	$ 88,125,099	77.74%
2013-2014	116,584,187	91,386,850	78.39
2014-2015	119,390,541	93,028,053	77.91
2015-2016	122,358,066	95,045,822	77.68
2016-2017	125,602,324	95,484,224	76.02
2017-2018 (Budgeted)	127,817,518	97,875,108	76.57

Source: Audited financial statements for the 2012-2013 fiscal year through and including the 2016-2017 fiscal year and adopted budget of the District for the 2017-2018 fiscal year. This table is not audited.

Larger Taxpayers 2017 Tax Roll for 2017-18

Name	Type	Full Valuation
Rochester Gas & Electric Corporation	Utility	$ 62,812,033
Pittsford Plaza	Commercial	33,264,500
Highland Community Dev.	Senior Living Facility	31,908,100
Cloverwood Living Sr. Inc.	Senior Living Facility	24,672,700
Wegman's Properties	Commercial	12,601,900
Frontier Tel of Rochester	Utility	9,193,691
CL Holdings LLC	Commercial	8,539,800
Oak Hill Country Club	County club	8,533,900
Carriage Hill LLC	Commercial	8,373,400
Pittsford Place Assoc.	Commercial	7,407,700

The ten larger taxpayers listed above have a total estimated full valuation of $207,307,724, which represents 5.5% of the tax base of the District. As of the date of this Official Statement, the District does not have any pending or outstanding tax certioraris that are known or believed to have a material impact on the District.

Source: District tax rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a "basic" exemption on their primary residence.

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

Municipality	**Enhanced Exemption**	**Basic Exemption**	**Date Certified**
Town of:			
Pittsford	$ 65,500	$ 30,000	4/7/2017
Perinton	65,500	30,000	4/7/2017
Mendon	65,500	30,000	4/7/2017
Brighton	61,570	28,200	4/7/2017
Penfield	65,500	30,000	4/7/2017
Victor	65,500	30,000	4/7/2017

Source: New York State Department of Taxation

$7,629,328 of the District's $95,301,955 school tax levy for the 2016-2017 fiscal year was exempted by the STAR Program. The School District received full reimbursement of such exempt taxes from the State in January 2017.

Approximately $7,377,145 of the District's $97,875,108 school tax levy for the 2017-2018 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January, 2018.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Agricultural-1%, Residential-88% and Commercial-2.4%.

The estimated total annual property tax bill of a $175,000 market value residential property located in the School District is approximately $4,540 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

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

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015 which generally extends the provisions of the program through 2019 and includes continued tax cap compliance.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the District and the Notes, 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 corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the 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. 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 authorized by the legislature of the State; provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is 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 authorized the power and procedure for the District to borrow and incur indebtedness, by the enactment of the Local Finance Law, subject 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 bonds.

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

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

(1) Such obligations are authorized for an object or 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 with in 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 estoppel procedure is recommended by Bond Counsel and has been undertaken by District. The School District has complied with such procedure with respect to the indebtedness to be evidenced by the Notes.

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

Statutory law in the State also permits the District to issue bond anticipation notes to be issued in anticipation of the issuance of serial bonds, which may be renewed each year provided annual principal installments are made in the reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance date of such notes and provided that such renewals do not exceed five years beyond the original date of the issuance of such notes. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with the power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Years Ending:	2013	2014	2015	2016	2017
Bonds	$140,235,000	$135,625,000	$ 64,165,000	$ 59,290,000	$ 54,235,000
Bond Anticipation Notes	0	0	20,000,000	29,739,786	28,905,493
Total Debt Outstanding	$140,235,000	$135,625,000	$ 64,165,000	$ 89,029,786	$ 83,140,493

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of January 12, 2018:

Type of Indebtedness	Maturity	Amount
Bonds	2018-2033	$ 48,975,000
Bond Anticipation Notes	February 9, 2018	28,905,493 (1)
	Total Indebtedness	$ 77,880,493

(1) To be renewed with the proceeds of the Notes and $1,145,493 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 12, 2018:

Full Valuation of Taxable Real Property			$ 3,768,580,396
Debt Limit 10% thereof			376,858,039
Inclusions:			
Bonds	$ 48,975,000		
Bond Anticipation Notes	1,145,493		
Principal of this Issue	27,760,000		
Total Inclusions		$ 77,880,493	
Exclusions:			
Building Aid (1)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 77,880,493
Net Debt-Contracting Margin			$ 298,977,547
The percent of debt contracting power exhausted is			20.67%

The issuance of the Notes will not increase the net indebtedness of the District.

(1) The School District receives New York State building aid in an amount approximating 65.3% of the debt service on its indebtedness incurred for building projects. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Other Obligations

The School District entered into an Energy Performance Contract (EPC) dated January 10, 2005 in the amount of $8,908,120. The payback will span over a 15 year period with yield calculated at 4.84%. Under the New York State Constitution leases are not included in the calculation of the School District's debt limit. The balance outstanding as of June 30, 2017 is $2,807,545.

Capital Project Plans

On December 11, 2012, the qualified voters of the District approved a proposition authorizing the District to undertake a district-wide capital improvement project (the "District-wide Capital Project") consisting of the construction of alterations, renovations and improvements to all of the District's school building and facilities, at a maximum cost of $35,567,898, with such cost being funded with $11,000,000 from the District's existing General Capital Reserve Fund and the balance of such cost, not in excess of $24,567,898, through the issuance of the District's serial bonds.

On December 11, 2012, the qualified voters of the District approved a second proposition authorizing the School District to undertake certain improvements to the outdoor athletic facilities at Pittsford Mendon High School and Pittsford Sutherland High School (the "Outdoor Athletic Facilities Project") at a maximum cost of $7,563,888, with such cost being funded with $1,500,000 from the District's existing General Capital Reserve Fund, up to $892,000 in private donations expected to be raised by community fundraising efforts, and the balance of such cost, not in excess of $5,171,888, through the issuance of the District's serial bonds.

On January 28, 2013, the Board of Education of the District adopted a bond resolution, authorizing the issuance of (i) $24,567,898 in serial bonds of the District to finance the District-wide Capital Project, and (ii) $5,171,888 to finance the Outdoor Athletic Facilities Project.

The District issued $20,000,000 bond anticipation notes on February 12, 2015 as the first borrowing against both authorizations. The School District renewed $20,000,000 bond anticipation notes on February 11, 2016 and issued $9,739,786 bond anticipation notes in new monies as the second borrowing for the District-wide Capital Project. On February 9, 2017 the District renewed $28,905,493 bond anticipation notes which mature on February 9, 2018. The proceeds of the Notes, along with $1,145,493 available funds of the District will renew the bond anticipation notes maturing February 9, 2018. There are no authorized but unissued amounts against both authorizations.

The District's architect completed the New York State Building Condition Survey (the "BCS") as required to be submitted by June 30, 2016. The BCS will form the foundation for updating the District's Long Range Facility Plan (the "LRFP"). The Board of Education will utilize the BCS and LRFP to develop future projects over the next 5-20 years. Such planning consideration will include estimated funding and utilization of the $2.9 million capital reserve coinciding with fulfillment of current debt service obligations.

There are presently no other capital projects authorized and unissued by the District.

Cash Flow Borrowings

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes for cash flow purposes and has no plans to in the foreseeable future.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Monroe	12/31/2015	$ 738,441,687	$ 97,648,690	$ 640,792,997	9.00%	$ 57,671,370
Ontario	12/31/2015	27,560,000	-	27,560,000	0.62%	170,872
Town of:						-
Brighton	12/31/2015	6,249,218	760,858	5,488,360	5.77%	316,678
Mendon	12/31/2015	2,071,695	401,000	1,670,695	6.68%	111,602
Penfield	12/31/2015	14,915,442	10,332,542	4,582,900	0.63%	28,872
Perinton	12/31/2015	20,470,000	16,470,000	4,000,000	14.85%	594,000
Pittsford	12/31/2015	15,516,450	166,926	15,349,524	93.51%	14,353,340
Victor	12/31/2015	4,771,500	305,000	4,466,500	3.08%	137,568
Village of:						
Pittsford	5/31/2016	425,000	-	425,000	100.00%	425,000
					Total:	$ 73,809,303

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Note: The 2016 Comptroller's Special Report is currently unavailable as of the date of this Official Statement.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2015.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of January 12, 2018.

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness (see "Debt Statement Summary")	$ 77,880,493	$ 2,299.87	2.07%
Net Indebtedness Plus Net Overlapping Indebtedness (c)	151,689,796	4,479.51	4.03%

((a) The current estimated population of the District is 33,863. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for the 2017-18 fiscal year is $3,768,580,396. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is $73,809,303. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

TAX MATTERS

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the Arbitrage and Use of Proceeds Certificate of the District to be executed in connection with the issuance of the Notes, the District will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Bond Counsel is of the further opinion that interest on the Notes is not an "item of tax preference" for purposes of federal alternative minimum tax on individuals and, for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations; interest on the Notes is, however included the calculation of "adjusted current earnings" for purposes of calculating the Federal alternative minimum tax imposed on certain corporations with respect to tax years beginning prior to January 1, 2018. Prospective corporate purchasers of the Notes should consult their tax advisers concerning the computation of any alternative minimum tax.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

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

In the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to federal, State or local income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Bond Counsel, Rochester, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals and, for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations; interest on the Notes is, however, included in "adjusted current earnings," for purposes of calculating the Federal alternative minimum tax imposed on certain corporations with respect to tax years beginning prior to January 1, 2018; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York); and (iv) based upon Bond Counsel's examination of law and review of the arbitrage certificate executed by the President of the Board of Education of the District pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be "arbitrage bonds" within the meaning of said section, and no matters have come to Bond Counsel's attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel will express no opinion regarding other Federal or State income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to Provide Notice of Certain Events, descriptions of which is attached hereto as “APPENDIX – C.”

Historical Compliance

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

MUNICIPAL ADVISOR

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

RATING

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

Moody's Investors Service ("Moody's") has assigned their underlying rating of "Aa1" with a to the District's outstanding bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, 99 Church Street - 9th Floor, New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Mr. Darrin T. Kenney, Assistant Superintendent for Business, Pittsford Central School District, Business Office, Barker Road East Offices, 75 Barker Road, Pittsford, New York 14534, Phone (585) 267-1053, Fax: (585) 381-9368, Email darrin_kenney@pittsford.monroe.edu

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

PITTSFORD CENTRAL SCHOOL DISTRICT

Dated: January 12, 2018

AMY J. THOMAS
President of the Board of Education and
Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2013	2014	2015	2016	2017
ASSETS					
Cash and cash equivalents	$ 39,520,817	$ 32,051,545	$ 35,627,000	$ 38,277,459	$ 41,281,521
Due from Other Funds	1,436,479	1,130,963	924,303	1,708,405	1,774,423
Receivables	3,120,014	2,983,299	3,236,974	2,843,712	3,222,419
Prepaid Items	75,327	76,815	83,131	80,851	68,332
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 44,152,637	$ 36,242,622	$ 39,871,408	$ 42,910,427	$ 46,346,695
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 728,654	$ 962,894	$ 971,192	$ 917,759	$ 900,882
Accrued Liabilities	560,328	351,411	508,259	374,808	270,502
Due to Other Funds	12,009,278	740,750	787,146	823,412	1,013,758
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	5,041,386	6,866,460	7,416,144	5,750,979	5,275,356
Due to Employee Retirement System	842,521	804,038	765,525	652,690	669,141
Deferred Revenues	-	450	-	-	-
Other Liabilities	-	-	-	-	-
Compensated Absences	417,430	439,123	463,935	483,792	566,980
TOTAL LIABILITIES	19,599,597	10,165,126	10,912,201	9,003,440	8,696,619
FUND EQUITY					
Nonspendable	$ 75,327	$ 76,815	$ 83,131	$ 80,851	$ 68,332
Restricted	16,111,780	18,005,040	21,076,056	25,475,745	29,013,942
Assigned	3,675,762	3,199,437	2,896,485	3,330,132	3,365,221
Unassigned	4,690,171	4,796,204	4,903,535	5,020,259	5,202,581
TOTAL FUND EQUITY	24,553,040	26,077,496	28,959,207	33,906,987	37,650,076
TOTAL LIABILITIES & FUND EQUITY	$ 44,152,637	$ 36,242,622	$ 39,871,408	$ 42,910,427	$ 46,346,695

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2012	2013	2014	2015	2016
REVENUES					
Real Property Taxes & Tax Items	$ 86,183,498	$ 88,125,099	$ 91,386,850	$ 93,028,053	$ 95,045,822
Non-Property Tax Items	5,109,543	5,249,993	5,400,092	5,036,662	4,912,858
Charges for Services	426,315	307,483	470,432	481,845	504,371
Use of Money & Property	332,754	286,292	234,893	179,756	168,662
Sale of Property and Compensation for Loss	142,090	229,970	127,654	88,282	93,345
Miscellaneous	618,035	726,539	732,624	816,301	855,785
Interfund Revenues	13,074	-	-	-	-
Revenues from State Sources	17,732,778	18,344,061	18,181,602	19,726,012	20,743,133
Revenues from Federal Sources	0	96,414	50,040	33,630	34,090
Total Revenues	$ 110,558,087	$ 113,365,851	$ 116,584,187	$ 119,390,541	$ 122,358,066
Other Sources:					
Interfund Transfers	23,973	429,491	6,121	38,991	7,637
Total Revenues and Other Sources	110,582,060	113,795,342	116,590,308	119,429,532	122,365,703
EXPENDITURES					
General Support	$ 10,823,507	$ 10,907,952	$ 10,522,959	$ 10,272,793	$ 10,003,957
Instruction	55,613,925	56,212,961	58,522,532	59,491,496	61,196,841
Pupil Transportation	3,987,315	3,806,867	4,043,207	3,815,894	3,734,462
Employee Benefits	26,884,675	28,905,865	31,900,573	32,891,726	32,387,453
Debt Service	-	-	-	-	-
Total Expenditures	$ 97,309,422	$ 99,833,645	$ 104,989,271	$ 106,471,909	$ 107,322,713
Other Uses:					
Interfund Transfers	10,079,841	23,559,041	10,076,581	10,075,912	10,095,210
Total Expenditures and Other Uses	107,389,263	123,392,686	115,065,852	116,547,821	117,417,923
Excess (Deficit) Revenues Over Expenditures	3,192,797	(9,597,344)	1,524,456	2,881,711	4,947,780
FUND BALANCE					
Fund Balance - Beginning of Year	30,957,587	34,150,384	24,553,040	26,077,496	28,959,207
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 34,150,384	$ 24,553,040	$ 26,077,496	$ 28,959,207	$ 33,906,987

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2017 Adopted Budget	2017 Modified Budget	2017 Actual	2018 Adopted Budget
REVENUES				
Real Property Taxes & Tax Items	$ 95,551,595	$ 95,551,595	$ 95,484,224	$97,875,108
Non-Property Tax Items	4,912,858	4,912,858	5,500,546	5,177,196
Charges for Services	365,422	365,422	747,534	478,921
Use of Money & Property	185,251	185,251	152,098	45,000
Sale of Property and Compensation for Loss	42,200	42,200	218,716	42,200
Miscellaneous	390,155	390,155	1,129,629	431,273
Interfund Revenues	-	-	-	-
Revenues from State Sources	21,832,029	21,832,029	22,297,952	23,727,820
Revenues from Federal Sources	50,000	50,000	71,625	40,000
Total Revenues	$ 123,329,510	$ 123,329,510	$ 125,602,324	$ 127,817,518
Other Sources:				
Appropriated Fund Balance & Reserves	$ 2,177,000	$ 4,914,199	$ -	$ 2,247,000
Prior Year Encumbrances	1,796,132	1,796,132	-	-
Interfund Transfers	-	-	5,816	-
Total Revenues and Other Sources	127,302,642	130,039,841	125,608,140	130,064,518
EXPENDITURES				
General Support	$ 12,785,018	$ 12,904,362	$ 10,399,312	$ 11,820,739
Instruction	64,868,759	65,483,268	62,550,484	64,870,767
Pupil Transportation	4,491,282	4,493,976	3,917,174	4,468,320
Community Services	-	-	-	
Employee Benefits	36,601,714	35,785,224	33,631,938	38,300,020
Debt Service	-	1,427,438	1,427,438	1,968,603
Total Expenditures	$ 118,746,773	$ 120,094,268	$ 111,926,346	$ 121,428,449
Other Uses:				
Interfund Transfers	8,555,869	9,945,573	9,938,705	8,636,069
Total Expenditures and Other Uses	127,302,642	130,039,841	121,865,051	130,064,518
Excess (Deficit) Revenues Over Expenditures	-	-	3,743,089	-
FUND BALANCE				
Fund Balance - Beginning of Year	33,906,987	33,906,987	33,906,987	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ 33,906,987	$ 33,906,987	$ 37,650,076	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total Principal & Interest
2018	$ 5,260,000	$ 2,061,975.00	$ 7,321,975.00
2019	5,495,000	1,846,875.00	7,341,875.00
2020	5,745,000	1,622,075.00	7,367,075.00
2021	6,000,000	1,387,175.00	7,387,175.00
2022	6,265,000	1,141,875.00	7,406,875.00
2023	6,550,000	885,575.00	7,435,575.00
2024	1,555,000	715,700.00	2,270,700.00
2025	1,640,000	635,825.00	2,275,825.00
2026	1,705,000	567,887.50	2,272,887.50
2027	1,785,000	496,325.00	2,281,325.00
2028	1,855,000	423,875.00	2,278,875.00
2029	1,915,000	367,325.00	2,282,325.00
2030	1,985,000	298,900.00	2,283,900.00
2031	2,070,000	217,800.00	2,287,800.00
2032	2,160,000	133,200.00	2,293,200.00
2033	2,250,000	45,000.00	2,295,000.00
TOTALS	$ 54,235,000	$ 12,847,387.50	$ 67,082,387.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Refunding of 2005 Serial Bonds			2012B Refunding of 2006 Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	$ 4,055,000	$ 1,009,500.00	$ 5,064,500.00	$ 1,205,000	$ 1,052,475.00	$ 2,257,475.00
2019	4,240,000	843,600.00	5,083,600.00	1,255,000	1,003,275.00	2,258,275.00
2020	4,435,000	670,100.00	5,105,100.00	1,310,000	951,975.00	2,261,975.00
2021	4,630,000	488,800.00	5,118,800.00	1,370,000	898,375.00	2,268,375.00
2022	4,840,000	299,400.00	5,139,400.00	1,425,000	842,475.00	2,267,475.00
2023	5,065,000	101,300.00	5,166,300.00	1,485,000	784,275.00	2,269,275.00
2024				1,555,000	715,700.00	2,270,700.00
2025				1,640,000	635,825.00	2,275,825.00
2026				1,705,000	567,887.50	2,272,887.50
2027				1,785,000	496,325.00	2,281,325.00
2028				1,855,000	423,875.00	2,278,875.00
2029				1,915,000	367,325.00	2,282,325.00
2030				1,985,000	298,900.00	2,283,900.00
2031				2,070,000	217,800.00	2,287,800.00
2032				2,160,000	133,200.00	2,293,200.00
2033				2,250,000	45,000.00	2,295,000.00
TOTALS	$ 27,265,000	$ 3,412,700.00	$ 30,677,700.00	$ 26,970,000	$ 9,434,687.50	$ 36,404,687.50

UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS

At the time of delivery of the Notes, the District will deliver to the purchasers an executed Undertaking to Provide Notices of Certain Events, which will provide as follows:

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

The District may amend the Undertaking to Provide Notice of Certain Events upon a change in circumstances provided that (a) the Undertaking to Provide Notice of Certain Events, as amended, would have complied with the requirements of the Rule at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the Issuer, the amendment does not materially impair the interests of the beneficial owners of the Notes.

PITTSFORD CENTRAL SCHOOL DISTRICT
MONROE & ONTARIO COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2017

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

TABLE OF CONTENTS

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pittsford Central School District, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

1020 Lehigh Station Road • Suites 2 & 3 • Henrietta, New York 14467
Tel: (585) 321-5643 • Fax: (585) 321-5644 • E-Mail: theoffice@raymondfwagercpa.com

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 Pittsford Central School District, New York, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As described in Note XIII to the financial statements, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, an amendment of GASB No. 68. As a result, the beginning net position has been restated.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–13 and 52-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pittsford Central School District, New York's basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2017 on our consideration of the Pittsford Central School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pittsford Central School District, New York's internal control over financial reporting and compliance.

Raymond F. Wager, CPA, PC

September 1, 2017

INTRODUCTION

The Pittsford Central School District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. It is based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. Please review it in conjunction with the District's financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

The District implemented GASB Statements Nos. 75 and 77 on June 30, 2017. Statement No. 75 improves accounting and financial reporting requirements by state and local governments for Post-Employment Benefits Other than Pensions (OPEB). It also improves information provided by state and local governments about financial support for OPEB that is provided by other entities. (Pages 14, 15 and 16). Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. (Page 51).

- With the implementation of GASB 75 and full recognition of OPEB costs on the balance sheet, the total assets of the District are short of its total liabilities at the close of the fiscal year by $134.8 million (Net Position, page 14). This accounting deficit is the result of GASB 75 requiring the reporting of the Long-term Liability while NYS Law does not afford schools a legal means to reserve, fund or recognize the GASB 75 OPEB costs.
- The District's change in Net Position is ($5.9) million (page 15 and 18). This is primarily due to the GASB 75 Other Post Employment Benefit (OPEB) obligation, compensated absence obligation, pension fund liability, and the capitalization of assets.
- General Fund refund of prior year expense (stated as Miscellaneous) was above the original budget by $739 thousand is primarily due to a larger than projected refund from Monroe #1 BOCES, Monroe County for preschool costs reimbursement, and E-Rate refunds greater than projected. (Page 55)
- General Fund charges for services was above the original budget by $382 thousand due to charges for parentally placed students in non-public schools located in our district who receive Special Education services and health services for non-resident students attending these same schools. There was an influx of students receiving high cost services at non-public schools that were billed to other districts. (Page 55)
- Voters approved a renovation project in December, 2012 in the amount of $43.2 million. Renovation work to be completed included athletic field improvements at Sutherland and Mendon High School and miscellaneous building repairs at all nine school buildings. Work is complete at both High Schools on the athletic field improvements and at the two high schools to upgrade bathrooms to be ADA compliant. Work continued on Phase 2 and 3 during the summer of 2016 which included boiler improvements. Capital improvement work continued in most buildings through the spring and summer of 2017 with only a few improvements left to be completed in 2017-18 (page 59).
- The District purchased twelve replacement buses from the voter authorized Capital Bus Purchase Reserve.
- As of the close of this fiscal year, the District's governmental funds reported combined fund balances of approximately $16.91 million (page 17).

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis narrative (required supplemental information) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to these statements, this report also includes other supplemental information, as outlined on page 4.

Financial Statements
Required Supplemental Information

Management's Discussion & Analysis (MD & A)

Basic Financial Statements

District-wide (Entire District)		**Fund** (Governmental & Fiduciary)
Financial Statements	⟷	**Financial Statements**
1. Statement of Net Position (page 14)		**1. Balance Sheet – Governmental Funds (page 16)**
2. Statement of Activities and Changes in Net Position (page 15)		**2. Statement of Revenues, Expenditures And Changes in Fund Balances Governmental Funds (page 17)**
		3. Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances of Gov. Funds to Statement of Activity (page 18)
		4. Statement of Fiduciary Net Position (page 19)
		5. Statement of Changes in Fiduciary Net Position (page 19)

Notes to the Basic Financial Statements

Supplemental Information

Non-major Funds Combining Statements (page 59-60)

General Fund Budget & Tax Limit Information (page 57)

Capital Project Funds Schedule of Project Expenditures (page 58)

General Fund Budget to Actual Schedule (page 55)

Our auditor has provided assurance in his independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business, providing both short-term and long-term information about the District's overall financial status.

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

The statement of activities presents information showing how the District's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to when the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. certain federal/state grants and earned but unused vacation leave).

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

District-wide Financial Analysis (Page 14)

Pittsford Central School District's Net Position
June 30, 2016 and 2017 (thousands of dollars)

	Governmental Activities		Percent
	2017	2016	Change
ASSETS:			
Current Assets	$ 53,777	$ 89,305	-39.78%
Capital Assets	139,887	134,597	3.93%
Total Assets	**$ 193,664**	**$ 223,902**	-13.51%
DEFERRED OUTFLOW OF RESOURCES:			
Deferred Outflow of Resources	$ 62,244	$ 13,465	362.27%
LIABILITIES:			
Current Liabilities	$ 36,722	$ 39,385	-6.76%
Long-Term Obligations	336,595	129,272	160.38%
Total Liabilities	**$ 373,317**	**$ 168,657**	121.35%
DEFERRED INFLOW OF RESOURCES:			
Deferred Inflow of Resources	$ 17,454	$ 10,713	62.92%
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	$ 58,122	$ 55,867	4.04%
Restricted For			
Capital Reserve	20,735	18,380	12.81%
Other Purposes	9,439	10,257	-7.98%
Unrestricted	(223,158)	(26,507)	741.88%
Total Net Position	**$ (134,862)**	**$ 57,997**	-332.53%

As illustrated above, the largest portion of the District's Net Position (72 percent) reflects its investment in capital assets (land, buildings, improvements, machinery and equipment), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide educational services. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. Capital assets themselves cannot be used to liquidate these liabilities.

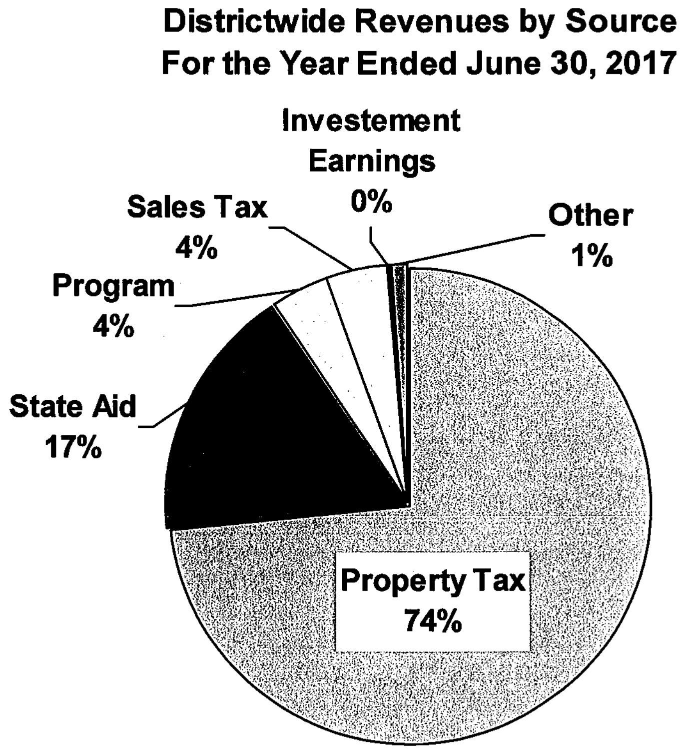
An additional portion of the District's restricted and unrestricted Net Position (11 percent) represents resources that are subject to external restrictions on how they may be used (capital projects, debt service and other specified purposes).

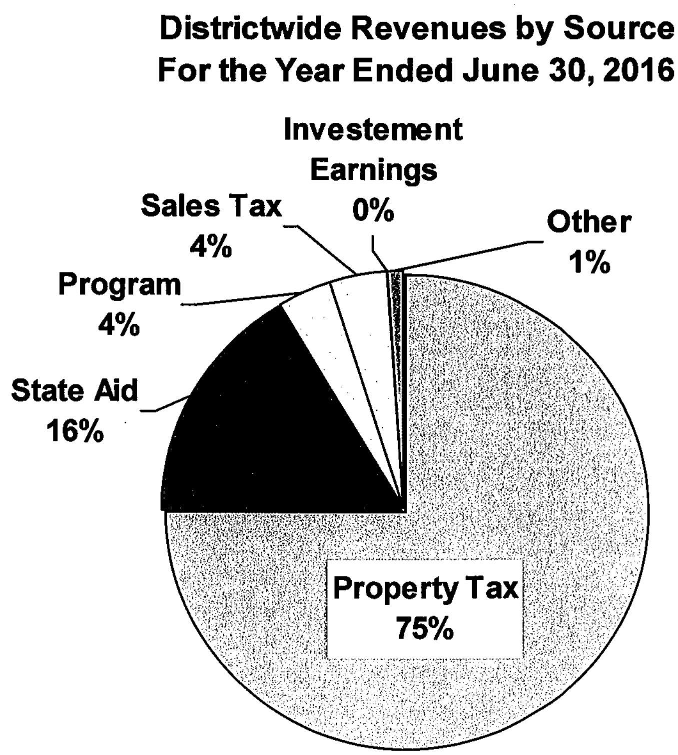
Pittsford Central School District's
Changes in Net Position (Page 15 and 18)
For the Years Ended June 30, 2016 and 2017
(thousands of dollars)

	Governmental Activities 2017	Governmental Activities 2016	Total Percentage Change
REVENUES:			
Program -			
Charges for Services	$ 2,467	$ 2,236	10.33%
Operating Grants & Contributions	2,590	2,349	10.26%
Total Program	$ 5,057	$ 4,585	10.29%
General -			
Property Taxes	$ 95,484	$ 95,046	0.46%
Non-Property Taxes (Sales Tax)	5,500	4,913	11.95%
State and Federal Aid	22,370	20,777	7.67%
Investment Earnings	159	175	-9.14%
Compensation for Loss	219	93	135.48%
Miscellaneous	1,398	1,270	10.08%
Total General	$ 125,130	$ 122,274	2.34%
TOTAL REVENUES	**$ 130,187**	**$ 126,859**	2.62%
EXPENSES:			
Instruction	$ 108,427	$ 96,302	12.59%
Support Services -			
General Support	14,627	13,486	8.46%
Transportation	7,817	7,348	6.38%
School Lunch	2,336	2,323	0.56%
Interest in Long-Term Debt	2,864	2,950	-2.92%
TOTAL EXPENSES	**$ 136,071**	**$ 122,409**	11.16%
CHANGES IN NET POSITION	**$ (5,884)**	**$ 4,450**	

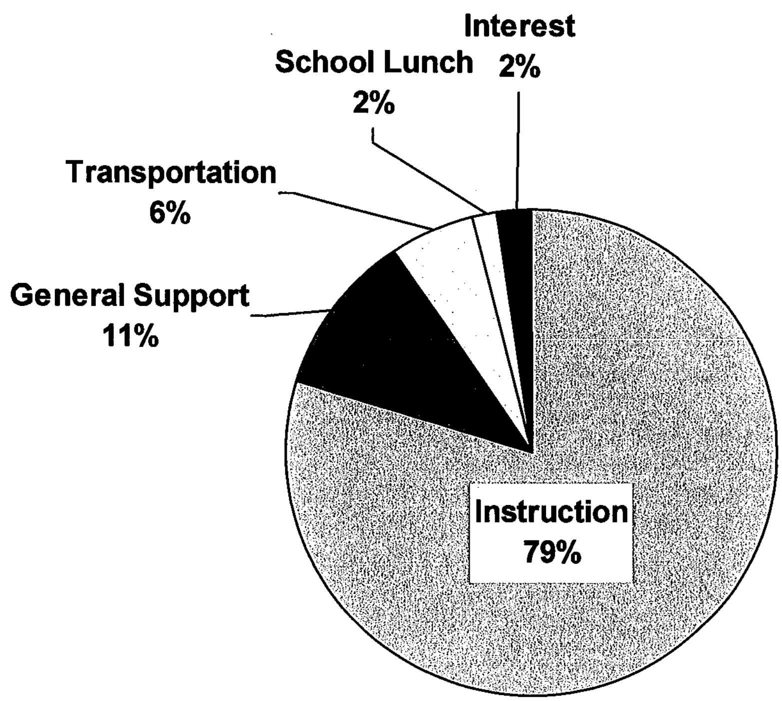
The $5.9 million decrease in Net Position (page 18) is attributable to a) Reporting net pension asset/liability b) Other Post Employment Benefit liability and c) the depreciation of assets over time. The District's breakdown of revenues is as follows: state and federal aid accounted for 16% of revenues and property taxes accounted for 75% of revenues. The remaining 9% of revenue came from sales tax, operating grants, charges for services, investment earnings and miscellaneous revenues. The District's expenses are predominately related to education and caring for students, or 87% of total expenses, and general support, which included expenses associated with the operation, maintenance and administration of the district, accounted for 13% of the total costs.

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

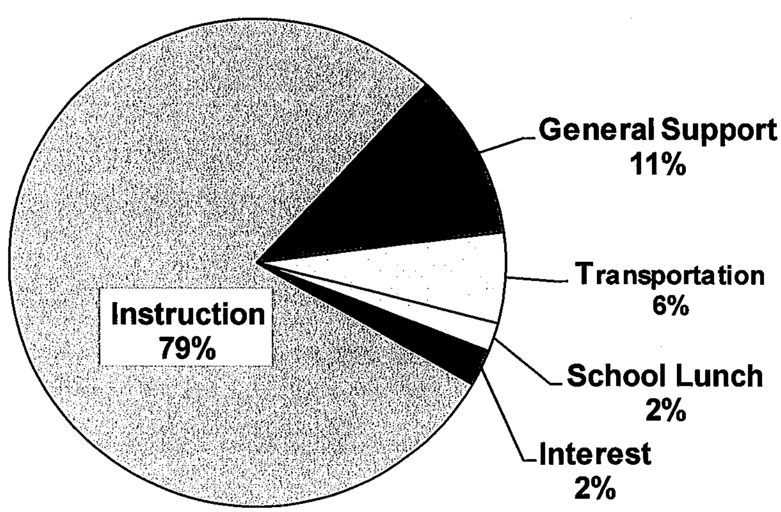




Districtwide Expenses by Function
For the Year Ended June 30, 2017



Districtwide Expenses by Function
For the Year Ended June 30, 2016



Fund Financial Statements

The fund financial statements provide detailed information about the District's most significant (major) funds.

A **fund** is a grouping of related accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Most of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to be spent in the near future to finance the District's programs. We describe the relationship or differences between governmental activities (reported in the *Statement of Net Position* and *the Statement of Activities*) and governmental funds on the *Reconciliation of the Governmental Funds.*

The District maintains five individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund, and Capital Projects Fund. Information is presented separately in the governmental fund *Balance Sheet* and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund and the capital fund. Data from the special aid fund, the school lunch fund, and the debt service fund are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in a combining statement format as a supplemental schedule in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fund Financial Analysis (District's Funds)

Pittsford Central School District's Balance Sheet (Page 16)
June 30, 2016 and 2017
(thousands of dollars)

	Total General Fund 2017	Total General Fund 2016
Total Assets	$ 46,347	$ 42,910
Total Liabilities	$ 8,697	$ 9,003
Fund Balance		
Nonspendable-prepaid	$ 69	$ 81
Restricted	29,014	25,476
Assigned, Approp. & Encumbrances	3,365	3,330
Unassigned, Unappropriated	5,202	5,020
Total Fund Balance	$ 37,650	$ 33,907

Of the approximately $37.6 million fund balance in the general fund (page 16), approximately 22.75% of this total ($8.57 million) constitutes unreserved fund balance, $1.5 million is appropriated to reduce the 2017-2018 fiscal year tax levy, $1.83 is set aside for encumbrances and $5.2 million (4% of the 2017-18 budget) is available for ensuing fiscal years. The remainder of fund balance is restricted, which indicates that it is not available due to the fact that it is either legally restricted to liquidate current contracts, restricted by district residents for future voter authorized purposes ($29 million), and other Board of Education authorized purposes. Contained in this balance are year-end Board of Education authorized transfers of $700 thousand to the Capital Bus Reserve, $2.1 million to the voter authorized Capital Building Reserve, $1 million to the Employee Benefit Reserve, $500 thousand to the Retirement Contribution Reserve and $50 thousand to the Reserve for Workers Compensation.

Maintaining an adequate fund balance has several internal benefits. Fund balance can provide for cash flow needs until major revenues are received (thereby reducing or eliminating the need for cash flow borrowing), provide funds to leverage state and federal grants and provide for various contingencies.

The following is a summary of the fund balances and reserves as of June 30, 2017 (page 16 and 60) by individual fund (including encumbrances restricted to liquidate current contracts and/or purchase orders):

(Thousands of dollars)

FUND BALANCE:	Fund Balance 2017	Fund Balance 2016	Change in Fund Balance
General Fund (including reserves)	$ 37,650	$ 33,907	$ 3,743
Capital Fund	(22,366)	(13,639)	(8,727)
School Lunch Fund	443	499	(56)
Federal	30	(4)	34
Debt Service Fund	1,160	887	273
Total	**$ 16,917**	**$ 21,650**	**$ (4,733)**

As of the end of the fiscal year, the District's governmental funds reported combined fund balances of $16.9 million (see page 16), a decrease of $4.7 million from the prior year. This decrease was due to approved capital building reserve projects and the school lunch program.

General Fund Budgetary Highlights (Page 55-57)

The difference between the general funds adopted budget and the final amended budget was $4.53 million. This amount includes, $1.79 million in carryover of outstanding purchase orders (encumbrances) from the 2015-2016 fiscal year, a voter approved bus purchases of $1.31 million and Debt Service principal and interest payments of nearly $1.43 million.

The $2.27 million positive budget-to-actual variance in general fund revenues and the $6.3 million positive budget-to-actual variance in general fund expenditures are a result of the following:

- The increase in total revenues of $2.27 million over budget was primarily due to increases in General Operating Aid (Basic formula and Lottery aid) of $1.48 million; sales tax revenues of $587 thousand; charges for educational services to other school districts $382 thousand due to an increase in high cost students served.
- Budgetary controls throughout the year to maintain expenditures below the original budget, including instructional expenditures at 97%, transportation expenditures at 89% and employee benefit expenditures at 94% of original budgetary amounts.

Capital Asset and Debt Administration (Page 37)

The District's capital assets (net of accumulated depreciation) as of June 30, 2017 and 2016 are as follows:

(thousands of dollars)

CAPITAL ASSETS	2017	2016
Land	$ 679	$ 679
Work in Progress	29,144	19,548
Buildings and Improvements	101,861	106,344
Machinery and Equipment	8,203	8,026
Total	**$ 139,887**	**$ 134,597**

The total increase in the District's capital assets (net of accumulated depreciation) for the current fiscal year was $5,290 thousand. The increase is attributable to work in progress for the capital project and the depreciation of buildings and equipment that are devalued over the useful life of the asset.

Obligations (Page 38-39): The District had total long-term debt including serial bonds and other post employment obligations outstanding of $336,594 million as of June 30, 2017 (an increase of $20.3 million over the previous year). This increase is primarily due to OPEB liability and compensated absences.

(thousands of dollars)

Long-Term Debt Obligations	2017	2016
Serial Bonds	$ 54,235	$ 59,290
Other Debt (EPC & Comp. Absences)	9,139	8,119
Net Pension Liability	7,477	7,991
Other Post Employment Benefits	265,743	240,848
Total Long-Term Obligations	**$ 336,594**	**$ 316,248**

The change in this long-term debt level is attributable to the following: a) serial bond principal and interest payments in 2016-17, b) the Government Accounting Standards Board Statement No. 75 requirement to account for in whole other post-employment benefits (healthcare benefits separate from a pension plan) in the current year and c) the Government Accounting Standards Board Statement No. 68 requirement to account and report for Pensions. A postemployment benefit is viewed as a deferred compensation arrangement whereby an employer promises to exchange future benefits for employee's current services.

Our current bond rating is an Aa1. Section 104.00 of the Local Finance Law limits the amount of general obligation debt that a school district may issue to 10 percent of its total assessed valuation. The current debt limitation for the District is $372 million, which is significantly higher than the present outstanding general obligation debt of $57.0 million. The District has leveraged in debt 17% of the legal capacity.

Notes to the Financial Statements

The notes provide additional information that is essential in achieving a full understanding of the data provided in the district-wide and fund financial statements.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information (supplementary schedules). The combining statements referred to earlier in connection with non-major governmental funds are presented as supplementary schedules.

Factors Bearing on the District's Future

The state comptroller has advised all participating employers that the billing from the New York State Employees' Retirement System, beginning with the bill due February 2018, for the billing period April 2016 through March 2017, will average 15.3% of eligible payroll. The New York State Employees' Retirement System has not informed participating employers what the rate for the bill due February 2019 billing period April 2017 to March 2018, will average.

The New York State Teachers' Retirement System has indicated that the rate to be used to calculate expenditures for the 2017-18 fiscal year will be 9.8% of eligible salaries. This rate is approximately 4.27% lower than the 2016-17 rate of 11.72% of eligible salaries.

The $106.5 million capital revitalization project renovation work on all phases was completed in 2009. This work necessitated issuance of serial bonds of $102.9 million for permanent funding of the project; the tenth principal and the twelfth interest payment for the capital revitalization project occurred in the 2016-17 fiscal year. The Energy Performance Contract (EPC) work district-wide is complete; the twelfth principal and interest payment for the EPC occurred in the 2016-17 fiscal year.

The current $43.4 million Capital Project is largely funded through the Capital Reserve Fund and State Building Aid. The District has re-issued $28.9 million in Bond Anticipation Notes in the 2016-17 fiscal year and will issue long term debt (bonds) of approximately $28.9 million in 2018-19. The District recently completed an extensive NYS required Building Condition Survey and the District will use that data as a foundation for a Long-Range Facilities Plan (LRFP). The LRFP will serve as a blue print for a long-term facilities maintenance and renovation plan identifying needs and adjustments to suit educational program and enrollment into the future. The 2015 LRFP identified more than $175 million in high priority needs. This can be compared to the 2010 LRFP which identified more than $110 million in high priority needs of which the current capital project is addressing approximately $36 million of those needs.

The current public education climate in NYS is a challenging one. Voter influence of their local school budget has been curtailed with the implementation of the Property Tax Cap, requiring a 60% supermajority approval of a budget proposal that results in a Tax Levy increase of more than the Tax Cap (NYS prescribed formula based on CPI). As a higher than average wealth District, we are more dependent on the Tax Levy than are most schools, with approximately 75% of our budget supported by local taxes. Coupled with the States continued failure to follow the law, constitution and court order by freezing Foundation Aid and further reducing it by the Gap Elimination Adjustment (GEA). In the 2016-17 budget the GEA was eliminated, however, the District is still owed more than $74 million in State Aid in arrears over the previous eight years. When NYS curtails the local community's ability to compensate for the State's failure to comply, planning for and meeting future cost growth trends and unfunded mandates from the State and Federal government, the District is challenged. The District has adopted a multi-year financial planning model and conservatively plans budgets coupled with Fund Balance and Reserve management with an eye toward providing financial stability and predictability into the future.

Requests for Information

This financial report is designed to provide district residents, taxpayers, parents, students, investors and creditors, with a general overview of the District's finances, and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Pittsford Central School District
75 Barker Road, East Offices
Pittsford, NY 14534
Attn: Darrin Kenney, Asst. Supt. for Business, or
Leeanne Reister, Director of Finance

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2017

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	49,844,074
Accounts receivable		3,835,917
Inventories		29,020
Prepaid items		68,332
Capital Assets:		
Land		678,810
Work in progress		29,143,681
Other capital assets (net of depreciation)		110,064,318
TOTAL ASSETS	**$**	**193,664,152**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	**$**	**62,244,369**
LIABILITIES		
Accounts payable	$	948,294
Accrued liabilities		716,691
Unearned revenues		206,749
Due to other governments		378
Due to teachers' retirement system		5,275,356
Due to employees' retirement system		669,141
Bond anticipation notes payable		28,905,493
Long-Term Obligations:		
Due in one year		6,594,233
Due in more than one year		330,000,225
TOTAL LIABILITIES	**$**	**373,316,560**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	**$**	**17,453,814**
NET POSITION		
Net investment in capital assets	$	58,122,510
Restricted For:		
Capital reserves		20,734,746
Other purposes		9,438,815
Unrestricted		(223,157,924)
TOTAL NET POSITION	**$**	**(134,861,853)**

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities and Changes in Net Position
For Year Ended June 30, 2017

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government -				
General support	$ 14,626,532	$ -	$ -	$ (14,626,532)
Instruction	108,427,385	747,534	2,589,584	(105,090,267)
Pupil transportation	7,817,247	-	-	(7,817,247)
School lunch	2,336,128	1,719,748	-	(616,380)
Interest	2,863,880	-	-	(2,863,880)
Total Primary Government	**$ 136,071,172**	**$ 2,467,282**	**$ 2,589,584**	**$ (131,014,306)**

General Revenues:	
Property taxes	$ 95,484,224
Non property taxes	5,500,546
State and federal aid	22,369,577
Investment earnings	159,417
Compensation for loss	218,716
Miscellaneous	1,397,836
Total General Revenues	**$ 125,130,316**
Changes in Net Position	$ (5,883,990)
Net Position, Beginning of Year (restated)	(128,977,863)
Net Position, End of Year	**$ (134,861,853)**

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2017

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 41,281,521	5,616,946	$ 2,945,607	$ 49,844,074
Receivables	3,222,419	-	613,498	3,835,917
Inventories	-	-	29,020	29,020
Due from other funds	1,774,423	947,008	81,547	2,802,978
Prepaid items	68,332	-	-	68,332
TOTAL ASSETS	**$ 46,346,695**	**$ 6,563,954**	**$ 3,669,672**	**$ 56,580,321**
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	$ 900,882	$ 8,727	$ 38,685	$ 948,294
Accrued liabilities	270,502	673	3,362	274,537
Notes payable - bond anticipation notes	-	28,905,493	-	28,905,493
Due to other funds	1,013,758	14,830	1,774,390	2,802,978
Due to other governments	-	-	378	378
Due to TRS	5,275,356	-	-	5,275,356
Due to ERS	669,141	-	-	669,141
Compensated absences	566,980	-	12,884	579,864
Unearned revenue	-	-	206,749	206,749
TOTAL LIABILITIES	**$ 8,696,619**	**$ 28,929,723**	**$ 2,036,448**	**$ 39,662,790**
Fund Balances -				
Nonspendable	$ 68,332	$ -	$ 29,020	$ 97,352
Restricted	29,013,942	2,355,985	1,159,619	32,529,546
Assigned	3,365,221	-	444,585	3,809,806
Unassigned	5,202,581	(24,721,754)	-	(19,519,173)
TOTAL FUND BALANCE	**$ 37,650,076**	**$ (22,365,769)**	**$ 1,633,224**	**$ 16,917,531**
TOTAL LIABILITIES AND FUND BALANCES	**$ 46,346,695**	**$ 6,563,954**	**$ 3,669,672**	

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	139,886,809
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(442,154)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(54,235,000)
OPEB	(265,743,300)
Compensated absences	(5,752,286)
Installment purchase debt	(2,807,545)
Deferred outflow - pension	31,968,990
Deferred outflow - OPEB	30,275,379
Net pension liability	(7,476,463)
Deferred inflow - pension	(1,681,997)
Deferred inflow - OPEB	(15,771,817)
Net Position of Governmental Activities	**$ (134,861,853)**

(See accompanying notes to financial statements)

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2017

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and tax items	$ 95,484,224	$ -	$ -	$ 95,484,224
Non-property taxes	5,500,546	-	-	5,500,546
Charges for services	747,534	-	-	747,534
Use of money and property	152,098	-	7,319	159,417
Sale of property and compensation for loss	218,716	-	-	218,716
Miscellaneous	1,129,629	-	215,617	1,345,246
State sources	22,297,952	-	792,969	23,090,921
Federal sources	71,625	-	1,583,053	1,654,678
Sales	-	-	1,719,748	1,719,748
Premium on obligations issued	-	-	266,152	266,152
TOTAL REVENUES	**$ 125,602,324**	**$ -**	**$ 4,584,858**	**$ 130,187,182**
EXPENDITURES				
General support	$ 10,399,312	$ -	$ -	$ 10,399,312
Instruction	62,550,484	-	2,561,469	65,111,953
Pupil transportation	3,917,174	1,399,184	151,622	5,467,980
Employee benefits	33,631,938	-	439,730	34,071,668
Debt service - principal	834,293	-	5,773,825	6,608,118
Debt service - interest	593,145	-	2,407,044	3,000,189
Cost of sales	-	-	646,837	646,837
Other expenses	-	-	731,622	731,622
Capital outlay	-	9,716,284	-	9,716,284
TOTAL EXPENDITURES	**$ 111,926,346**	**$ 11,115,468**	**$ 12,712,149**	**$ 135,753,963**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 13,675,978	$ (11,115,468)	$ (8,127,291)	$ (5,566,781)
OTHER FINANCING SOURCES (USES)				
Transfers - in	$ 5,816	$ 1,559,761	$ 8,378,944	$ 9,944,521
Transfers - out	(9,938,705)	(5,816)	-	(9,944,521)
BAN's redeemed from appropriations	-	834,293	-	834,293
TOTAL OTHER FINANCING SOURCES (USES)	**$ (9,932,889)**	**$ 2,388,238**	**$ 8,378,944**	**$ 834,293**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	**$ 3,743,089**	**$ (8,727,230)**	**$ 251,653**	**$ (4,732,488)**
FUND BALANCE, BEGINNING OF YEAR	33,906,987	(13,638,539)	1,381,571	21,650,019
FUND BALANCE, END OF YEAR	**$ 37,650,076**	**$ (22,365,769)**	**$ 1,633,224**	**$ 16,917,531**

(See accompanying notes to financial statements)

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities

For Year Ended June 30, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (4,732,488)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets exceeded depreciation in the current period:		
Capital Outlay	$ 9,716,284	
Additions to Assets, Net	1,669,093	
Depreciation	(6,095,576)	
		5,289,801
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:		
Debt Repayments	$ 6,608,118	
Proceeds from BAN Redemption	(834,293)	
		5,773,825
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		136,309
The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		(10,391,972)
(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds		
Teachers' Retirement System		259,475
Employees' Retirement System		(563,101)
In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:		
Compensated Absences		(1,655,839)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ (5,883,990)**

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2017

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	$ 80,874	$ 2,313,718
Investments	28,382	-
Perfunded flex benefits	-	49,797
TOTAL ASSETS	**$ 109,256**	**$ 2,363,515**
LIABILITIES		
Accounts payable	$ 492	$ 4,039
Extraclassroom activity balances	-	274,434
Other liabilities	-	2,085,042
TOTAL LIABILITIES	**$ 492**	**$ 2,363,515**
NET POSITION		
Restricted for scholarships	$ 108,764	
TOTAL NET POSITION	**$ 108,764**	

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2017

	Private Purpose Trust
ADDITIONS	
Contributions	$ 12,900
Miscellaneous	10,896
Investment earnings	6,918
TOTAL ADDITIONS	**$ 30,714**
DEDUCTIONS	
Other expenses	$ 33,170
TOTAL DEDUCTIONS	**$ 33,170**
CHANGE IN NET POSITION	$ (2,456)
NET POSITION, BEGINNING OF YEAR	111,220
NET POSITION, END OF YEAR	**$ 108,764**

I. Summary of Significant Accounting Policies

The financial statements of the Pittsford Central School District, New York (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the 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. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agency for various student organizations in an agency fund.

B. **Joint Venture**

The District is a component of the First Supervisory District of Monroe County Board of Cooperative Educational Services (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component 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). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $10,234,372 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,450,344.

Financial statements for the BOCES are available from the BOCES administrative office.

C. **Basis of Presentation**

1. **Districtwide Statements**

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

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

2. Fund Statements

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

The District reports the following governmental funds:

a. Major Governmental Funds

General Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Capital Projects Fund - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

b. Nonmajor Governmental - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

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

Private Purpose Trust Funds - These funds are used to account for trust arrangements in which principal and income benefit annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

D. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measureable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 9, 2016. Taxes are collected during the period September 1 to October 31, 2016.

Uncollected real property taxes are subsequently enforced by the County of Monroe, in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

G. Interfund Transactions

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

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

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

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

H. 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

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

Investments are stated at fair value.

J. Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. An allowance for uncollectible accounts has been provided in the amount of $67,200 as of June 30, 2017.

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch 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 inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of $5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

Class	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 50,000	SL	15-50 Years
Machinery and Equipment	$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

M. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

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 (expenses/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

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 four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect on the net changes of assumptions or other inputs.

O. Vested Employee Benefits

1. Compensated Absences

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

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

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

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 funds 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.

P. Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

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

R. Accrued Liabilities and Long-Term Obligations

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

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

S. Equity Classifications

1. District-Wide Statements

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

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

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

On the Statement of Net Position the following balances represent the restricted for other purposes:

	Total
Unemployment Insurance	$ 392,483
Retirement Contribution	2,003,404
Insurance	1,220,527
Tax Certiorari	738,415
Workers' Compensation Costs	180,111
Debt	1,159,619
Liability	1,684,337
Employee Benefits Accrued Liability	2,059,919
Total Net Position - Restricted for Other Purposes	**$ 9,438,815**

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

2. **Fund Statements**

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

a. **Nonspendable 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. Nonspendable fund balance includes:

		Total
Inventory in school lunch	$	29,020
Prepaid items		68,332
Total Nonspendable Fund Balance	**$**	**97,352**

b. **Restricted Fund Balances** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

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

Name of Reserve	Maximum Funding	Total Funding Provided	Total Year to Date Balance
Technology Capital Reserve	$ 10,000,000	$ 1,500,000	$ 1,501,617
Building Capital Reserve	$ 39,000,000	$ 28,333,987	$ 14,100,039
May 2015 Bus Capital Reserve	$ 15,000,000	$ 7,807,326	$ 5,133,090

Reserve for Debt Service - According to General Municipal Law §6-1, the 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 the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits 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.

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

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater.

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

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

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

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

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 and School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balances include the following:

General Fund -	
Capital	$ 20,734,746
Employee Benefit Accrued Liability	2,059,919
Insurance	1,220,527
Liability	1,684,337
Workers' Compensation	180,111
Retirement Contribution	2,003,404
Tax Certiorari	738,415
Unemployment Insurance	392,483
Capital Fund -	
Bus Purchase Reserve 2017-18	1,309,761
2012-2013 Renovations	84,901
2013-2014 Renovations	242,123
2014-2015 Renovations	219,200
2015-2016 Renovations	250,000
2016-2017 Renovations	250,000
Debt Service Fund -	
Debt Service	1,159,619
Total Restricted Funds	**$ 32,529,546**

The District appropriated and/or budgeted funds from the following reserves for the 2017-18 budget:

Workers' Compensation	$	20,000
Unemployment		40,000
Insurance		50,000
Retirement Contribution		203,000
EBLAR		400,000
Total	**$**	**713,000**

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2017.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year end. The District assignment is based on the functional level of expenditures.

Significant encumbrances for the general fund, management has determined that amounts in excess of $154,000 are considered significant and are summarized below:

- Central Services $882,067, Teaching-Regular School $196,983, and Handicapped Services $513,635.

Assigned fund balances include the following:

General Fund-Encumbrances	$	1,831,221
General Fund-Appropriated for Taxes		1,534,000
Special Aid - Drivers Education Program		26,327
Special Aid - SEI		4,063
School Lunch Fund-Year End Equity		414,195
Total Assigned Fund Balance	**$**	**3,809,806**

e. **Unassigned Fund Balance** –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 and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. 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.

3. 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 amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

T. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2017, the District implemented the following new standards issued by GASB:

The GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 57, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the year ended June 30, 2017.

GASB has issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for the year ending June 30, 2017.

The GASB has issued Statement No. 77, *Tax Abatement Disclosures*, effective for the year ended June 30, 2017.

The GASB has issued Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, effective for the year ended June 30, 2017.

The GASB has issued Statement No. 82, *Pension Issues-an amendment of GASB No. 67, No. 68, and No. 73*, effective for the year ended June 30, 2017.

U. Future Changes in Accounting Standards

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2018.

GASB has issued Statement 85, *Omnibus 2017*, which will be effective for the periods beginning after June 15, 2017

GASB has issued Statement 86, *Certain Debt Extinguishment Issues*, which will be effective for the periods beginning after June 15, 2017.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

II. Restatement of Net Position

For the fiscal year ended June 30, 2017, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The District's net position has been restated as follows:

	Districtwide Statements Governmental Activities
Net position beginning of year, as previously stated	$ 57,997,347
Increase to OPEB liability	(186,975,210)
Net position beginning of year, as restated	$ (128,977,863)

III. Changes in Accounting Principles

For the fiscal year ended June 30, 2017, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of the statement requires Districts to report Other Postemployment Benefits (OPEB), liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB. See Note II for the financial statement impact of implementation of the Statements.

IV. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2016-17 fiscal year, the budget was increased by $1,309,761 from the bus purchase reserve and $1,427,438 for debt payments on capital projects.

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

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

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

C. Deficit Fund Balances

1. Capital Projects Fund

The Capital Projects Fund had a deficit unassigned fund balance of $24,721,754 at June 30, 2017, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

V. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

The District's aggregate bank balances, included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution	52,041,498
Total	**$ 52,041,498**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes $32,529,546 within the governmental funds and $80,382 in the fiduciary funds.

VI. Investments

The District has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value, and are categorized as either:

A. Insured or registered, or investments held by the District or by the District's agent in the District's name, or

B. Uninsured and unregistered, with the investments held by the financial institutes trust department in the District's name, or

C. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the District's name.

Investment	Fund	Carrying Amount	Unrealized Investment Gain/(Loss)	Type of Investment	Category
Dow Chemical	TE	$ 28,382	$ -	Stock	B

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk.

VII. Receivables

Receivables at June 30, 2017 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities		
Description	General Fund	Non-Major Funds	Total
Accounts Receivable	$ 49,999	$ 3,433	$ 53,432
Due From State and Federal	1,507,341	610,065	2,117,406
Due From Other Governments	1,732,280	-	1,732,280
Allowance for Uncollectible Accounts	(67,201)	-	(67,201)
Total	**$ 3,222,419**	**$ 613,498**	**$ 3,835,917**

VIII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2017 were as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General Fund	$ 1,774,423	$ 1,013,758	$ 5,816	$ 9,938,705
Special Aid Fund	-	1,510,190	-	-
School Lunch Fund	67,423	264,200	198,074	-
Debt Service Fund	14,124	-	8,180,870	-
Capital Fund	947,008	14,830	1,559,761	5,816
Total government activities	**$ 2,802,978**	**$ 2,802,978**	**$ 9,944,521**	**$ 9,944,521**

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, and debt service expenditures.

IX. Capital Assets

Capital asset balances and activity were as follows:

Type	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Governmental Activities:				
Capital assets that are not depreciated -				
Land	$ 678,810	$ -	$ -	$ 678,810
Work in progress	19,548,147	9,716,284	(120,750)	29,143,681
Total Nondepreciable	$ 20,226,957	$ 9,716,284	$ (120,750)	$ 29,822,491
Capital assets that are depreciated -				
Buildings and improvements	$ 197,752,568	$ 95,267	$ -	$ 197,847,835
Machinery and equipment	16,187,220	1,730,736	(685,789)	17,232,167
Total Depreciated Assets	$ 213,939,788	$ 1,826,003	$ (685,789)	$ 215,080,002
Less accumulated depreciation -				
Buildings and improvements	$ 91,408,779	$ 4,577,944	$ -	$ 95,986,723
Machinery and equipment	8,160,958	1,517,632	(649,629)	9,028,961
Total accumulated depreciation	$ 99,569,737	$ 6,095,576	$ (649,629)	$ 105,015,684
Total capital assets depreciated, net of accumulated depreciation	$ 114,370,051	$ (4,269,573)	$ (36,160)	$ 110,064,318
Total Capital Assets	**$ 134,597,008**	**$ 5,446,711**	**$ (156,910)**	**$ 139,886,809**

Depreciation expense for the period was charged to functions/programs as follows:

Governmental Activities:	
General government support	$ 213,968
Instruction	4,184,950
Pupil transportation	1,344,233
School lunch	352,425
Total Depreciation Expense	**$ 6,095,576**

X. Short-Term Debt

Transactions in short-term debt for the year are summarized below:

Type	Purpose	Maturity	Interest Rate	Balance 7/1/2016	Issued	Redeemed	Balance 6/30/2017
BAN	2012 Capital Project	2/10/2017	2.00%	$ 15,740,000	$ -	$ 15,740,000	$ -
BAN	2012 Capital Project	2/10/2017	2.00%	13,999,786	-	13,999,786	-
BAN	2012 Capital Project	2/9/2018	1.06%	-	11,000,000	-	11,000,000
BAN	2012 Capital Project	2/9/2018	1.09%	-	17,905,493	-	17,905,493
	Total Short-Term Debt			**$ 29,739,786**	**$ 28,905,493**	**$ 29,739,786**	**$ 28,905,493**

A summary of the short-term interest expense for the year is as follows:

Interest paid	$ 593,145
Less: interest accrued in the prior year	(229,658)
Plus: interest accrued in the current year	122,184
Total interest expense	**$ 485,671**

XI. Long-Term Debt Obligations

Long-term liability balances and activity for the year are summarized below:

Governmental Activities:	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017	Due Within One Year
Bonds and Notes Payable -					
Serial Bonds	$ 59,290,000	$ -	$ 5,055,000	$ 54,235,000	$ 5,260,000
Energy Performance Contracts	3,526,371	-	718,826	2,807,545	754,369
Total Bonds and Notes Payable	$ 62,816,371	$ -	$ 5,773,826	$ 57,042,545	$ 6,014,369
Other Liabilities -					
Net Pension Liability	$ 7,990,840	$ -	$ 514,377	$ 7,476,463	$ -
OPEB Liability	240,847,764	24,895,536	-	265,743,300	-
Compensated Absences	4,592,610	1,739,540	-	6,332,150	579,864
Total Other Liabilities	$ 253,431,214	$ 26,635,076	$ 514,377	$ 279,551,913	$ 579,864
Total Long-Term Obligations	**$ 316,247,585**	**$ 26,635,076**	**$ 6,288,203**	**$ 336,594,458**	**$ 6,594,233**

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Existing serial and statutory bond obligations:

Purpose	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2017
Serial Bonds -				
Refunding Bond	2012	2023	2.00%-4.00%	$ 27,265,000
Refunding Bond	2013	2033	2.00%-5.00%	26,970,000
Total Serial Bonds				**$ 54,235,000**
Energy Performance -				
Energy Performance Contract	2005	2021	4.84%	**$ 2,807,545**

The following is a summary of debt service requirements:

	Serial Bonds		Energy Performance Contract	
Year	**Principal**	**Interest**	**Principal**	**Interest**
2018	$ 5,260,000	$ 2,061,975	$ 754,369	$ 122,725
2019	5,495,000	1,846,875	791,671	85,424
2020	5,745,000	1,622,075	830,816	46,278
2021	6,000,000	1,387,175	430,689	7,858
2022	6,265,000	1,141,875	-	-
2023-27	13,235,000	3,301,313	-	-
2028-32	9,985,000	1,441,100	-	-
2033	2,250,000	45,000	-	-
Total	**$ 54,235,000**	**$ 12,847,388**	**$ 2,807,545**	**$ 262,285**

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $56,420,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2017 was composed of:

Interest paid	$ 2,407,044
Less: interest accrued in the prior year	(348,806)
Plus: interest accrued in the current year	319,971
Total interest expense	**$ 2,378,209**

XII. Pension Plans

A. General Information

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

B. Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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 a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

C. Funding Policies

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 to 3.5 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 TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

Contributions	ERS	TRS
2017	$ 2,200,715	$ 5,275,356
2016	$ 2,420,688	$ 5,750,979
2015	$ 2,596,812	$ 7,416,144

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2017, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2017 for ERS and June 30, 2016 for TRS. The total 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 Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2017	June 30, 2016
Net pension assets/(liability)	$ (4,586,926)	$ (2,889,537)
District's portion of the Plan's total net pension asset/(liability)	0.05%	0.27%

For the year ended June 30, 2017, the District recognized pension expenses of $2,217,166 for ERS and $4,807,414 for TRS. At June 30, 2017 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expended and actual experience	$ 114,944	$ -	$ 696,551	$ 938,684
Changes of assumptions	1,567,062	16,460,644	-	-
Net difference between projected and actual earnings on pension plan investments	916,195	6,497,199	-	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	491,445	186,384	31,567	15,195
Subtotal	$ 3,089,646	$ 23,144,227	$ 728,118	$ 953,879
District's contributions subsequent to the measurement date	669,141	5,065,976	-	-
Grand Total	**$ 3,758,787**	**$ 28,210,203**	**$ 728,118**	**$ 953,879**

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	ERS	TRS
2017	$ -	$ 2,037,579
2018	1,020,982	2,037,579
2019	1,020,982	7,083,484
2020	888,828	5,513,556
2021	(569,264)	2,543,750
Thereafter	-	2,974,400
Total	$ 2,361,528	$ 22,190,348

E. 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 the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2017	June 30, 2016
Actuarial valuation date	April 1, 2016	June 30, 2015
Interest rate	7.00%	7.50%
Salary scale	3.80%	4.01% - 10.91%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.50%
COLA's	1.30%	1.50%

For ERS, annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2017. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale AA.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the 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 as follows:

Long Term Expected Rate of Return

	ERS	TRS
Measurement date	March 31, 2017	June 30, 2016
Asset Type -		
Cash	-0.25%	-
Inflation-index bonds	1.50%	-
Domestic equity	4.55%	6.10%
International equity	6.35%	7.30%
Real estate	5.80%	5.40%
Alternative investments	0.00%	9.20%
Domestic fixed income securities	0.00%	1.00%
Global fixed income securities	0.00%	0.80%
Bonds/mortgages	1.31%	3.10%
Short-term	0.00%	0.01%
Private equity	7.75%	-
Absolute return strategies	4.00%	-
Opportunistic portfolios	5.89%	-
Real assets	5.54%	-

F. Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.5% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Proportionate Share of 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 7.0% for ERS and 7.5% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.0% for ERS and 6.5% for TRS) or 1-percentagepoint higher (8.0% for ERS and 8.5% 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)	$ (14,649,733)	$ (4,586,926)	$ 3,921,158

TRS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension asset (liability)	$ (37,700,582)	$ (2,889,537)	$ 26,308,142

H. 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:

	(In Thousands)	
	ERS	TRS
Measurement date	March 31, 2017	June 30, 2016
Employers' total pension liability	$ 177,400,586	$ 108,577,184
Plan net position	168,004,363	107,506,142
Employers' net pension asset/(liability)	$ (9,396,223)	$ (1,071,042)
Ration of plan net position to the employers' total pension asset/(liability)	94.70%	99.01%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2017 represent the projected employer contribution for the period of April 1, 2017 through June 30, 2017 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2017 amounted to $669,141.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2017 are paid to the System in September, October and November 2017 through a state aid intercept. Accrued retirement contributions as of June 30, 2017 represent employee and employer contributions for the fiscal year ended June 30, 2017 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2017 amounted to $5,275,356.

XIII. Postemployment Benefits

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.

Employees Covered by Benefit Terms – At March 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,014
Active Employees	1,002
Total	**2,016**

B. Total OPEB Liability

The District's total OPEB liability of $265,743,300 was measured as of March 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 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	3.31 percent, average, including inflation
Discount Rate	3.8 percent
Healthcare Cost Trend Rates	Initial rate of 5.2 percent for 2016, decreasing to an ultimate rate of 3.5 percent.
Retirees' Share of Benefit-Related Costs	Varies between 80% and 100% depending on the contract

The discount rate was based on a tax exempt, high quality 20-year tax-exempt general obligation municipal bond yield or index rate.

Mortality rates were based on 2015 NYSTRS retirement mortality rates, as appropriate, with adjustments for mortality improvements based on Scale AA.

C. Changes in the Total OPEB Liability

Balance at June 30, 2016	$ 240,847,764
Changes for the Year -	
Service cost	$ 8,311,872
Interest	8,148,245
Differences between expected and actual experience	31,761,645
Changes in assumptions or other inputs	(17,397,777)
Benefit payments	(5,928,449)
Net Changes	$ 24,895,536
Balance at June 30, 2017	**$ 265,743,300**

Changes of benefit terms reflect the following:

- Changed accounting standards to GASB 75.
- Introduced Cadillac taxes.
- The Salary scale changed from 3.0% to 3.31%.
- Mortality rate updated to rates based on the 2015 NYSTRS mortality rates.
- Updated retirement rates for teachers to rates based on the 2015 NYSTRS mortality rates.
- Updated healthcare cost trend rates to rates effective July 1, 2016 and June 30, 2017.
- Over 65 plan election assumption was updated.
- Administrators are not treated as non-teachers

The Single Discount Rate changed from 4.00% to 3.35% effective July 1, 2016, and 3.80% effective June 30, 2017.

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 (2.8 percent) or 1-percentage-point higher (4.8 percent) than the current discount rate:

	1% Decrease (2.80%)	**Discount Rate (3.80%)**	**1% Increase (4.80%)**
Total OPEB Liability	$ 315,325,250	$ 265,743,300	$ 226,722,689

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 (3.17 percent) or 1-percentage-point higher (5.17 percent) than the current healthcare cost trend rate:

	1% Decrease (4.30% Decreasing to 3.17%	Healthcare Cost Trend Rates (5.30% Decreasing to 4.17%	1% Increase (6.30% Decreasing to 5.17%
Total OPEB Liability	$ 208,816,325	$ 265,743,300	$ 344,456,455

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

For the year ended June 30, 2017, the District recognized OPEB expense of $17,802,535. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	$ 28,793,267	$ -
Changes of assumptions	-	15,771,817
Total	**$ 28,793,267**	**$ 15,771,817**

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

Year	
2018	$ 1,342,418
2019	1,342,418
2020	1,342,418
2021	1,342,418
2022	1,342,418
Thereafter	6,309,360
Total	**$ 13,021,450**

XIV. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B. Health Plan

The District incurs costs related to the Rochester Area School Health Plan (Plan I and Plan II) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plans objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plans may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plans may be effective only once annually on the last day of the Plans year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than thirty days prior to the end of the Plans year. Plan members bear an equal proportionate share of the Plans' assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement the Plans are a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

1. Plan I

This Plan's members include seventeen districts and two BOCES with the District bearing an equal proportionate share of the Plan's assets and claim liabilities.

This Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

This Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in a exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2017, the District incurred premiums or contribution expenditures totaling $2,036,578.

This Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended December 31, 2016, revealed that the Plan was fully funded.

2. Plan II

The Plan members include seventeen districts and two BOCES with the District bearing an equal proportionate share of the Plan's assets and claim liabilities.

The Plan arrangement includes a pooling point to limit its exposure. The pooling point provides additional protection in the form of an experience credit in the subsequent year.

The Insurer will determine whether there is a deficit or a surplus for the Plan year. If a deficit occurs in a Plan year, the Insurer will fund payment of the deficit. If there is a surplus in the Plan year, the surplus may not be applied to off-set a deficit in a subsequent Plan year or Plan years. If a surplus occurs in a Plan year that follows the year in which a deficit occurred, the surplus may be applied to fund the deficit.

Any medical claims expenses that are not paid by the Insurer (either with Plan money representing the net premium or with the Insurer's money if a deficit occurred) during the term of the agreement with the Insurer, will be the financial responsibility of the Plan. If the Insurer is processing medical claims expenses during part or all of the 12-month period referred to above , it will pay those medical claims expenses provided that the Plan provides adequate funding for the medical claims expenses.

The administrative services that will be provided by the Insurer during the 12-month period referred to above will be provided for an additional charge determined by first dividing the Insurer administrative fee paid in the last Plan year by the total of the medical claims expenses paid during the last Plan year to determine an administrative cost percentage (the "Admin Percentage"). Then, for each medical claims expense paid during the subsequent 12-month period, the Plan will pay the Insurer an additional charge determined by multiplying the amount of the medical claims expense by the admin percentage.

An audit of the financial transactions will be completed for the plan year ended June 30, 2017. During the year ended June 30, 2017, the District incurred premiums or contribution expenditures totaling $17,227,639.

C. Workers' Compensation

The District incurs costs related to the Rochester Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Director. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of two BOCES and seventeen districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported.

Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2017, the District incurred premiums or contribution expenditures totaling $798,978.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2016, revealed that the Plan was underfunded.

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2016-17 fiscal year totaled $20,150. The balance of the fund at June 30, 2017 was $392,483 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2017, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

E. Health Fund

The Health Fund was established effective July 1, 1990 for all members of the teaching staff with an FTE of .5 or more. The District contributes yearly an amount to be used for the payment of medical and health care expenses incurred by the employee and eligible dependents. Unused balances roll to the next year. The full time teacher contribution during 2016-17 was $850 for teachers and $900 for paraprofessionals per individual plus administrative fees. Part-time teachers and paraprofessionals received a reduced amount.

For fiscal year 2016-17 the District expended $649,366 for teachers and paraprofessionals. The unexpended balance in the Health Fund account at June 30, 2017 which represents the cumulative running balance of the participants amounted to $1,951,892 and is reported as other liabilities in the Trust and Agency Fund.

F. Dental Fund

The District has a self insured plan for dental coverage. The plan is administered by a third party administrator who pays the claims directly to the dentists. The District then reimburses the third party administrator for the exact amount of the claims paid. The total cost to the District for dental claims during 2016-17 was $921,538.

XV. Commitments and Contingencies

A. Litigation

The District has one claim pending involving a former employee, as well as several real property tax assessment matters in which the individuals are requesting reductions of their tax assessments. The financial outcome of these matters cannot be determined at this time.

B. Grants

The 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.

XVI. Lease Commitments and Leased Assets

The District leases photocopying equipment under the terms of various non-cancelable leases. Rental expense for the (equipment) was $113,554.

Minimum annual rentals for each of the remaining years of the lease are as follows:

Year Ending June 30,		Amount
2018	$	117,727
2019	$	115,458
2020	$	78,260
2021	$	28,949

XVII. Tax Abatement

The County of Mornoe IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced $303,404. The District received payment in lieu of tax (PILOT) payment totaling $260,449 to help offset the property tax reduction. The total net tax abated was $42,954.

Required Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Changes in District's Total OPEB Liability and Related Ratio

(Unaudited)

For Year Ended June 30, 2017

TOTAL OPEB LIABILITY

		2017
Service cost	$	8,311,872
Interest		8,148,245
Changes in benefit terms		-
Differences between expected and actual experiences		31,761,645
Changes of assumptions or other inputs		(17,397,777)
Benefit payments		(5,928,449)
Net Change in Total OPEB Liability	**$**	**24,895,536**
Total OPEB Liability - Beginning	**$**	**240,847,764**
Total OPEB Liability - Ending	**$**	**265,743,300**
Covered Employee Payroll	$	50,378,752
Total OPEB Liability as a Percentage of Covered Employee Payroll		527.49%

Required Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability

(Unaudited)

For Year Ended June 30, 2017

NYSERS Pension Plan

	2017	2016	2015
Proportion of the net pension liability (assets)	0.0488%	0.0498%	0.0482%
Proportionate share of the net pension liability (assets)	$ 4,586,926	$ 7,990,840	$ 1,629,503
Covered-employee payroll	$ 15,070,830	$ 14,262,724	$ 14,403,537
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	30.436%	56.026%	11.313%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2017	2016	2015
Proportion of the net pension liability (assets)	0.2698%	0.2730%	0.2725%
Proportionate share of the net pension liability (assets)	$ 2,889,537	$ (28,352,181)	$ (30,355,697)
Covered-employee payroll	$ 43,225,052	$ 42,391,356	$ 41,669,104
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	6.685%	-66.882%	-72.849%
Plan fiduciary net position as a percentage of the total pension liability	99.01%	110.46%	111.48%

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
(Unaudited)
For Year Ended June 30, 2017

NYSERS Pension Plan

	2017	2016	2015
Contractually required contributions	$ 2,200,715	$ 2,420,688	$ 2,596,813
Contributions in relation to the contractually required contribution	(2,200,715)	(2,420,688)	(2,596,813)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 15,070,830	$ 14,262,724	$ 14,403,537
Contributions as a percentage of covered-employee payroll	14.60%	16.97%	18.03%

NYSTRS Pension Plan

	2017	2016	2015
Contractually required contributions	$ 5,275,356	$ 5,750,979	$ 7,416,144
Contributions in relation to the contractually required contribution	(5,275,356)	(5,750,979)	(7,416,144)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 43,225,052	$ 42,391,356	$ 41,669,104
Contributions as a percentage of covered-employee payroll	12.20%	13.57%	17.80%

Required Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Basis) and Actual - General Fund

(Unaudited)

For Year Ended June 30, 2017

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	$ 95,301,955	$ 87,672,627	$ 87,574,911	$ (97,716)
Real property tax items	249,640	7,878,968	7,909,313	30,345
Non-property taxes	4,912,858	4,912,858	5,500,546	587,688
Charges for services	365,422	365,422	747,534	382,112
Use of money and property	185,251	185,251	152,098	(33,153)
Sale of property and compensation for loss	42,200	42,200	218,716	176,516
Miscellaneous	390,155	390,155	1,129,629	739,474
State Sources -				
Basic formula	17,757,059	17,757,059	14,001,510	(3,755,549)
Lottery aid	-	-	5,241,115	5,241,115
BOCES	2,420,099	2,420,099	2,450,344	30,245
Textbooks	369,585	369,585	361,849	(7,736)
All Other Aid -				
Computer software	175,375	175,375	181,409	6,034
Library loan	38,282	38,282	39,975	1,693
Other aid	1,071,629	1,071,629	21,750	(1,049,879)
Federal Sources	50,000	50,000	71,625	21,625
TOTAL REVENUES	$ 123,329,510	$ 123,329,510	$ 125,602,324	$ 2,272,814
Other Sources -				
Transfer - in	$ -	$ -	$ 5,816	$ 5,816
TOTAL REVENUES AND OTHER SOURCES	$ 123,329,510	$ 123,329,510	$ 125,608,140	$ 2,278,630
Appropriated reserves	$ 643,000	$ 1,952,761		
Appropriated fund balance	$ 1,534,000	$ 2,961,438		
Prior year encumbrances	$ 1,796,132	$ 1,796,132		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	**$ 127,302,642**	**$ 130,039,841**		

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
(Unaudited)
For Year Ended June 30, 2017

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support -					
Board of education	$ 40,183	$ 49,083	$ 44,612	$ 937	$ 3,534
Central administration	330,329	345,496	337,186	3,886	4,424
Finance	929,135	912,952	838,780	7,512	66,660
Staff	797,715	822,628	690,432	29,459	102,737
Central services	9,171,414	9,258,861	7,074,567	882,067	1,302,227
Special items	1,516,242	1,515,342	1,413,735	-	101,607
Instructional -					
Instruction, administration and improvement	3,756,000	3,894,736	3,733,963	5,792	154,981
Teaching - regular school	34,794,854	34,789,339	33,408,772	196,983	1,183,584
Programs for children with handicapping conditions	14,961,530	15,243,606	14,383,934	513,635	346,037
Occupational education	462,735	437,235	394,943	-	42,292
Teaching - special schools	24,000	24,000	16,078	-	7,922
Instructional media	4,424,392	4,613,425	4,381,768	111,341	120,316
Pupil services	6,445,248	6,480,927	6,231,026	8,142	241,759
Pupil Transportation	4,491,282	4,493,976	3,917,174	71,467	505,335
Employee Benefits	36,601,714	35,785,224	33,631,938	-	2,153,286
Debt service - principal	-	834,293	834,293	-	-
Debt service - interest	-	593,145	593,145	-	-
TOTAL EXPENDITURES	$ 118,746,773	$ 120,094,268	$ 111,926,346	$ 1,831,221	$ 6,336,701
Other Uses -					
Transfers - out	$ 8,555,869	$ 9,945,573	$ 9,938,705	$ -	$ 6,868
TOTAL EXPENDITURES AND OTHER USES	$ 127,302,642	$ 130,039,841	$ 121,865,051	$ 1,831,221	$ 6,343,569
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	$ -	$ -	$ 3,743,089		
FUND BALANCE, BEGINNING OF YEAR	33,906,987	33,906,987	33,906,987		
FUND BALANCE, END OF YEAR	$ 33,906,987	$ 33,906,987	$ 37,650,076		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Change From Adopted Budget To Final Budget And The Real Property Tax Limit

For Year Ended June 30, 2017

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	$ 125,506,510
Prior year's encumbrances	1,796,132
Original Budget	$ 127,302,642
Budget revisions -	
Capital reserve - bus purchases	1,309,761
Debt service principal paments	834,293
Debt service interest payments	593,145
FINAL BUDGET	**$ 130,039,841**

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2017-18 voter approved expenditure budget		$ 130,064,518
Unrestricted fund balance:		
Assigned fund balance	$ 3,365,221	
Unassigned fund balance	5,202,581	
Total Unrestricted fund balance	$ 8,567,802	
Less adjustments:		
Appropriated fund balance	$ 1,534,000	
Encumbrances included in assigned fund balance	1,831,221	
Total adjustments	$ 3,365,221	
General fund fund balance subject to Section 1318 of Real Property Tax Law		5,202,581
ACTUAL PERCENTAGE		**4.00%**

Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

Schedule of Project Expenditures

June 30, 2017

Project Title	Original Appropriation	Revised Appropriation	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance
Capital Reserves:									
Bus Purchase Reserve 2016-17	$ 1,405,000	$ 1,405,000	$ -	$ 1,405,000	$ 1,405,000	$ -	$ 1,405,000	$ 1,405,000	$ -
Bus Purchase Reserve 2017-18	1,309,761	1,309,761	-	-	-	1,309,761	1,309,761	1,309,761	1,309,761
Capital Funded by:									
2011-2012 Renovations	250,000	250,000	244,680	5,320	250,000	-	250,000	250,000	-
2012-2013 Renovations	250,000	250,000	165,043	56	165,099	84,901	250,000	250,000	84,901
2013-2014 Renovations	369,200	369,200	89,605	37,472	127,077	242,123	369,200	369,200	242,123
2014-2015 Renovations	250,000	250,000	-	30,800	30,800	219,200	250,000	250,000	219,200
2015-2016 Renovations	250,000	250,000	-	-	-	250,000	250,000	250,000	250,000
2016-2017 Renovations	250,000	250,000	-	-	-	250,000	250,000	250,000	250,000
Capital Reserve December 2012 Authorization:									
Capital Reserve Projects	43,131,786	43,131,786	28,830,811	9,642,636	38,473,447	4,658,339	13,751,693	13,751,693	(24,721,754)
TOTAL	**$ 47,465,747**	**$ 47,465,747**	**$ 29,330,139**	**$ 11,121,284**	**$ 40,451,423**	**$ 7,014,324**	**$ 18,085,654**	**$ 18,085,654**	**$ (22,365,769)**

(See Independent Auditors' Report)

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Combined Balance Sheet - Nonmajor Governmental Funds
For Year Ended June 30, 2017

	Special Revenue Funds			Total
	Special Aid Fund	School Lunch Fund	Debt Service Fund	Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,083,712	$ 716,400	$ 1,145,495	$ 2,945,607
Receivables	610,065	3,433	-	613,498
Inventories	-	29,020	-	29,020
Due from other funds	-	67,423	14,124	81,547
TOTAL ASSETS	**$ 1,693,777**	**$ 816,276**	**$ 1,159,619**	**$ 3,669,672**
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	$ 38,685	$ -	$ -	$ 38,685
Accrued liabilities	3,362	-	-	3,362
Due to other funds	1,510,190	264,200	-	1,774,390
Due to other governments	-	378	-	378
Compensated absences	-	12,884	-	12,884
Unearned revenue	111,150	95,599	-	206,749
TOTAL LIABILITIES	**$ 1,663,387**	**$ 373,061**	**$ -**	**$ 2,036,448**
Fund Balances -				
Nonspendable	$ -	$ 29,020	$ -	$ 29,020
Restricted	-	-	1,159,619	1,159,619
Assigned	30,390	414,195	-	444,585
TOTAL FUND BALANCE	**$ 30,390**	**$ 443,215**	**$ 1,159,619**	**$ 1,633,224**
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,693,777**	**$ 816,276**	**$ 1,159,619**	**$ 3,669,672**

Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Combined Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For Year Ended June 30, 2017

	Special Revenue Funds			
	Special Aid Fund	School Lunch Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Use of money and property	$ -	$ 621	$ 6,698	$ 7,319
Miscellaneous	213,562	2,055	-	215,617
State sources	792,969	-	-	792,969
Federal sources	1,583,053	-	-	1,583,053
Sales	-	1,719,748	-	1,719,748
Premium on obligations issued	-	-	266,152	266,152
TOTAL REVENUES	**$ 2,589,584**	**$ 1,722,424**	**$ 272,850**	**$ 4,584,858**
EXPENDITURES				
Instruction	$ 2,561,469	$ -	$ -	$ 2,561,469
Pupil transportation	151,622	-	-	151,622
Employee benefits	40,275	399,455	-	439,730
Debt service - principal	-	-	5,773,825	5,773,825
Debt service - interest	-	-	2,407,044	2,407,044
Cost of sales	-	646,837	-	646,837
Other expenses	-	731,622	-	731,622
TOTAL EXPENDITURES	**$ 2,753,366**	**$ 1,777,914**	**$ 8,180,869**	**$ 12,712,149**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (163,782)	$ (55,490)	$ (7,908,019)	$ (8,127,291)
OTHER FINANCING SOURCES (USES)				
Transfers - in	$ 198,074	$ -	$ 8,180,870	$ 8,378,944
TOTAL OTHER FINANCING SOURCES (USES)	**$ 198,074**	**$ -**	**$ 8,180,870**	**$ 8,378,944**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	**$ 34,292**	**$ (55,490)**	**$ 272,851**	**$ 251,653**
FUND BALANCE, BEGINNING OF YEAR	(3,902)	498,705	886,768	1,381,571
FUND BALANCE, END OF YEAR	**$ 30,390**	**$ 443,215**	**$ 1,159,619**	**$ 1,633,224**

Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Net Investment in Capital Assets

For Year Ended June 30, 2017

Capital assets, net		$ 139,886,809
Deduct:		
Short-term portion of bonds payable	$ 5,260,000	
Long-term portion of bonds payable	48,975,000	
Assets purchased with short-term financing	24,721,754	
Short-term portion of installment purchase debt	754,369	
Long-term portion of installment purchase debt	2,053,176	
		81,764,299
Net Investment in Capital Assets		**$ 58,122,510**

Supplementary Information

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Year Ended June 30, 2017

Grantor / Pass - Through Agency Federal Award Cluster / Program	CFDA Number	Grantor Number	Pass-Through Agency Number	Total Expenditures
U.S. Department of Education:				
Indirect Programs:				
Passed Through NYS Education Department -				
Special Education Cluster IDEA -				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-17-0368	$ 1,133,358
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-17-0368	25,669
Total Special Education Cluster IDEA				$ 1,159,027
Title IIA - Teacher Training	84.367	N/A	0147-16-1385	32,370
Title IIA - Teacher Training	84.367	N/A	0147-17-1385	90,699
Title III I - LEP	84.365	N/A	0149-17-1385	2,182
Title IIIA - LEP	84.365	N/A	0293-16-1385	544
Title IIIA - LEP	84.365	N/A	0293-17-1385	6,640
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-16-1385	92,514
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-17-1385	199,078
Total U.S. Department of Education				**$ 1,583,054**

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

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*

Independent Auditors' Report

To the Board of Education
Pittsford Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pittsford Central School District, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Pittsford Central School District, New York's basic financial statements, and have issued our report thereon dated September 1, 2017.

Internal Control Over Financial Reporting

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

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

1020 Lehigh Station Road • Suites 2 & 3 • Henrietta, New York 14467
Tel: (585) 321-5643 • Fax: (585) 321-5644 • E-Mail: theoffice@raymondfwagercpa.com

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

Compliance and Other Matters

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

Purpose of this Report

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

Raymond F. Wager, CPA, PC

September 1, 2017