PRELIMINARY OFFICIAL STATEMENT DATED MARCH 5, 2021

NEW / RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

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

$47,910,000

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

ALBANY COUNTY, NEW YORK

GENERAL OBLIGATIONS

$47,910,000 Bond Anticipation Notes, 2021 Series A

(the "Notes")

Dated: March 25, 2021 **Due: March 25, 2022**

The Notes will constitute general obligations of the City School District of the City of Albany, Albany County, New York (the "School District"), will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes and will be payable from ad valorem taxes, which may be levied upon all the taxable real property within the School District, without limitation as to rate or amount. See "THE NOTES - Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

At the option of the purchaser(s), the Notes will be issued as registered notes registered in the name of the purchaser or in book-entry-only form. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the offices of the School District. The purchaser(s) shall have the right to designate a bank or banks located and authorized to do business in the State of New York as the place or places for the payment of the principal and interest on the Notes. Any related bank fees, if any, are to be paid by the purchaser(s). A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

If the purchaser(s) notifies Bond Counsel by 3:00 P.M., prevailing time on the date of sale, such Notes may be issued in the form of book-entry-only notes, in denominations corresponding to the aggregate principal amount for each Note bearing the same rate of interest and CUSIP number. In the event that the purchaser(s) choose book-entry-only notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the School District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable by the School District by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The School District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. 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 Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser(s) on or about March 25, 2021.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on March 11, 2021 by no later than 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

March __, 2021

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 MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX-D, MATERIAL EVENT NOTICES" HEREIN.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY
ALBANY COUNTY, NEW YORK

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District Clerk

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

BARCLAY DAMON LLP
School District Bond Counsel

No person has been authorized by the City School District of the City of Albany 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 City School District of the City of Albany.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

ALBANY COUNTY, NEW YORK

Relating To

$47,910,000 Bond Anticipation Notes, 2021 Series A

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Albany, Albany County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the School District of $47,910,000 principal amount of Bond Anticipation Notes, 2021 Series A (referred to herein as 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 will be general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated March 25, 2021 and mature, without option of prior redemption, on March 25, 2022. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

If the Notes are issued registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the School District. In such case, the Notes will be registered in the name of the purchaser(s) and a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate..

If the purchaser(s) notifies Bond Counsel by 3:00 P.M., prevailing time on the date of sale, such Notes may be issued in the form of book-entry-only notes, in denominations corresponding to the aggregate principal amount for each Note bearing the same rate of interest and CUSIP number. In the event that the purchaser(s) choose book-entry-only notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the School District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable by the School District by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The School District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

Purpose of Issue

The Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution adopted by the Board of Education on December 17, 2015 authorizing the issuance of not to exceed $179,900,000 aggregate principal amount of serial general obligation bonds to finance the construction of additions to and reconstruction of Albany High School, including site work, and the acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such building is to be used, to be undertaken in two distinct phases, at a maximum aggregate cost of $179,900,000 (the "High School Project"),

The proceeds of the Notes together with $275,000 available funds of the District will redeem $24,185,000 outstanding bond anticipation notes maturing March 26, 2021 and will provide $24,000,000 in new money for the High School Project.

See "STATUS OF INDEBTEDNESS – Capital Project Plans" herein for additional details regarding the capital projects being financed with proceeds of the Notes.

Nature of the Obligation

The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof.

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

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

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

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

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

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

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

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

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

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

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

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 School 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 School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School 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 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 ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

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

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event 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 option of the School District at the offices of the School District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as 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 District is located in Albany County, New York. The District lies entirely within the City of Albany (the "City"), which lies on the western bank of the Hudson River and is approximately 140 miles north of New York City. The District encompasses a land area of about 19 square miles. The District became fiscally independent of the City, pursuant to Chapter 65 of the Laws of 1972, after the population of the City was determined to be below 125,000 according to the 1970 U.S. Census.

The City is the capital of New York State and the County Seat of Albany County. The City is also a trading and distribution center of agricultural and manufactured products between western New York State, the New England States, northeast New York, Canada, New York City and points south with transportation available by air, rail, truck and water. The Port of Albany, operated by the Albany Port District Commission, handles cargo consisting of more than a dozen different commodities originating in and being shipped to foreign countries and other cities in the United States. Industrial activity in the City includes printing, publishing, foundries, machine shops, bakeries, meat packing, dental equipment and paper products.

The City is a center for higher education and is the site of the State University of New York at Albany, as well as Albany Law School, Albany College of Pharmacy and Albany Medical College. Within close proximity to the City are Siena College in the Town of Colonie, and Rensselaer Polytechnic Institute and Russell Sage College, both of which are in the City of Troy.

Rail passenger service to New York City, the City of Buffalo and to the western portion of New York State is provided by Amtrak at the Rensselaer station, which is located outside the City of Albany but is easily accessible. Major bus lines operate in all directions from the Albany Bus Terminal. Truck traffic is facilitated by US Interstates #87 (Adirondack Northway) and #90 (New York State Thruway) with two access points in the City. Other major highways include Interstate #787, US Routes #9W and #20, and State Routes #5, #35, #43, #85, #144 and #377. The Albany International Airport, located nearby in the Town of Colonie, provides passenger and freight service and accommodates both general aviation and military services.

Source: School District officials.

District Population

The 2019 estimated population of the District is 97,478. (Source: U.S. Census Bureau Source: 2014-2018 American Community Survey 5-Year Estimates.)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
City of:						
Albany	$ 18,281	$ 23,341	$ 29,174	$ 39,932	$ 52,215	$ 65,250
County of:						
Albany	23,345	30,863	37,635	56,724	76,159	94,506
State of:						
. New York	23,389	30,948	39,326	39,741	67,405	84,385

Note: 2016-2020 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 2015-2019 American Community Survey data.

Larger Employers

Below are some of the major employers located within or in close proximity to the District that provide District residents with employment.

Name	Type	Employees
State of New York [1] [2]	Government	30,762
United States [1]	Government	8,092
Albany Medical Center	Hospital	5,269
University at Albany	Education	4,500
St. Peter's Hospital	Hospital	3,388
Verizon Communications	Utility	3,000
Albany County [1]	Government	2,995
Albany City School District	Education	1,800
City of Albany	Government	1,463
Veteran's Administration Hospital	Hospital	1,200

(1) Includes employees at facilities located outside of the District, but within the County.
(2) Does not include public authorities.

Source: School District officials.

Unemployment Rate Statistics

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

Annual Average

	2014	2015	2016	2017	2018	2019	2020
Albany County	4.9%	4.3%	4.1%	4.2%	3.7%	3.6%	N/A
New York State	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%	N/A

2020-21 Monthly Figures

	2020										**2021**	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Albany County	3.7%	11.9%	9.3%	10.4%	11.6%	8.9%	5.6%	5.8%	5.0%	5.5%	N/A	N/A
New York State	4.2%	15.1%	14.2%	15.5%	16.0%	12.5%	9.3%	9.0%	8.1%	8.1%	N/A	N/A

Note: Unemployment rates for the months of January and February 2021 and annual averages for 2020 are not available as of the date of this Official Statement. Unemployment rates spiked in April, 2020 as a result of the COVID-19 pandemic and the impact of the pandemic is expected to be felt for the foreseeable future.

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

Form of School Government

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

The legislative power of the School District is vested in the Board of Education of the School District (the "Board" or "Board of Education"). The Board of Education, which is the policy-making body of the School District, consists of seven members with overlapping 4-year terms. Each Board member must be a qualified voter of the School District. 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 budget election is conducted, at which the tentative budget is voted upon in May. 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"), 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.

Recent Budget Votes

The budget for the 2016-2017 fiscal year was approved by the qualified voters on May 17, 2016 by a vote of 2,220 to 1,286. The budget included a tax levy increase of 0% which was below the District's Tax Cap of 0.09% for the 2016-2017 fiscal year.

The budget for the 2017-2018 fiscal year was approved by the qualified voters on May 16, 2017 by a vote of 2,161 to 703. The budget included a tax levy increase of 0% which was below the District's Tax Cap of 0.96% for the 2017-18 fiscal year.

The budget for the 2018-2019 fiscal year was approved by the qualified voters on May 15, 2018 by a vote of 2,329 to 909. The budget included a tax levy increase of 1.33% which was below the District's Tax Cap of 1.97% for the 2018-19 fiscal year.

The budget for the 2019-2020 fiscal year was approved by the qualified voters on May 21, 2019 by a vote of 2,019 to 792. The budget included a tax levy increase of 1.99% which was below the District's Tax Cap of 2.87% for the 2019-20 fiscal year.

The school budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020, however, under Executive Order annual school budget votes and board of education elections across the State were postponed until June 9, 2020 and was conducted using only absentee ballots. Absentee ballots received by the School District by no later than 5:00 pm on June 16, 2020 were counted in the vote tally. The budget for the 2020-21 fiscal year was approved by the qualified voters by a vote of 7,829 to 2,812. The budget included a tax levy increase of 1.96% which was equal to the District's Tax Cap of 1.96% for the 2020-21 fiscal year.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, 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; (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; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the School District; (6) obligations of a State public benefit corporation which are made lawful investments for the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; 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 appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. In its adopted budget for the 2020-21 fiscal year, approximately 45.8% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically. (See "*State Aid History*" herein).

On April 25, 2020, the State Division of the Budget (the "DOB") announced the release of the State's Fiscal Year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), which projected a $13.3 billion (14%) shortfall in State revenues from the Executive Budget Forecast that was released in January and estimated a $61 billion decline through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by $10.1 billion from the Executive Budget. This represents a $7.3 billion reduction in State spending from FY 2020 levels.

On August 13, 2020, the DOB released a first quarter update to the Financial Plan, with a revised projection of a $14.5 billion shortfall, over $1 billion more than was projected in April. The updated Financial Plan also noted that, in the absence of additional federal aid, the DOB began withholding 20 percent of most local aid payments in June, pursuant to the withholding authority granted in the fiscal year 2021 enacted budget. As of the date of this Official Statement, the DOB has not converted such withholds to permanent reductions, but the DOB has stated that such a conversion may be made depending on the size and timing of new federal aid, if any.

On October 30, 2020, the DOB released a mid-year update, with a revised projection of a $14.9 billion shortfall. This update noted that the State had reduced spending through September by $4.3 billion compared to fiscal year 2020 spending over the same period through freezing hiring, new contracts and pay raises, and through the 20% withholding of payments that began in June.

Source: NYS Dept. Of Education, State Aid Website. This source pertains only to the DOB updates detailed in the paragraphs above. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

As of February 1, 2021, the State Education Department has advised school districts that DOB will, at some point, be providing approval for State Education Department to make the payments for State aid and other pre-K – 12 grant programs that had been subject to the above-referenced 20% withholding. While such approval is expected prior to the end of the 2020-21 State fiscal year, the date on which such funds will be released is unknown as of the date of this Official Statement.

The availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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 School 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.

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*" herein).

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In the event a mid-year reduction in State aid, a deficiency note may be issued in a restricted amount.

Potential reductions in Federal aid received by the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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

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 2021-22 preliminary building aid ratios, the District expects to receive State building aid of approximately 88.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present. (See also "*State Aid*" herein).

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:

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

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

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

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19.

School district fiscal year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

School district fiscal year (2021-2022): On January 19, 2021, Governor Cuomo presented 2021-22 Executive Budget. In his presentation, the Governor called on the federal government to provide substantial aid to New York State and its local governments. The 2021-22 Executive Budget is constructed to have two possible courses of action, depending on the amount of aid received from the federal government. According to the Governor's public comments, the State should receive at least $6 billion in additional funding from a future federal COVID relief package. However, in his presentation, the Governor also offered different choices the State would make in the 2021-22 Executive Budget should the federal government allocate $15 billion in funding for New York.

Should the State receive $6 billion in federal funding, Governor Cuomo stated that the State would need to raise revenue, cut spending, and borrow additional funds. State aid to school districts in the 2021-22 Executive Budget, including STAR and the Local District Funding Adjustment, will decrease by approximately $607 million, or (2.13) percent. However, total support to districts, including federal funds, will rise to $31.7 billion in the 2021-22 school year, an increase of $2.1 billion, or 7.13 percent. The 2021-22 Executive Budget includes the following:

- The continuation of the current law Foundation Aid total of $18,411.79 million. Within Foundation Aid, the $250.00 million Community Schools setaside is also preserved.
- The merging of eleven existing aid categories, including Transportation Aid and BOCES Aid, into a new aid category -- Services Aid -- starting in the 2021-22 school year. For the 2021-22 school year, Services Aid is expected to total $3,332.76 million, a decrease of $392.53 million, or 10.54 percent.
- The continuation of current formula for funding Universal Prekindergarten Aid expected to total $848.61 million, an increase of $12.49 million, or 1.49 percent.
- The continuation of funding under the current statutory formulas for the remaining aid categories, including Building Aid, High Cost Excess Cost, Private Excess Cost, Full-Day Kindergarten Conversion Aid and Reorganization Incentive Operating Aid.
- Eliminates the $1,130.65 million bottom-line Pandemic Adjustment reduction to 2020-21 aid in the 2021-22 school year.

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 as well as budgeted figures for the 2020-21 fiscal year comprised of State aid.

Fiscal Year	Total State Aid	Total Revenues	Percentage of Total Revenues Consisting of State Aid
2015-2016	$ 88,147,251	$ 217,912,872	40.45%
2016-2017	95,451,491	228,797,316	41.72
2017-2018	105,134,791	241,252,138	43.58
2018-2019	108,188,370	244,152,977	44.31
2019-2020	115,836,077	252,174,439	45.93
2020-2021 (Budgeted)	118,658,453	259,168,188 (1)	45.78

(1) Does not includes $2,400,000 of appropriated fund balance.

Source: 2015-2016 through and including the 2019-2020 Audited financial statement of the District and the budget of the District for the 2020-2021 fiscal year. This table is not audited.

School District Facilities

Name	Capacity	Year(s) Built
Elementary Schools:		
Pine Hills Elementary School (formerly PS 16)	450	2006
Delaware Community School (formerly PS 18)	450	2006
New Scotland Elementary School (formerly P.S. 19)	450	1919, '49, '91, '08
North Albany Academy	450	1924, '54
Eagle Point Elementary School	300	1925
Philip J. Schuyler Achievement Academy	300	2004
Sheridan Preparatory Academy	450	2004
Montessori Magnet School	325	2005
Albany School of Humanities	550	1921, '30, '95
Thomas O'Brien Academy	525	1954, '63, '91
Giffen Memorial	550	1961, '63, '91
Arbor Hill	550	1973, '91
Middle Schools:		
Edmund J. O'Neal Middle School of Excellence	500	2002
Steven & Harriet Myers	650	2005
Wm. S. Hackett	650	1925, '27, '91
High School:		
Albany High School	2,785	1974
Special Schools:		
Occupational Center	275	1925
Tony Clement Center for Education	350	2011
Other Buildings:		
Administration Building	----	1816
Harriet Gibbons High School	200	1927, '02
Sunshine Building	----	1836

Note: In May 2019 voters of the District approved a referendum authorizing the creation of a third large middle school (and repurposing a smaller one) to accommodate a growing middle school population and move 6th grades from some elementary buildings to a grade 6-8 setting. The new middle school will accommodate 650 students. See "STATUS OF INDEBTEDNESS – Capital Project Plans" herein.

Source: School District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-17	9,137	2021-22	9,018
2017-18	9,037	2022-23	9,043
2018-19	9,108	2023-24	9,068
2019-20	9,002	2024-25	9,093
2020-21	8,993	2025-26	9,118

Source: School District officials.

Employees

The District employs a total of 1,779 full-time and 38 part-time employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
842	Albany Public School Teachers' Association	June 30, 2022
553	Albany Public School United Employees' Association	June 30, 2020 [(1)]
55	Albany Public School Administrators' Association	June 30, 2022
41	Non-Union	N/A

[(1)] Currently under negotiations.

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

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

On March 16, 2012, the Governor signed into law the New Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, 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 current fiscal year are as follows:

Fiscal Year	ERS	TRS
2015-2016	$ 2,622,685	$ 9,663,523
2016-2017	2,322,281	9,054,058
2017-2018	2,321,769	7,643,360
2018-2019	2,407,803	9,474,077
2019-2020	2,763,690	7,678,743
2020-2021 (Budgeted)	3,334,534	7,919,965

Source: School District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

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 currently does not have early retirement incentive programs.

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 (2015-16 to 2020-21) is shown below:

Fiscal Year	ERS	TRS
2016-17	15.5%	11.72%
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53*

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, 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 Rate Pension Contribution Option"). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

The investment of monies, and assumptions underlying 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.

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.

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 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Capital Region BOCES to calculate its actuarial valuation under GASB 75. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits. The following outlines the changes to the Total OPEB Liability for the 2019 and 2020 fiscal years, by source.

Balance beginning at:	July 1, 2018	July 1, 2019
	$ 325,591,670	$ 359,947,922
Changes for the year:		
Service cost	11,013,684	12,786,739
Interest on total OPEB liability	12,807,522	12,912,212
Changes in Benefit Terms	-	(14,520,606)
Differences between expected and actual experience	-	(12,374,040)
Changes in Assumptions or other inputs	21,966,845	260,784,781
Benefit payments	(11,431,799)	(9,815,386)
Net Changes	$ 34,356,252	$ 249,773,700
Balance ending at:	June 30, 2019	June 30, 2020
	$ 359,947,922	**$ 609,721,622**

Source: Audited financial reports of the District. For additional information see "APPENDIX - E" attached hereto. The above table is 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.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2020 and is attached hereto as "APPENDIX – E". 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.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The classifications of the District for the 2015 through 2019 fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	21.7
2019	Susceptible	38.3
2018	No Designation	23.3
2017	No Designation	0.0
2016	No Designation	0.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

New York State Comptroller Reports 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 its an audit report of the District on August 18, 2017. The purpose of the audit was to determine whether employee salaries and wages were accurately paid for the period July 1, 2015 through March 31, 2017.

Key Findings:

- Except for minor discrepancies, the District accurately calculated and paid gross salaries and wages.

Key Recommendations:

- There were no written recommendations as a result of the audit.

The District provided a complete response to the State Comptroller's office on August 16, 2017. 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 other State Comptrollers audits of the District that are currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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 notices 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.

TAX INFORMATION

Taxable Valuations [(1)]

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Taxable Assessed Value	$ 4,901,783,126	$ 4,850,848,407	$ 4,910,835,300	$ 4,904,442,472	$ 4,934,873,405
Taxable Full Valuation [(2)]	4,901,783,126	4,850,848,407	4,910,835,300	5,056,126,260	5,283,590,369
Taxable Full Valuation [(3)]	4,818,424,384	4,950,855,692	5,011,056,429	5,004,533,135	N/A

(1) Please refer to "APPENDIX – C" attached hereto for greater detail of computations of taxable full valuations.
(2) Full Valuation computed using regular State Equalization Rates.
(3) Full Valuation computed using special State Equalization Ratios.

Source: School District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
City of Albany:					
Homestead	$ 22.36	$ 21.54	$ 23.60	$ 23.07	$ 21.91
Non-Homestead	29.54	26.96	28.12	30.35	28.22

Source: School District officials.

Tax Collection Procedure

Taxes are collected by the School District and are due on September 1st. There is no interest charged for the first thirty days after taxes are due, but if paid during the month of October there is a 3% interest charge imposed; if paid from November 1st to November 15th a 4% interest charge is imposed. After November 15th, uncollected taxes are turned over to the Director of Finance of Albany County for collection and additional interest at the rate of 1% per month plus a 5% penalty thereto. The County guarantees the School District's tax levy and continues to collect delinquent taxes, paying the same to the School District as collected. At the end of the second following tax year, the County buys the entire unpaid tax roll amount plus 34% interest.

Tax Collection Record

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Total Tax Levy	$ 113,999,102	$ 113,999,102	$ 115,514,377	$ 117,813,113	$ 120,118,833
Amount Uncollected (1)	6,155,510	5,866,747	7,417,888	6,871,195	8,408,318
% Uncollected	5.40%	5.15%	6.42%	5.83%	7.00%

(1) The School District is made whole on uncollected taxes. See "Tax Collection Procedure" herein.

Source: School District officials.

Real Property Taxes

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2020-21 fiscal years comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Real Property Taxes & Tax Items	Total Revenues	Percentage of Total Revenues Consisting of Real Property Tax
2015-2016	$ 120,396,563	$ 217,912,872	55.25%
2016-2017	122,360,640	228,797,316	53.48
2017-2018	124,409,090	241,252,138	51.57
2018-2019	122,446,187	244,152,977	50.15
2019-2020	125,349,102	252,174,439	49.71
2020-2021 (Budgeted)	127,387,833	259,168,188 (1)	49.15

(1) Does not includes $2,400,000 of appropriated fund balance.

Source: 2015-2016 through and including the 2019-2020 Audited financial statement of the District and the budget of the District for the 2020-2021 fiscal year. This table is not audited.

Ten Largest Taxpayers - 2020 Assessment Roll for 2020-21 District Tax Roll

Name	Type	Assessed Valuation
National Grid	Utility	$ 252,297,357
99 Washington LLC	Commercial	38,750,000
Albany Port District	Commercial	34,637,836
Washington Commons	Commercial	34,088,000
Alexander at Patroon	Commercial	34,000,000
Shelbourne Albany LLC	Commercial	27,500,000
Wal-Mart Stores East LP	Commercial	22,500,000
Kenwood Commons, LLC	Commercial	18,000,000
80 State Street Partners	Commercial	16,687,100
HTA-1223 Washington, LLC	Utility	16,591,400

The ten larger taxpayers listed above have a total assessed valuation of $495,051,693 which represents 10.03% of the tax base of the School District.

The District experiences the impact of tax certiorari filings on a regular basis. At this time, the level of tax certiorari filings are within acceptable norms and, if decided adversely to the District, are not anticipated to have a material adverse impact on the District's finances.

Source: School District Tax Rolls.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-63.9% and Commercial-36.1%.

The estimated total annual property tax bill of a $150,000 market value residential property located in the School District is approximately $5,520 including County, City and School District taxes.

STAR – School Tax Exemption

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

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-21 Executive Budget would withhold STAR benefits to taxpayers who are delinquent in the payment of their school taxes and would lower the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit. The 2020-21 Executive Budget is subject to approval by the New York State Legislature and then must be signed into law by the Governor. There is no assurance that the 2020-21 Executive Budget will be adopted and no way to predict what changes the Governor and the Legislature may agree to.

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

City of:	Enhanced Exemption	Basic Exemption	Date Certified
Albany	$ 67,710	$ 29,100	4/10/2020

$7,670,799 of the District's $117,813,113 school tax levy for 2019-20 was exempted by the STAR Program. The District received all of such exempt taxes from the State in January, 2020.

$7,072,446 of the District's $120,118,833 school tax levy for 2020-21 was exempted by the STAR Program. The District received all of such exempt taxes from the State in January, 2021.

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, the latter four of which are indirectly affected by applicability to their respective City.)

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. 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, applicable to the Notes.

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

Tax Cuts and Jobs Act of 2017

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), (the "TCJA") making major changes to the Federal Internal Revenue Code, most of which were effective in the 2018 tax year. The new Federal tax law makes extensive changes to Federal personal income taxes, corporate income taxes, and estate taxes. The State's income tax system interacts with the Federal system in numerous ways. The changes to the Federal tax code are expected to have significant flow-through effects on state tax burdens and revenues. The State's 2019-20 Enacted Budget included State tax reform intended to mitigate issues arising from the Federal law, including decoupling many State tax provisions from the Federal changes, the creation of an optional payroll tax program, and the establishment of a new State charitable giving vehicle. The State continues to evaluate other tax law changes in response to the TCJA. On July 18, 2018, the State, joined by Connecticut, Maryland and New Jersey, filed a lawsuit intended to protect New York taxpayers from the new Federal limit on the SALT deduction. The lawsuit argues that the new SALT limit was enacted to target New York and similarly situated states, that it interferes with the states' rights to make their own fiscal decisions, and that it will disproportionately harm taxpayers in these states.

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

The United States Congress has passed a $1.9 trillion stimulus package that includes $350 billion to be paid state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The proposal also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. The legislation has been sent to the Senate for consideration and is supported by President Biden. However, there is no assurance that the legislation will be enacted into law in whole or in part.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School 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 School District and the Notes, include the following:

Purpose and Pledge. The School 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 School 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 School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio (special equalization ratio) 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. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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

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

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
Bonds [(1)]	$ 123,860,570	$ 114,833,500	$ 105,060,000	$ 105,065,000	$ 95,080,000
NYPA Projects	1,972,233	1,622,209	1,268,649	1,100,090	916,625
Bond Anticipation Notes	0	23,853,840	31,053,840	75,543,840	77,892,000
Tax Anticipation Notes	0	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 125,832,803	$ 140,309,549	$ 137,382,489	$ 181,708,930	$ 173,888,625

(1) Does not include advance refunded bonds outstanding as of the end of the fiscal year where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of March 4, 2021:

Type of Indebtedness	Maturity	Amount
Bonds	2021-2036	$ 95,080,000 [1]
NYPA Projects	Various	497,095
Bond Anticipation Notes		
Various Capital Improvements	July 31, 2020	52,272,000
Various Capital Improvements	March 26, 2021	24,185,000 [2]
	Total Indebtedness	$ 172,034,095

[1] Does not include $6,160,000 advance refunded bonds outstanding as of March 4, 2021. (See "Refunding Bond Issues" herein for additional details).

[2] To be redeemed at maturity with proceeds of the Notes and $275,000 available funds of the District. (See "THE NOTES – Purpose of Issue" herein for additional details).

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 4, 2021:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios [1]
Five-year Average Full Valuation of Taxable Real Property	$ 5,000,636,692	$ 4,923,289,625
Debt Limit 5% thereof	$ 250,031,835	$ 246,164,481
Inclusions:		
Bonds	$ 95,080,000	$ 95,080,000
Advance Refunded Bonds [2]	6,160,000	6,160,000
Bond Anticipation Notes	76,457,000	76,457,000
NYPA Projects	497,095	497,095
Total Inclusions	$ 178,194,095	$ 178,194,095
Exclusions:		
Appropriations	$ 10,095,000	$ 10,095,000
Advance Refunded Bonds	6,160,000	6,160,000
Total Exclusions	$ 16,255,000	$ 16,255,000
Total Net Indebtedness [3]	$ 161,939,095	$ 161,939,095
Net Debt-Contracting Margin	$ 88,092,740	$ 84,225,386
The percent of debt contracting power exhausted is	64.77%	65.78%

[1] The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said State Office and are used for all other purposes. See "TAX INFORMATION - Taxable Valuations".

[2] See "Refunding Bond Issues" herein for additional details.

[3] Based on preliminary 2021-22 building aid ratios, the District anticipates State Building aid of 88.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Cash Flow Borrowing

The District, historically, does not issue tax anticipation notes and/or revenue anticipation notes nor does it plan on issuing any in the foreseeable future, barring any unforeseen impacts related to the COVID-19 pandemic. (see "State Aid" and "State aid history" herein)

The School District has borrowed for tax certiorari claims in the past, but not within the last five years. The School District currently has a reserve to pay all known future claims.

Capital Project Plans

The District currently operates twelve elementary schools, three middle schools, and one primary high school with extended programs in two additional buildings. Over the past twelve years, the District has completed over $200 million of renovations and new construction at the elementary and middle schools.

On February 9, 2016, voters of the District approved a $179,900,000 capital project consisting of the construction of additions to and reconstruction of the Albany High School (the "High School Project"). The District plans to utilize $1,805,543 of EXCEL Aid and the proceeds of bonds and notes in the amount of $178,094,457 to fund the High School project. Construction on the High School Project began in summer 2018 and is expected to take approximately nine years to complete. To date, the District has issued $74,407,000 of obligations pursuant to this authorization, of which $71,622,000 bond anticipation notes are currently outstanding. Proceeds of the Notes together with $275,000 available funds of the District will be used to redeem $24,185,000 bond anticipation notes maturing March 26, 2021 and provide $24,000,000 in new money for the High School Project.

On January 10, 2017, voters of the District approved a $6,525,000 capital project consisting of the reconstruction and conversion of 50 North Lark Street to a middle school (the "North Lark St. Project"). The District plans to utilize $1,305,000 capital reserve funds and bonds and notes in the amount of $5,220,000 to fund this project. To date, the District has issued $5,220,000 bond anticipation notes pursuant to this authorization, of which $4,835,000 bond anticipation notes are currently outstanding.

A summary of the borrowing history for above authorizations to date and inclusive of the current issuance is outlined in the table below:

Purpose	Authorization Date	Total Project Authorization	Other Funds Applied [(1)]	Borrowing Amount Authorized	Amount of Notes Issued to Date	Notes Permanently Financed to Date	New Money (current issuance)	Remaining Amount Authorized and Unissued
High School Project	02/06/16	$ 179,900,000	$ -	$179,900,000	$ 74,407,000	$ -	$ 24,000,000	$ 81,493,000
North Lark St. Project	01/10/17	6,525,000	1,305,000	5,220,000	5,220,000	-	-	-
				Total:	$ 79,627,000	$ -	$ 24,000,000	$ 81,493,000

(1) Represents use of capital reserve funds and/or unassigned fund balance.

On January 10, 2017, voters of the District approved the purchase from Brighter Choice Charter Middle School for Girls and Brighter Choice Charter Middle School for Boys of the land, building, fixtures, and other improvements that comprise a facility located at 395 Elk Street, Albany, which is being used as the West Hill Middle School, at a maximum purchase price of $4,000,000. Such purchase was financed with an expenditure of $4,000,000 from the Capital Reserve Fund.

On May 21, 2019, voters of the District approved a capital project consisting of the purchase from the Albany Housing Authority and the Capital District YMCA of approximately 2.4 acres of land and the building, fixtures and other improvements located thereon (the "YMCA Facility"), the construction of additions to and the reconstruction of various District buildings and facilities, including site work thereat, the acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such buildings and facilities are to be used, and the payment of the costs incidental thereto, at a maximum aggregate cost of $45,656,000 (including $2,500,000 for the purchase of the YMCA Facility) and the expenditure of $7,390,900 of reserve funds with the balance of $30,621,100 to be financed with the issuance of bonds and notes (the "Middle School Project") This Middle School Project will allow the District to execute a five-year facilities plan with 87 projects at 18 buildings, and renovate and expand North Albany to create a 650-student middle school that would open for the 2023-24 school year. The Middle School Project will also expand Arbor Hill Elementary School. About two-thirds ($30.6 million) would be paid for through State building aid. The remainder ($15 million) would come from existing Capital Reserve Funds. The local share of the project will be covered by the existing Capital Reserve, so the project is not expected to have any local tax impact. The voters of the District authorized the District to exceed its debt limit subject to the approval of the Board of Regents and the Office of the State Comptroller.

Refunded Bond Issues

On November 9, 2017, the District issued $16,140,000 refunding serial bonds through DASNY to realize net present value and budgetary savings. The bonds advance refunded $16,655,000 outstanding principal of the District's 2010A and 2011A serial bonds originally issued through DASNY. As of March 4, 2021, advance refunded bonds in the amount of $6,160,000 remain outstanding. These refunded bonds will be fully redeemed as of their first call date on October 1, 2021 for the 2011A series bonds. The 2010A series bonds were fully redeemed on October 1, 2020. Debt service on the refunded bonds is being paid from a fully funded escrow account and, while not legally defeased, these bonds are considered economically defeased.

Federal Sequestration

In December 2012, the District issued $2,983,177 Qualified School Construction Bonds, 2012 (Federally Taxable – Direct Payment Bonds) ("QSCBs") with a final maturity of 2027. At the time of issue the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments processed will be reduced by the sequestration rate of 5.7% for refund payments processed on or after October 1, 2020 through and including September 30, 2030, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

In addition, any future government shutdown may delay the processing of federal government payments to the District. If this were to occur, the District will be required to make payment of the full amount of interest due on the bonds at that time. These payments are expected to be reimbursed to the District with the government shutdown is over but when the federal government can process requests for, and make payment of, the applicable tax credit payments is not known at this time.

The District budgets annually for the full interest payment due on the QSCBs to cover for possible delays or shortfalls in the expected tax credit subsidy.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Albany	11/30/2020 [3]	$ 301,000,000	$ 4,470,000	$ 296,530,000	19.82%	$ 58,772,246
City of:						
Albany	6/26/2020 [3]	124,537,719	10,210,000	114,327,719	100.00%	114,327,719
					Total:	$ 173,099,965

Notes:

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

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

Sources of information:

(3) Most recent available official statement of the municipality obtained from EMMA.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of March 4, 2021:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 161,939,095	$ 1,661.29	3.06%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	335,039,060	3,437.07	6.34%

(a) The 2019 estimated population of the District is 97,478. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2020-21 tax roll using regular state equalization rates is $5,283,590,369. (See "TAX INFORMATION – Taxable Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is $173,099,965. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for 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. The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to 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 School 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 School District may not be enforced by levy and execution against property owned by the School District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization 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 not 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 non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. 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 School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School 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 School 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 School 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School 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 School District, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

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

Cybersecurity

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

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the

Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and intends to take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid", "State Aid History" and "State Aid – School District Fiscal Year (2020-2021)" herein).

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 Material Events Certificate, a description of which is attached hereto as "APPENDIX – D, MATERIAL EVENT NOTICES".

Historical Continuing Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12.

TAX MATTERS

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law, (1) 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 individual alternative minimum taxes imposed by the Code, except that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to Federal income taxation from the date of issuance thereof, and (2) 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).

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

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

Bond Counsel also has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Notes; (2) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Notes, may be subject to Federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (5) under Section 32 (i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit.

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

The Notes will NOT be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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

LEGAL MATTERS

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

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.

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 financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial 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. 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. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry only form, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "A+/Stable" to the District's outstanding general obligation bonds. The rating reflects only the view of S&P and an explanation of the significance of such rating may be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

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.

Barclay Damon LLP, Albany, New York, Bond Counsel to the District, expresses no opinion 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 School District's contact information is as follows: Ms. Kimberly Rohring, Deputy Superintendent for Business and Finance, Administration Building, Academy Park, Albany, New York 12207, Phone: (518) 475-6022, Telefax: (518) 475-6024, email: krohring@albany.k12.ny.us.

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

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

Dated: March 5, 2021

ANNE SAVAGE
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
ASSETS					
Unrestricted Cash (Overdraft)	$ 24,185,152	$ 24,385,586	$ 8,364,662	$ 19,037,456	$ 16,085,425
Restricted Cash	23,191,420	19,536,937	27,181,210	11,827,499	12,987,396
Receivables:					
Taxes	6,023,306	4,638,957	4,843	-	-
State and Federal Aid Receivable	5,817,864	5,181,061	5,891,827	5,108,025	5,471,524
Due from Other Governments	2,066,422	2,249,860	1,813,213	1,546,582	2,495,400
Due from Other Funds	4,039,133	5,060,625	5,815,010	7,185,165	8,906,715
Other Receivables	354,988	246,931	404,164	678,849	254,966
Investments	-	-	9,946,858	-	-
Prepaid Expenses	132,059	145,777	5,662,647	240,666	353,468
TOTAL ASSETS	$ 65,810,344	$ 61,445,734	$ 65,084,434	$ 45,624,242	$ 46,554,894
LIABILITIES					
Accounts Payable	$ 3,719,917	$ 6,275,834	$ 6,252,722	$ 6,338,948	$ 4,975,406
Accrued Liabilities	2,748,409	4,728,623	4,258,489	3,105,923	2,973,047
Revenue Anticipation Notes	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	12,263	12,263	-	-	-
Due to Teachers' Retirement Systems	11,268,342	10,582,140	9,235,807	10,804,965	9,344,817
Due to Employees' Retirement Systems	624,212	654,125	679,592	677,277	775,000
Compensated Absences	296,709	545,330	610,196	657,443	861,796
Accrued Interest Payable	-	-	-	-	-
Overpayments and Collections in Advance	132,192	146,518	98,134	128,134	174,217
Deferred Revenue	7,226,319	4,526,006	1,207,856	1,203,013	2,276,883
TOTAL LIABILITIES	$ 26,028,363	$ 27,470,839	$ 22,342,796	$ 22,915,703	$ 21,381,166
FUND EQUITY					
Restricted	$ 23,323,479	$ 19,682,714	$ 32,843,857	$ 12,068,165	$ 13,340,864
Unrestricted:					
Assigned	6,612,133	6,346,990	5,720,448	5,997,021	4,976,895
Unassigned	9,846,369	7,945,191	4,177,333	4,643,353	6,855,969
TOTAL FUND EQUITY	$ 39,781,981	$ 33,974,895	$ 42,741,638	$ 22,708,539	$ 25,173,728
TOTAL LIABILITIES and FUND EQUITY	$ 65,810,344	$ 61,445,734	$ 65,084,434	$ 45,624,242	$ 46,554,894

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:	2016	2017	2018	2019	2020
REVENUES					
Real Property Taxes	$ 103,537,046	$ 106,439,000	$ 107,603,403	$ 106,469,979	$ 110,044,731
Real Property Tax Items	16,859,517	15,921,640	16,805,687	15,976,208	15,304,371
Non-Property Taxes	3,808,949	3,749,092	4,259,266	3,651,100	4,091,984
Charges for Services	1,810,748	1,783,042	1,900,472	2,146,174	2,123,525
Use of Money & Property	120,337	125,630	202,416	258,081	473,413
Sale of Property and Compensation for Loss	39,986	26,675	16,000	3,055	4,627
Miscellaneous	2,554,791	3,156,744	3,154,062	5,464,510	2,926,871
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	88,147,251	95,451,491	105,134,791	108,188,370	115,836,077
Revenues from Federal Sources	677,668	1,823,896	1,951,802	1,793,498	1,368,840
Total Revenues	$ 217,556,293	$ 228,477,210	$ 241,027,899	$ 243,950,975	$ 252,174,439
Other Sources:					
Interfund Transfers In	356,579	320,106	224,239	202,002	167,101
Total Revenues and Other Sources	$ 217,912,872	$ 228,797,316	$ 241,252,138	$ 244,152,977	$ 252,341,540
EXPENDITURES					
General Support	$ 15,688,750	$ 16,966,599	$ 16,211,703	$ 16,103,644	$ 15,340,644
Instruction	132,795,644	143,312,307	146,651,175	155,550,030	158,983,614
Pupil Transportation	7,448,160	8,295,019	8,684,447	9,675,989	7,467,439
Community Services	-	-	-	-	-
Employee Benefits	43,321,622	45,603,197	46,203,804	52,209,335	50,253,566
Debt Service	366,376	363,727	343,469	217,350	209,109
Total Expenditures	$ 199,620,552	$ 214,540,849	$ 218,094,598	$ 233,756,348	$ 232,254,372
Other Uses:					
Operating Transfers Out	14,790,281	20,063,553	14,390,797	30,429,728 (1)	17,621,979
Total Expenditures and Other Uses	$ 214,410,833	$ 234,604,402	$ 232,485,395	$ 264,186,076	$ 249,876,351
Excess (Deficit) Revenues Over Expenditures	3,502,039	(5,807,086)	8,766,743	(20,033,099) (1)	2,465,189
FUND BALANCE					
Fund Balance - Beginning of Year	36,279,942	39,781,981	33,974,895	42,741,638	22,708,539
Prior Period Adjustments	-	-	-	-	-
Fund Balance - End of Year	$ 39,781,981	$ 33,974,895	$ 42,741,638	$ 22,708,539	$ 25,173,728

(1) Includes $14,912,053 transfer to Debt Service Fund and $15,034,900 to Capital Fund from the General Fund .

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:	2020 Adopted Budget	2020 Modified Budget	2020 Audited Actual	2021 Adopted Budget
REVENUES				
Real Property Taxes	$ 109,490,199	$ 110,281,964	$ 110,044,731	$ 112,587,684
Real Property Tax Items	15,996,414	15,204,649	15,304,371	14,800,149
Non-Property Taxes	4,200,000	4,200,000	4,091,984	4,220,000
Charges for Services	1,860,000	1,860,000	2,123,525	1,932,500
Use of Money & Property	97,500	182,500	473,413	350,000
Sale of Property and Compensation for Loss	-	19,000	4,627	-
Miscellaneous	3,538,500	3,484,500	2,926,871	4,012,000
Interfund Revenues	250,000	-	-	200,000
Revenues from State Sources	117,635,896	117,635,896	115,836,077	118,658,453
Revenues from Federal Sources	2,000,000	1,950,000	1,368,840	1,800,000
Total Revenues	$ 255,068,509	$ 254,818,509	$ 252,174,439	$ 258,560,786
Other Sources:				
Interfund Transfers In	500,000	250,000	167,101	607,402
Total Revenues and Other Sources	$ 255,568,509	$ 255,068,509	$ 252,341,540	$ 259,168,188
EXPENDITURES				
General Support	$ 16,570,929	$ 16,709,487	$ 15,340,644	$ 16,514,241
Instruction	159,747,096	165,536,324	158,983,614	156,628,764
Pupil Transportation	9,802,952	9,802,952	7,467,439	10,097,217
Community Services	-	-	-	-
Employee Benefits	51,939,730	51,665,484	50,253,566	55,394,126
Debt Service	202,552	209,137	209,109	22,436,990
Total Expenditures	$ 238,263,259	$ 243,923,384	$ 232,254,372	$ 261,071,338
Other Uses:				
Operating Transfers Out	22,091,887	17,642,152	17,621,979	496,850
Total Expenditures and Other Uses	$ 260,355,146	$ 261,565,536	$ 249,876,351	$ 261,568,188
Excess (Deficit) Revenues Over Expenditures	(4,786,637)	(6,497,027)	2,465,189	(2,400,000)
FUND BALANCE				
Fund Balance - Beginning of Year	4,786,637	6,497,027	22,708,539	2,400,000
Prior Period Adjustments	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 25,173,728	$ -

Source: Audited financial report and budgets (unaudited) of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2021	$ 10,095,000	$ 4,291,375	$ 14,386,375
2022	9,500,000	3,825,900	13,325,900
2023	7,855,000	3,396,125	11,251,125
2024	8,230,000	3,025,473	11,255,473
2025	7,055,000	2,618,220	9,673,220
2026	5,915,000	2,267,863	8,182,863
2027	6,175,000	2,011,280	8,186,280
2028	5,780,000	1,729,653	7,509,653
2029	5,770,000	1,472,363	7,242,363
2030	5,200,000	1,207,225	6,407,225
2031	5,400,000	969,731	6,369,731
2032	5,640,000	739,669	6,379,669
2033	4,280,000	497,269	4,777,269
2034	3,560,000	283,269	3,843,269
2035	3,170,000	140,569	3,310,569
2036	1,455,000	45,469	1,500,469
TOTALS	$ 95,080,000	$ 28,521,450	$ 123,601,450

Note: Does not include NYPA or EPA Debt, or Advance Refunded Bonds.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	$21,295,000 2011A - DASNY* Capital Project 6/15 Principal	6/15 & 12/15 Interest
2021	$ 1,910,000	$ 95,500
TOTAL	$ 1,910,000	$ 95,500

* Refunded by 2017F Series Bonds issued through DASNY. Only unrefunded portion remaining outstanding is shown.

Fiscal Year Ending June 30th	$2,983,177 2012 Capital Project - QSCB 6/15 Principal	6/15 & 12/15 Interest	$19,030,000 2014 Refunding of 2007 A&B 6/15 Principal	6/15 & 12/15 Interest	$11,945,000 2016A - DASNY REF of 2008A DASNY Bonds 6/1 Principal	6/1 & 12/1 Interest	$43,505,000 2016A - DASNY REF of 2009C DASNY Bonds 6/15 Principal	6/15 & 12/15 Interest
2021	$ 195,000	$ 32,813	$ 1,045,000	$ 550,156	$ 520,000	$ 511,400	$ 2,570,000	$ 1,878,269
2022	200,000	29,888	995,000	508,356	545,000	485,400	2,585,000	1,749,769
2023	210,000	26,638	1,040,000	468,556	570,000	458,450	2,715,000	1,621,869
2024	215,000	22,963	1,095,000	416,556	585,000	433,400	2,835,000	1,501,919
2025	225,000	18,985	1,150,000	361,806	620,000	404,450	2,985,000	1,361,619
2026	235,000	14,710	1,210,000	304,306	655,000	373,450	2,475,000	1,212,369
2027	245,000	10,128	1,250,000	268,006	690,000	343,400	2,585,000	1,098,619
2028	255,000	5,228	1,290,000	230,506	720,000	308,900	2,720,000	969,369
2029	-	-	1,335,000	190,194	755,000	272,900	2,845,000	833,369
2030	-	-	1,385,000	146,806	785,000	235,150	2,195,000	691,119
2031	-	-	1,430,000	100,063	830,000	195,900	2,305,000	581,369
2032	-	-	1,480,000	51,800	865,000	154,400	2,425,000	466,119
2032	-	-	-	-	905,000	111,150	2,550,000	344,869
2032	-	-	-	-	940,000	65,900	2,620,000	217,369
2032	-	-	-	-	950,000	28,500	2,220,000	112,069
2032	-	-	-	-	-	-	1,455,000	45,469
TOTAL	$ 1,780,000	$ 161,350	$ 14,705,000	$ 3,597,113	$ 10,935,000	$ 4,382,750	$ 40,085,000	$ 14,685,550

Fiscal Year Ending June 30th	$10,130,000 2017F - DASNY REF of 2010A DASNY Bonds 6/15 Principal	6/15 & 12/15 Interest	$6,010,000 2017F - DASNY Refunding of 2011A DASNY Bonds 6/15 Principal	6/15 & 12/15 Interest	$9,585,000 2019A - DASNY Capital Project 6/15 Principal	6/15 & 12/15 Interest
2021	$ 3,285,000	$ 462,000	$ 5,000	$ 286,450	$ 565,000	$ 444,900
2022	2,595,000	323,000	1,990,000	286,200	590,000	416,650
2023	1,105,000	210,500	1,595,000	200,000	620,000	387,150
2024	1,165,000	155,250	1,685,000	120,250	650,000	356,150
2025	670,000	97,000	720,000	36,000	685,000	323,650
2026	620,000	63,500	-	-	720,000	289,400
2027	650,000	32,500	-	-	755,000	253,400
2028	-	-	-	-	795,000	215,650
2029	-	-	-	-	835,000	175,900
2030	-	-	-	-	835,000	134,150
2031	-	-	-	-	835,000	92,400
2032	-	-	-	-	870,000	67,350
2033	-	-	-	-	825,000	41,250
TOTAL	$ 10,090,000	$ 1,343,750	$ 5,995,000	$ 928,900	$ 9,580,000	$ 3,198,000

Note: Does not include NYPA or EPA Debt.

COMPUTATIONS OF FULL VALUATION

Using Regular State Equalization Rates

For Fiscal Year Ending June 30:		2016	2017	2018	2019	2020	2021
Taxable Assessed Valuation							
City of:	Albany	$ 4,848,005,850	$ 4,901,783,126	$ 4,850,848,407	$ 4,910,835,300	$ 4,904,442,472	$ 4,934,873,405
State Equalization Rates							
City of:	Albany	105.80%	100.00%	100.00%	100.00%	97.00%	93.40%
Taxable Full Valuation							
City of:	Albany	$ 4,582,236,153	$ 4,901,783,126	$ 4,850,848,407	$ 4,910,835,300	$ 5,056,126,260	$ 5,283,590,369
Total Full Valuation		$ 4,582,236,153	$ 4,901,783,126	$ 4,850,848,407	$ 4,910,835,300	$ 5,056,126,260	$ 5,283,590,369

Using Special State Equalization Ratios

For Fiscal Year Ending June 30:		2016	2017	2018	2019	2020	2021
Special Equalization Ratios							
City of:	Albany	100.34%	101.73%	97.98%	98.00%	98.00%	N/A
Taxable Full Valuation							
City of:	Albany	$ 4,831,578,483	$ 4,818,424,384	$ 4,950,855,692	$ 5,011,056,429	$ 5,004,533,135	N/A
Total Full Valuation		$ 4,831,578,483	$ 4,818,424,384	$ 4,950,855,692	$ 5,011,056,429	$ 5,004,533,135	N/A

Note: Special Equalization Ratios for the 2020 Assessment Roll (2020-21 School District Tax Roll) are not available until June 30, 2021.

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School 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 Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC 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 securities, unscheduled draws on credit enhancements reflecting financial difficulties

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

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

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 School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School 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 government authority has assumed jurisdiction over substantially all of the assets or business of the School 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 School District.

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

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The School District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

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

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

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

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY
ALBANY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2020

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

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

CITY SCHOOL DISTRICT OF
THE CITY OF ALBANY

Financial Statements and Required Reports
Under Uniform Guidance as of
June 30, 2020
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

CONTENTS

CONTENTS (Continued)

Bonadio & Co., LLP

INDEPENDENT AUDITOR'S REPORT

October 8, 2020

To the Board of Education of
City School District of the City of Albany

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 City School District of the City of Albany (School District) as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of City School District of the City of Albany as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Albany, New York 12205
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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans 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 School District's basic financial statements. The other information required by the New York State Education Department and such other information is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The other information required by the New York State Education Department has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2020 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2020. This portion of the report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The School District continues to offer a sound educational plan that supports student achievement.
- S&P Global Ratings affirmed its A+ long-term and underlying ratings and assigned its SP-1+ short-term rating on the District's general obligation bond anticipation notes (BANs).
- Revenues increased by 2.9% *government-wide* primarily due to an increase in state aid.
- Expenditures increased 12.4% *government-wide* primarily in the area of instruction and debt service.
- There were nine Charter Schools open in the 2019-20 school year, with an estimated enrollment of 2,160 students. The projected cost of the Charter Schools is estimated to be $36 million or 14% of the school budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the government-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- *Fiduciary funds statements* provide information about the financial *relationshi*ps in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

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

Figure A-1 shows how the various sections of this annual report are arranged and related to one another.

Figure A-1 Organization of the School District's Annual Financial Report

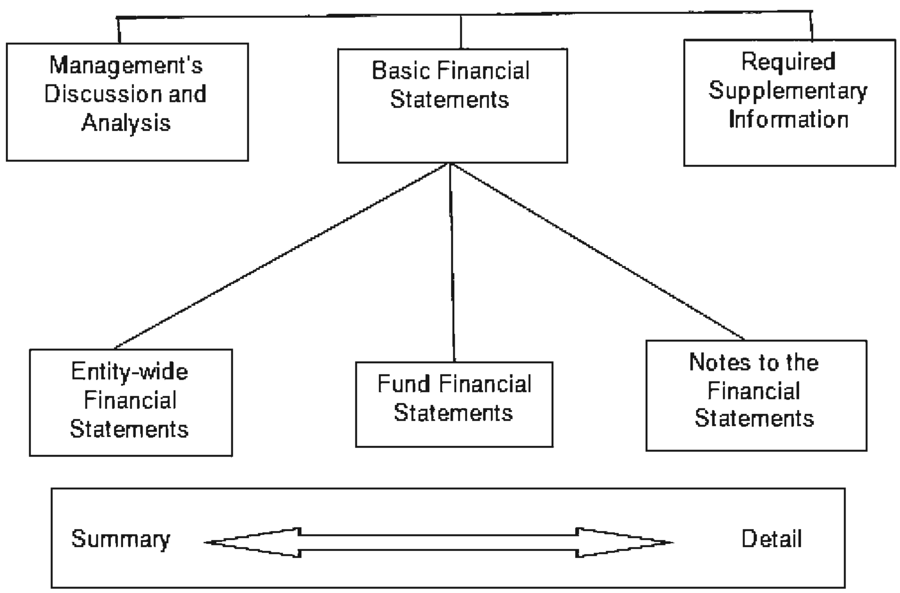


Figure A-2 summarizes the major features of the School District's financial statements, including a portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements

		Fund Financial Statements	
	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/ deferred outflows of resources & liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-Wide Statements

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

The two government-wide statements report the School District's *net position* and how they have changed. Net position – the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – are one way to measure the School District's financial health or position.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Statements (Continued)

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the School District's overall health, you need to consider additional nonfinancial factors, such as changes in the School District's property tax base and the condition of school buildings and other facilities.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
    - Net investment in capital assets.
    - Restricted net position has constraints placed on use by external sources or imposed by law.
    - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements
The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, capital projects fund, and debt service fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and change in fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-3 Condensed Statement of Net Position (In Millions of Dollars)

	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Current and other assets	$ 76.7	$ 96.2	-20.3%
Non-current assets	302.6	273.4	10.7%
Total assets	379.3	369.6	2.6%
Deferred outflows of resources	311.4	82.5	
Current liabilities	113.8	105.2	8.2%
Long-term liabilities	740.4	486.8	52.1%
Total liabilities	854.2	592.0	44.3%
Deferred inflows of resources	44.9	29.8	
Net position:			
Net investment in capital assets	133.0	129.6	2.6%
Restricted	13.6	13.6	0.0%
Unrestricted	(354.9)	(312.8)	13.5%
Total net position	$ (208.3)	$ (169.6)	22.8%

- Total non-current assets increased 10.7% primarily due to capitalization of capital projects and recognition of the TRS pension asset. Total current assets decreased 20.3% primarily in unrestricted cash.

- The increase in current liabilities can be attributed to $77.9 million of BANs payable at June 30, 2020 due to in-progress capital projects.

- The net increase in long-term liabilities is due to changes in other post-employment liabilities (OPEB) relating to health benefits and the net pension liability.

- Net investment in capital assets increased 2.6% primarily due to the capitalization of capital projects net of the related debt.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position

The School District's 2019-2020 revenue was $280,546,203 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 39% and 42%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from charges for services, operating grants and contributions, non-property taxes, other tax items, and other miscellaneous sources.

The total cost of all programs and services totaled $319,315,891 for 2019-2020. These expenses are predominately for the education, supervision, food services, and transportation of students (see Figure A-6). The School District's administrative and business activities including debt service accounted for 11% of total costs.

Net position decreased during the year by $(38,769,688) primarily due to the increase of instructional expenses, such as salary and benefits.

Figure A-4 Changes in Net Position from Operating Results (In Millions of Dollars)

	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Revenue			
Program revenue:			
Charges for services	$ 2.2	$ 2.6	-15.4%
Operating grants and contributions	25.0	27.0	-7.4%
General revenue:			
Taxes	129.6	126.1	2.8%
State formula aid	118.7	108.2	9.7%
Interest earnings	0.5	1.4	-64.3%
Miscellaneous	4.6	7.3	-37.0%
Total revenue	280.6	272.6	2.9%
Expenses			
General support	29.9	28.1	6.4%
Instruction	269.4	236.3	14.0%
Transportation	8.3	10.3	-19.4%
Debt service - Interest	6.4	4.4	45.5%
School lunch program	5.4	5.0	8.0%
Total expenses	319.4	284.1	12.4%
Increase (decrease) in net position	$ (38.8)	$ (11.5)	-237.4%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

The School District's 2019-2020 revenues totaled $280.5 million as compared to $272.5 million for the previous year. While state aid increased by $10.5 million, the School District also saw an increase of $3.6 million of revenue in real property tax revenues.

Total expenditures increased $35.3 million or 12.4% from prior year, mostly in the area of instruction.

Figure A-5:

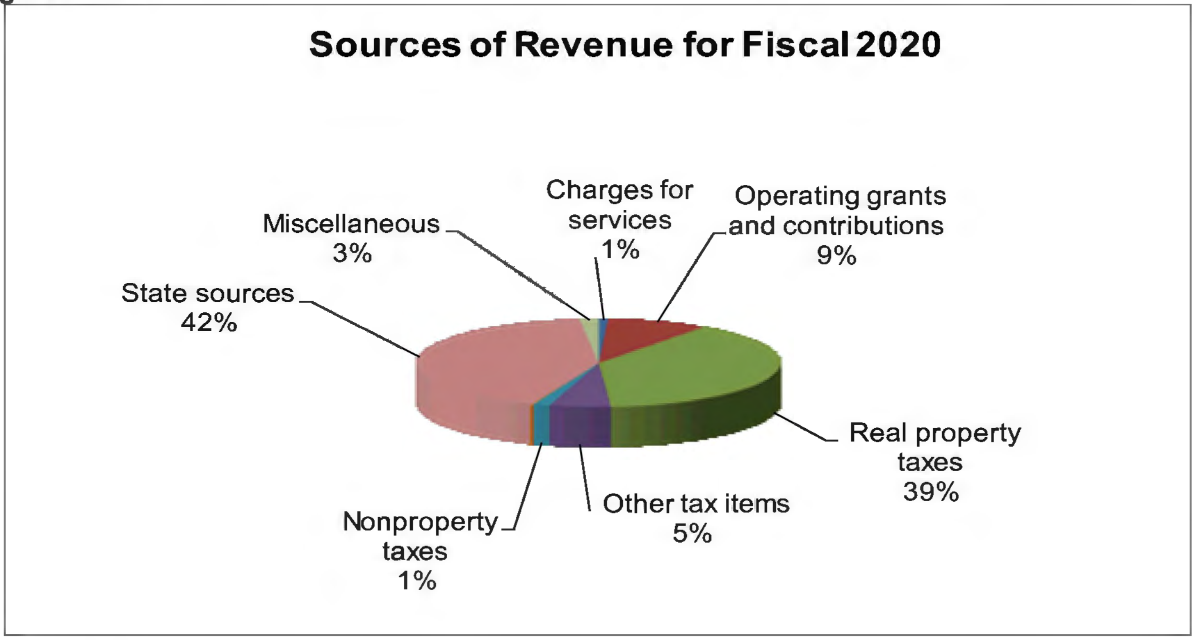
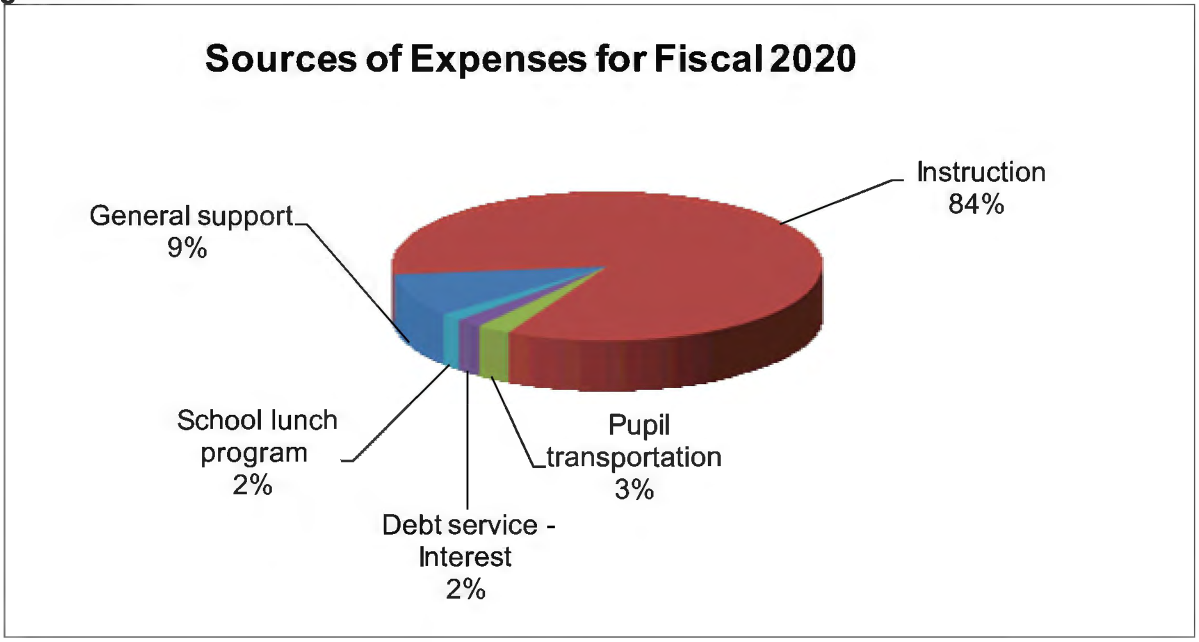


Figure A-6:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Figure A-7

Net Cost of Governmental Activities (In Millions of Dollars)

	Total Cost Services 2020	Net Cost of Services 2020	Total Cost Services 2019	Net Cost of Services 2019
General support	$ 29.9	$ 29.9	$ 28.1	$ 28.1
Instruction	269.4	247.1	236.3	212.4
Pupil transportation	8.3	8.3	10.3	10.3
Debt service - Interest	6.4	6.4	4.4	4.4
School lunch program	5.4	0.4	4.9	(0.7)
	$ 319.4	$ 292.1	$ 284.0	$ 254.5

- The cost of all governmental activities for the year was $319,315,891.
- The users of the School District's programs financed $2,224,705 of the costs.
- The federal and state government financed $24,989,276 of the costs.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the government-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt (see Statement of Revenue, Expenditures, and Changes in Fund Equity – Governmental Funds in the attached financial statements).

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

- General Fund – Revenues increased $8.2 million in 2019-2020 from prior year, primarily from State Aid. Expenses decreased approximately $14.3 million primarily due to the decrease in operating transfers out.
- Special Aid Fund – The School District's grant portfolio remained relatively flat from prior year.
- School Lunch Fund – The School District contracts with an external management company for food service operations. The program is financially self-sustaining.
- Capital Projects Fund – Activity in the capital projects fund increased due to construction activities relating to the $179.9 million high school reconstruction/renovation project.
- Debt Service Fund – Except for the high school project, most project costs have been financed as of 2019-2020 year-end.

General Fund Budgetary Highlights
This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

Results vs. Budget (In Millions of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenues:					
Local sources	$ 135.2	$ 135.2	$ 135.0	$ -	$ (0.2)
State sources	117.6	117.6	115.8	-	(1.8)
Medicaid	2.0	2.0	1.4	-	(0.6)
Transfers in	0.3	0.3	0.2	-	(0.1)
Total	255.1	255.1	252.4	-	(2.7)
Expenditures:					
General support	16.6	16.7	15.3	0.4	1.0
Instruction	163.5	165.5	159.0	0.8	5.7
Pupil transportation	9.8	9.8	7.5	-	2.3
Employee benefits	52.7	51.7	50.3	1.4	0.0
Debt service	0.2	0.2	0.2	-	-
Transfers out	17.6	17.6	17.6	-	-
Total	260.4	261.5	249.9	2.6	9.0
Revenues over (under) expenditures	$ (5.3)	$ (6.4)	$ 2.5	$ (2.6)	$ 6.3

Note: Amounts may vary due to rounding.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

The general fund is the only fund for which a budget is legally adopted.

- The General Fund had an excess of revenues over expenditures of approximately $2.5 million. The School District realized savings primarily in the areas of salaries and transportation costs, which were attributable to the shutdown in March through June due to COVID-19.

Capital Assets

As of June 30, 2020, the School District had $288,139,239 invested in buildings, computers, and other educational equipment.

Figure A-8

Capital Assets (Net of Depreciation, in Millions of Dollars)

Category	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Land and land improvements	$ 14.2	$ 14.2	0.0%
Buildings	386.1	353.5	9.2%
Furniture and equipment	3.7	3.4	8.8%
Vehicles	0.8	0.9	-11.1%
Total	404.8	372.0	8.8%
Less: Accumulated depreciation	116.6	108.6	7.4%
Net capital assets	$ 288.2	$ 263.4	9.4%

Long-Term Debt

As of June 30, 2020, the School District had $751.8 million in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the financial statements.

Figure A-9

Outstanding Long-Term Debt (In Millions of Dollars)

Category	Fiscal Year 2020	Fiscal Year 2019
General obligation bonds (financed with property taxes)	$ 96.0	$ 106.2
Other long-term debt	655.8	391.3
Total	$ 751.8	$ 497.5

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- A referendum for an additional middle school and a five-year School District-wide facilities plan was passed in May of 2019. The additional middle school space addresses growing enrollment at the middle school level and complete the relocation of remaining 6th grades housed in PreK – 6 elementary buildings. The relocation of 6th grades to 6 – 8 grade buildings will strengthen instructional programming. The School District is funding $15 million from its Capital Reserve to cover a large portion of the local taxpayer share on such a project.

- The School District recently settled multiyear labor contracts with two bargaining units that represent the teachers and administrators. The support staff bargaining unit's contract will expire in June 2020.

- Charter Schools continue to drain the School District's financial resources and inhibit its ability to effectively plan for enrollment and staffing levels on an annual basis. In the spring of 2015 two charter middle schools closed abruptly which forced the School District to purchase a building to accommodate the incoming students. Most recently, another charter school is expanding from middle school into the elementary grade levels.

- In February of 2016, the voters passed a referendum in the amount of $179.9 million to reconstruct and renovate the existing high school building. The construction relating to the project began in the fall of 2017 and will extend to 2025. Occupancy in the new additions will occur as they are completed.

- As is typical in a School District this size, its challenges to property tax assessments are ongoing which will require the issuance of future tax refunds. While the amount of these potential refunds cannot be determined at the present time, the School District continues in its financial planning to anticipate these undetermined expenditures and has the ability to use reserves as necessary.

- In 2012 the New York State Legislature passed a 2% tax cap law without any corresponding relief from mandated expenditures. On a regular basis, public School Districts face new unfunded mandates, and escalating costs that far exceed 2% in the areas of personnel, energy, health insurance, retirement benefits, and charter school tuition. All of these items are mandated.

CONTACTING THE SCHOOL DISTRICT'S FINANCE MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it received. If you have any questions about this report or need additional financial information, contact:

City School District of the City of Albany, New York
Attn: Assistant Superintendent for Business Affairs
Academy Park
Albany, New York 12207
(518) 475-6020

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Cash and cash equivalents - Unrestricted	$ 44,118,377
Cash and cash equivalents - Restricted	13,521,640
State and federal aid receivable	15,808,323
Due from other governments, net	2,495,400
Other receivables, net	285,981
Inventory	126,455
Prepaid expenses	353,468
Total current assets	76,709,644
NON-CURRENT ASSETS:	
Net pension asset - TRS	14,499,969
Capital assets, net	288,139,239
Total noncurrent assets	302,639,208
Total assets	379,348,852
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - TRS Pension	45,648,412
Deferred outflows of resources - ERS Pension	12,799,422
Deferred outflows of resources - other postemployment benefits	245,414,452
Deferred amount on bond refunding	7,565,118
Total deferred outflows of resources	311,427,404
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
CURRENT LIABILITIES:	
Accounts payable	7,846,874
Retainage payable	2,195,979
Accrued liabilities	3,007,785
Accrued interest	199,506
Unearned revenue	153,480
Overpayments and collections in advance	174,217
Due to teachers' retirement system	9,344,817
Due to employees' retirement system	775,000
BAN payable	77,892,000
Current portion of compensated absencas payable	861,796
Current portion of workers compensation payable	1,063,852
Bonds payable due within one year	10,282,274
Total current liabilities	113,797,580
LONG-TERM LIABILITIES, net of current position	
Bonds payable, less current portion	85,713,830
Bonds premium, net	12,458,221
Compensated absences	12,028,598
Accrued workers' compensation	918,136
Net pension liability - ERS	19,606,628
Total other postemployment benefits obligation	609,721,622
Total long-term liabilities	740,447,035
Total liabilities	854,244,615
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - ERS Pension	360,705
Deferred inflows of resources - TRS Pension	22,511,663
Deferred inflows of resources - other postemployment benefits	22,015,223
Total deferred inflows of resources	44,887,591
NET POSITION	
Net investment in capital assets	132,996,357
Restricted	13,552,721
Unrestricted	(354,905,028)
TOTAL NET POSITION	$ (208,355,950)

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 29,927,441	$ -	$ -	$ (29,927,441)
Instruction	269,378,987	2,198,358	20,082,244	(247,098,385)
Pupil transportation	8,267,312	-	-	(8,267,312)
Debt service - Interest	6,381,967	-	-	(6,381,967)
School lunch program	5,360,184	26,347	4,907,032	(426,805)
TOTAL FUNCTIONS AND PROGRAMS	$ 319,315,891	$ 2,224,705	$ 24,989,276	(292,101,910)
GENERAL REVENUE:				
Real property taxes				110,044,731
Other tax items				15,304,371
Nonproperty taxes				4,091,984
Use of money and property				545,788
Sale of property and compensation for loss				4,627
Medicaid reimbursement				1,368,840
State sources				118,715,490
Miscellaneous				3,256,391
TOTAL GENERAL REVENUE				253,332,222
CHANGE IN NET POSITION				(38,769,688)
TOTAL NET POSITION - beginning of year				(169,586,262)
TOTAL NET POSITION - end of year				$ (208,355,950)

The accompanying notes are an integral part of these statements.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	Governmental Fund Types					Total
	General	*Special Aid*	*School Lunch*	*Capital Projects*	*Debt Service*	*Total Governmental Funds*
ASSETS						
Cash and cash equivalents - Unrestricted	$ 16,085,425	$ -	$ 4,394,627	$ 23,638,325	$ -	$ 44,118,377
Cash and cash equivalents - Restricted	12,987,396	-	-	-	534,244	13,521,640
State and federal aid receivable	5,471,524	9,455,942	728,071	152,786	-	15,808,323
Due from other governments, net	2,495,400	-	-	-	-	2,495,400
Due from other funds	8,906,715	-	-	-	204	8,906,919
Other receivables, net	254,966	138	-	-	30,877	285,981
Inventory	-	-	126,455	-	-	126,455
Prepaid expenditures	353,468	-	-	-	-	353,468
TOTAL ASSETS	$ 46,554,894	$ 9,456,080	$ 5,249,153	$ 23,791,111	$ 565,325	$ 85,616,563
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES:						
Accounts payable	$ 4,975,406	$ 440,708	$ 381,999	2,048,761	$ -	$ 7,846,874
Retainage payable	-	-	-	2,195,979	-	2,195,979
Accrued liabilities	2,973,047	34,738	-	-	-	3,007,785
Due to other funds	-	8,822,213	84,502	204	-	8,906,919
Due to teachers' retirement system	9,344,817	-	-	-	-	9,344,817
Due to employees' retirement system	775,000	-	-	-	-	775,000
Bond anticipation note payable	-	-	-	77,892,000	-	77,892,000
Compensated absences	861,796	-	-	-	-	861,796
Overpayments and collections in advance	174,217	-	-	-	-	174,217
Unearned revenue	-	158,324	-	-	-	158,324
TOTAL LIABILITIES	19,104,283	9,455,983	466,501	82,136,944	-	111,163,711
DEFERRED INFLOWS OF RESOURCES						
Deferred state aid	2,276,883	-	-	-	-	2,276,883

(Continued)

The accompanying notes are an integral part of these statements.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2020

	Governmental Fund Types					Total
	General	*Special Aid*	*School Lunch*	*Capital Projects*	*Debt Service*	*Total Governmental Funds*
FUND BALANCE:						
Non-spendable:						
Inventory	-	-	126,455	-	-	126,455
Prepaid expenditures	353,468	-	-	-	-	353,468
Total non-spendable fund balance	353,468	-	126,455	-	-	479,923
Restricted:						
Workers' compensation	300,000	-	-	-	-	300,000
Unemployment insurance	507,402	-	-	-	-	507,402
Health insurance claims	387,000	-	-	-	-	387,000
Capital	1,000,000	-	-	-	-	1,000,000
Tax certiorari	952,994	-	-	-	-	952,994
Employee benefits	9,840,000	-	-	-	-	9,840,000
Debt service	-	-	-	-	565,325	565,325
Total restricted fund balance	12,987,396	-	-	-	565,325	13,552,721
Assigned:						
Unappropriated	2,576,895	97	4,656,197	-	-	7,233,189
Appropriated for subsequent year's expenditures	2,400,000	-	-	-	-	2,400,000
Total assigned fund balance	4,976,895	97	4,656,197	-	-	9,633,189
Unassigned	6,855,969	-	-	(58,345,833)	-	(51,489,864)
TOTAL FUND BALANCE	25,173,728	97	4,782,652	(58,345,833)	565,325	(27,824,031)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 46,554,894	$ 9,456,080	$ 5,249,153	$ 23,791,111	$ 565,325	$ 85,616,563

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

RECONCILIATION OF TOTAL GOVERMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2020

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balance per above	$ (27,824,031)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	288,139,239
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not not recognized as revenue under the modified accrual basis of accounting in the fund financial statements	1,073,870
Deferred amount on bond refundings at June 30, 2020, in government-wide statements using the full accrual method of accounting, not recognized on the fund financial statements, which use the modified accrual method	7,565,118
Pension related government wide activity:	
Deferred outflows of resources	58,447,834
Net pension liability	(19,606,628)
Deferred inflows of resources	(22,872,368)
Net pension asset	14,499,969
OPEB related government wide activity:	
Deferred outflows of resources	245,414,452
Deferred inflows of resources	(22,015,223)
Total OPEB liability	(609,721,622)
Long-term bonds payable are not due in the current period and, therefore, are not reported in the funds	(95,996,104)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting	(12,458,221)
Compensated absences due in more than one year are recognized as a liability under full accrual accounting	(12,028,598)
Long-term liabilities, including accrued workers' compensation are not due and payable in the current period and, therefore, are not reported in the funds	(1,981,988)
Unearned revenue not received in the current year is recognized as revenue under full accrual accounting	1,207,857
Interest payable at June 30, 2020, in the government-wide statements is recorded as an expense under full accrual accounting	(199,506)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (208,355,950)

The accompanying notes are an integral part of these statements.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Fund Types					Total
	General	*Special Aid*	*School Lunch*	*Capital Projects*	*Debt Service*	*Total Governmental Funds*
REVENUE:						
Real property taxes	$ 110,044,731	$ -	$ -	$ -	$ -	$ 110,044,731
Other tax items	15,304,371	-	-	-	-	15,304,371
Nonproperty taxes	4,091,984	-	-	-	-	4,091,984
Charges for services	2,123,525	-	-	-	-	2,123,525
Use of money and property	473,413	-	-	-	72,375	545,788
Sale of property and compensation for loss	4,627	-	-	-	-	4,627
Miscellaneous	2,926,871	74,833	833	-	-	3,002,537
State sources	115,836,077	9,202,279	79,451	1,805,543	-	126,923,350
Federal sources	-	10,879,965	4,506,521	-	-	15,386,486
Medicaid reimbursement	1,368,840	-	-	-	-	1,368,840
Surplus food	-	-	321,060	-	-	321,060
Sales - School lunch	-	-	26,347	-	-	26,347
Total revenue	252,174,439	20,157,077	4,934,212	1,805,543	72,375	279,143,646
EXPENDITURES:						
General support	15,340,644	-	-	-	-	15,340,644
Instruction	158,983,614	17,453,177	-	-	-	176,436,791
Pupil transportation	7,467,439	587,455	-	-	-	8,054,894
Employee benefits	50,253,566	2,424,171	626,319	-	-	53,304,056
Debt service - Principal	183,465	-	-	-	11,599,949	11,783,414
Debt service - Interest	25,644	-	-	-	7,156,125	7,181,769
Cost of sales	-	-	4,100,759	-	-	4,100,759
Capital outlay	-	-	-	33,547,247	-	33,547,247
Total expenditures	232,254,372	20,464,803	4,727,078	33,547,247	18,756,074	309,749,574
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	19,920,067	(307,726)	207,134	(31,741,704)	(18,683,699)	(30,605,928)
OTHER SOURCES AND (USES):						
Premium on BAN issuance	-	-	-	-	328,687	328,687
BANs redeemed from appropriations	-	-	-	1,614,949	-	1,614,949
Operating transfers in	167,101	474,827	-	-	17,147,152	17,789,080
Operating transfers (out)	(17,621,979)	(167,101)	-	-	-	(17,789,080)
Total other sources (uses)	(17,454,878)	307,726	-	1,614,949	17,475,839	1,943,636
NET CHANGE IN FUND BALANCE	2,465,189	-	207,134	(30,126,755)	(1,207,860)	(28,662,292)
FUND BALANCE - beginning of year	22,708,539	97	4,575,518	(28,219,078)	1,773,185	838,261
FUND BALANCE - end of year	$ 25,173,728	$ 97	$ 4,782,652	$ (58,345,833)	$ 565,325	$ (27,824,031)

The accompanying notes are an integral part of these statements.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balance - Total governmental funds	$ (28,662,292)
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position	33,030,998
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(8,425,698)
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements.	1,073,870
Pension expense resulting from GASB 68 related pension reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	(12,482,779)
Net repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	10,168,465
Bond premium amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities	1,257,545
Deferred loss on bond refunding amortization is not recorded as expenditures in the governmental funds, but are recorded in the statement of activities	(504,335)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(32,999,628)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(1,225,834)
Change in net position - Governmental activities	$ (38,769,688)

The accompanying notes are an integral part of these statements.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose Trusts	*Agency*
ASSETS:		
Cash	$ -	$ 183,463
Restricted cash	232,249	200,202
Investment in securities	1,567,459	-
Total assets	1,799,708	$ 383,665
LIABILITIES:		
Extraclassroom activity balances	-	$ 200,202
Other liabilities	-	183,463
Total liabilities	-	$ 383,665
NET POSITION:		
Reserved for scholarships	$ 1,799,708	

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose Trusts
ADDITIONS:	
Gifts and contributions	$ 2,400
Loss on sale of securities	(8,849)
Investment earnings	72,495
Total additions	66,046
DEDUCTIONS:	
Scholarships and awards	54,394
Change in net position	11,652
NET POSITION - beginning of year	1,788,056
NET POSITION - end of year	$ 1,799,708

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations
The City School District of the City of Albany, New York (School District) provides K-12 public education to students living within its geographic borders.

The financial statements of City School District of the City of Albany have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the School District are described below:

Reporting Entity
The School District is governed by the laws of New York State and is an independent entity governed by an elected Board of Education. The President of the Board serves as the Chief Fiscal Officer and the Superintendent is the Chief Executive Officer. The Board is responsible for, and controls all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation
The School District's financial statements consist of School District-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

Government-Wide Statements
The Statement of Net Position and the Statement of Activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues and other exchange and 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 School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipient of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements
The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

The accounts of the School District are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types and account groups used by the School District are as follows:

Governmental Fund Types
Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities (except those accounted for in the proprietary and fiduciary funds) are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income. The following are the School District's governmental fund types:

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds. These activities are not included in the School District-wide financial statements, because their resources do not belong to the School District, and are not available to be used.

There are two types of fiduciary funds:

- Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income are used for awards and scholarships for students. Established criteria govern the use of the funds and members of the School 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 School District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Estimates and assumptions are made in a variety of areas, including collectability of receivables, compensated absences, potential contingent liabilities, and useful lives of long-lived assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)
The Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within ninety days after the end of the fiscal year (sixty days for property taxes).

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.

Cash and Cash Equivalents
Cash and cash equivalents consists of funds deposited in demand deposit accounts and amounts with the New York Cooperative Liquid Assets Securities system (NYCLASS).

New York State law governs the School 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 School Districts.

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2020, the District held $23,297,134 in investments consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments
Investments are recorded at fair value determined by reference to published market data for publicly traded securities and through the use of independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains and losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains or losses in sales of investments that had been held in more than one fiscal year and sold in the current fiscal year were included as a change in the fair value of investments reported in the prior year and the current year. Unrealized increase or decrease is computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned and includes amortization of discounts and premiums on interest-bearing instruments that were purchased at a discount or premium. Dividend income is recognized on the paying company's announced ex-dividend date.

Inventory and Prepaid Expenditures
Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventory 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 School 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 Government-wide and fund financial statements. These items are reported as assets on the statement of net assets 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.

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

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

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

Capital Assets, Net
Capital assets are reported at actual cost for acquisitions subsequent to 2000. For assets acquired prior to 2000, estimated historical costs have been based on appraisal or deflated current replacement cost. Donated assets are reported at estimated fair value at the time received.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	SL	50-75
Building improvement	$ 5,000	SL	20
Land improvements	$ 5,000	SL	20
Furniture and equipment	$ 5,000	SL	5-20
Vehicles	$ 5,000	SL	8

Deferred Outflows and Deferred Inflows of Resources
In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate financial statement element, *deferred outflows of resources,* which is presented directly after assets and *deferred inflows of resources* which is presented directly after liabilities. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then.

Vested Employee Benefits
Compensated Absences
Compensated absences consist of unpaid accumulated annual sick and vacation leave.

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

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

The liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

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

Other Postemployment Benefits
In addition to providing the retirement benefits described, the School District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District.

The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes
Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to November 15, and September 1 through February 28 for qualifying senior taxpayers.

The City and County in which the School District is located enforces uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the County to the School District within two years from the return of unpaid taxes to the County. Real property taxes receivable expected to be collected within sixty days of year-end are recognized as revenue. Otherwise, deferred inflows offset real property taxes receivable.

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

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first sixty days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

Short-Term Debt
The School District may issue Tax Anticipation Notes (TANs), in anticipation of the receipt of tax revenue. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

Accrued Liabilities and Long-Term Obligations
Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

Bonds and other long-term obligations that will be paid from governmental funds are recognized as expenditures in the fund financial statements when paid.

Long-term obligations represent the School 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.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position and Fund Balance Classifications
In the School District-wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

Restricted net position consists of the following:

Health insurance claims	$ 387,000
Unemployment insurance	507,402
Workers compensation	300,000
Tax certiorari	952,994
Capital	1,000,000
Employee benefits	9,840,000
Debt service	565,325
Total restricted net position	$ 13,552,721

Unrestricted net position – reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenses in the general fund.

Restricted fund balance – 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.

The School District has available the following restricted fund balances:

<u>Capital Reserve</u>
Capital reserve (Education Law §3651) is 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 the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classifications (Continued)

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

Workers' Compensation Reserve
Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve 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. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance Reserve
Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve 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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under restricted fund balance.

Reserve for Debt Service
Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classifications (Continued)

Property Loss Reserve and Liability Reserve
Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Tax Certiorari Reserve
Tax certiorari reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount 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 proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund under restricted fund balance.

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

Retirement Contribution Reserve
Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

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

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2020.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to $2,576,895.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classifications (Continued)

As of June 30, 2020, the School District's encumbrances were classified as follows:

Instruction	$	752,835
General support		403,412
Pupil transportation		1,420,648
Total encumbrances	$	2,576,895

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.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy
The School 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 balance is 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 assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities
Total fund balances of the School District's governmental funds differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities
Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Explanation of Certain Differences Between Fund Financial Statements and Government-Wide Statements (Continued)

Long-Term Revenue and Expense Differences
Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences
Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

Long-Term Debt Transaction Differences
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Stewardship and Compliance

Budgets
The School District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures, (and encumbrances), that 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 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 restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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 project funds expenditures as approved by a special referendum of the School 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.

2. CASH AND INVESTMENTS

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

The School District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	Bank Balance	Carrying Amount
Cash, including trust funds	$ 35,535,729	$ 34,958,797
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	$ 34,845,912	
Covered by FDIC insurance	689,817	
Total	$ 35,535,729	

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 consists of the following:	
General fund:	
Cash on deposit for health insurance claims	$ 387,000
Cash on deposit for unemployment insurance	507,402
Cash on deposit for workers compensation	300,000
Cash on deposit for tax certiorari	952,994
Cash on deposit for capital	1,000,000
Cash on deposit for employee benefits	9,840,000
Total general fund	$ 12,987,396
Debt service fund:	
Cash on deposit for debt service	$ 534,244
Fiduciary funds:	
Cash on deposit for extraclassroom activity funds and scholarships	$ 432,451

3. INVESTMENTS FOR SCHOLARSHIP FUND

In 1981, the School District received a donation of securities with a fair value of $1,000,000. The gift was made for the purpose of providing scholarships for students of the School District based on a maximum of 75% of the income earned on the principal portion, with the remaining 25% and any residual not paid as a scholarship added back to the principal. During the 2019-2020 school year scholarship awards amounted to $51,955. At June 30, 2020, principal and income portions were as follows:

Principal	$ 1,550,831
Income	16,628
Total	$ 1,567,459

At June 30, 2020 the investments consisted principally of treasury notes, which are stated at their cost which approximates fair value. The investments are held by a third party in the School District's name.

4. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2020, were as follows:

	July 1, 2019 Balance	Additions	Deletions	June 30, 2020 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 5,020,491	$ -	$ -	$ 5,020,491
Construction in progress	48,490,641	32,519,809	3,807,924	77,202,526
Total non-depreciable historical cost	53,511,132	32,519,809	3,807,924	82,223,017
Capital assets that are depreciated:				
Buildings	305,055,367	3,797,133	-	308,852,500
Land improvements	9,216,411	268,449	313,659	9,171,201
Furniture and equipment	3,424,350	243,877	-	3,668,227
Vehicles	901,851	9,654	115,090	796,415
Total depreciable historical cost	318,597,979	4,319,113	428,749	322,488,343
Less accumulated depreciation:				
Buildings	103,058,857	7,726,735	-	110,785,592
Land improvements	2,638,362	403,157	313,659	2,727,860
Furniture and equipment	2,199,761	239,660	-	2,439,421
Vehicles	678,192	56,146	115,090	619,248
Total accumulated depreciation	108,575,172	8,425,698	428,749	116,572,121
Total capital assets, net	$263,533,939	$ 28,413,224	$ 3,807,924	$288,139,239

Construction in progress primarily relates to the construction costs for the high school renovation project as of June 30, 2020.

4. CAPITAL ASSETS, NET (Continued)

Depreciation expense for the year ended June 30, 2020, was allocated to specific functions as follows:

General support	$ 51,425
Operation of plant	7,726,736
Instruction	578,535
Transportation	56,146
Cost of sales	12,856
Total	$ 8,425,698

5. SHORT-TERM DEBT

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	8/2/2019	3.50%	$ 39,806,948	$ -	$ 39,806,948	$ -
BAN	3/27/2020	2.75%	24,700,000	-	24,700,000	-
BAN	7/31/2020	2.00%	-	53,707,000	-	53,707,000
BAN	3/26/2021	1.10%	-	24,185,000	-	24,185,000
			$ 64,506,948	$ 77,892,000	$ 64,506,948	$ 77,892,000

6. LONG-TERM LIABILITIES

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

Interest paid	$ 7,181,769
Less interest accrued in prior year	(246,098)
Less amortization expense on bond premium	(1,257,545)
Plus amortization expense on deferred loss on refunding	504,335
Plus interest accrued in current year	199,506
Total expense	$ 6,381,967

6. LONG-TERM LIABILITIES (Continued)

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

	Beginning Balance	Increases		Decreases	Ending Balance	Amounts Due Within One Year	Long-term Portion
Bonds and notes payable:							
Capital projects - 2010	$ 3,205,000	$ -		$ 3,205,000	$ -	$ -	$ -
Capital projects - 2011	3,730,000	-		1,820,000	1,910,000	1,910,000	-
Capital projects - 2012	1,970,000	-		190,000	1,780,000	195,000	1,585,000
Capital projects - 2014	15,700,000	-		995,000	14,705,000	1,045,000	13,660,000
Capital projects - 2016	11,435,000	-		500,000	10,935,000	520,000	10,415,000
Capital projects - 2016	43,345,000	-		3,260,000	40,085,000	2,570,000	37,515,000
Capital projects - 2017	10,095,000	-		5,000	10,090,000	3,285,000	6,805,000
Capital projects - 2017	6,000,000	-		5,000	5,995,000	5,000	5,990,000
Capital projects - 2019	9,585,000	-		5,000	9,580,000	565,000	9,015,000
NYPA projects	643,607	-		134,235	509,372	137,212	372,160
NYPA projects	455,962	-		49,230	406,732	50,062	356,670
Total bonds and notes payable	$106,164,569	$ -		$ 10,168,465	$ 95,996,104	$ 10,282,274	$ 85,713,830
Other long-term liabilities:							
Accrued workers' compensation	1,263,693	718,295	(A)	-	1,981,988	1,063,852	918,136
Bond premium	13,715,766	-		1,257,545	12,458,221	-	12,458,221
Compensated absences	11,474,467	554,131	(A)	-	12,028,598	-	12,028,598
Net pension liability	4,939,049	14,667,579		-	19,606,628	-	19,606,628
Total other postemployment benefits	359,947,922	249,773,700		-	609,721,622	-	609,721,622
Total other long-term debt	391,340,897	265,713,705		1,257,545	655,797,057	1,063,852	654,733,205
Total long-term liabilities	$497,505,466	$265,713,705		$ 11,426,010	$751,793,161	$ 11,346,126	$740,447,035

(A) Additions and deletions to compensated absences and accrued workers' compensation are shown net because it is impractical to determine these amounts separately.

Issue dates, maturities, and interest rates on outstanding debt are as follows:

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2020 Balance
Capital Projects - 2011	2011	2025	5.00%	$ 1,910,000
Capital Projects - 2012	2012	2028	2.70%	1,780,000
Capital Projects - 2014	2014	2032	5.00%	14,705,000
Capital Projects - 2016	2016	2035	3.00%	10,935,000
Capital Projects - 2016	2016	2036	3.00%	40,085,000
Capital Projects - 2017	2017	2027	3.00%	10,090,000
Capital Projects - 2017	2017	2025	3.00%	5,995,000
Capital Projects - 2019	2019	2034	5.00%	9,580,000
NYPA Projects	2009	2024	1.92%	509,372
NYPA Projects	2012	2027	1.92%	406,732
Total				$ 95,996,104

6. LONG-TERM LIABILITIES (Continued)

The following is a summary of the maturities of bonds payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 10,282,274	$ 4,251,866	$ 14,534,140
2022	9,692,567	3,787,274	13,479,841
2023	8,053,009	3,358,982	11,411,991
2024	8,370,942	2,990,677	11,361,619
2025	7,110,966	2,589,333	9,700,299
2026-2030	28,981,346	8,647,963	37,629,309
2031-2035	22,050,000	2,630,506	24,680,506
2036	1,455,000	45,469	1,500,469
Totals	$ 95,996,104	$ 28,302,070	$124,298,174

7. INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditure
General fund	$ 8,906,715	$ -	$ 167,101	$ 17,621,979
Special aid fund	-	8,822,213	474,827	167,101
School lunch fund	-	84,502	-	-
Debt service fund	204	-	17,147,152	-
Capital fund	-	204	-	-
Total governmental activities	$ 8,906,919	$ 8,906,919	$ 17,789,080	$ 17,789,080

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position. The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

8. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

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

Contributions
The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2020	$ 3,098,013
2019	$ 2,709,108
2018	$ 2,718,368

8. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

At June 30, 2020, the School District reported a liability of $19,606,628 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2019. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020, the School District's proportion was 0.0740415 percent, which was an increase of 0.0043331% from its proportion measured June 30, 2019.

For the year ended June 30, 2020, the School District recognized pension expense of $6,729,929. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,153,929	$ -
Changes of Assumptions	394,785	340,890
Net difference between projected and actual earnings on pension plan investments	10,051,310	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	424,398	19,815
Contributions subsequent to the measurement date	775,000	-
	$ 12,799,422	$ 360,705

$775,000 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of March 31, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2021	$ 2,000,821
2022	2,930,727
2023	3,736,157
2024	2,996,012
	$ 11,663,717

8. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.2 percent indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2018
Investment Rate of Return	6.8% compounded annually, net of investment expenses

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-term expected real rate of term
Domestic Equity	36.0%	4.05%
International Equity	14.0%	6.15%
Private Equity	10.0%	6.75%
Real Estate	10.0%	4.95%
Absolute Return Strategies	2.0%	3.25%
Opportunistic Portfolio	3.0%	4.65%
Real Assets	3.0%	5.95%
Bonds and Mortgages	17.0%	0.75%
Cash	1.0%	0.00%
Inflation-Indexed Bonds	4.0%	0.50%
	100.0%	

Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

8. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (5.8%) or 1 percent higher (7.8%) than the current rate:

	1 % Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Proportionate Share of Net Pension liability (asset)	$ 35,983,697	$ 19,606,628	$ 4,523,277

Pension Plan Fiduciary Net Position

The components of the pension plan's net pension liability as of March 31, 2020, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 194,596,261
Net position	168,115,682
Net pension liability (asset)	$ 26,480,579
Fiduciary net position as a percentage of total pension liability	86.39%

New York State Teacher Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

8. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

2020	$ 8,349,950
2019	$ 9,893,500
2018	$ 8,474,570

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the School District reported an asset of $14,499,969 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2018. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020 the School District's proportion was 0.558119 percent, which was an increase of .0136 percent from its proportion measured June 30, 2019.

For the year ended June 30, 2020, the School District recognized pension expense of $17,226,600. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,826,259	$ 1,078,246
Changes of Assumptions	27,392,381	6,679,037
Net difference between projected and actual earnings on pension plan investments	-	11,628,228
Changes in proportion and differences between the District's contributions and proportionate share of contributions	79,823	3,126,152
Contributions subsequent to the measurement date	8,349,950	-
	$ 45,648,413	$ 22,511,663

$8,349,950 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2019 will be recognized as a reduction of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2020	$ 5,837,625
2021	(306,119)
2022	5,813,847
2023	3,862,419
2024	222,723
Thereafter	(643,695)
	$ 14,786,800

8. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.20%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.

Annuitant morality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2018, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of term
Domestic Equity	33.0%	6.3%
International Equity	16.0%	7.8%
Global Equity	4.0%	7.2%
Real Estate Equity	11.0%	4.6%
Private Equity	8.0%	9.9%
Domestic Fixed Income	16.0%	1.3%
Global Bonds	2.0%	0.9%
High-yield bonds	1.0%	3.6%
Private debt	1.0%	6.5%
Real estate debt	7.0%	2.9%
Cash equivalents	1.0%	0.3%
	100.0%	

8. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 7.10 percent, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1 % Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Proportionate Share of Net Pension liability (asset)	$ 65,451,346	$ (14,499,969)	$ (81,570,100)

Pension Plan Fiduciary Net Position

The components of the pension plan's net pension liability (asset) as of June 30, 2019, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 119,879,473,882
Net position	122,477,480,654
Net pension liability (asset)	$ (2,598,006,772)
Fiduciary net position as a percentage of total pension liability	102.17%

9. OTHER POSTEMPLOYMENT BENEFITS OBLIGATION

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare 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 School District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	969
Active employees	1,534
Total participants	2,503

Total OPEB Liability

The School District's total OPEB liability of $609,721,622 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Actuarial cost method	Entry age normal percent of pay cost method
Discount Rate	2.21%
Healthcare Cost Trend Rates	5.40% for 2019 decreasing to an ultimate rate of 3.94% for 2075

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

Mortality rates were Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generational using MP-2019.

9. OTHER POSTEMPLOYMENT BENEFITS OBLIGATION (Continued)

Changes in Total OPEB Liability

Balance 7/1/2019	$359,947,922
Service cost	12,786,739
Interest	12,912,212
Change in benefit terms	(14,520,606)
Difference in experience	(12,374,040)
Change in assumptions	260,784,781
Benefit payments	(9,815,386)
Balance 6/30/2020	$609,721,622

Changes of assumptions and other inputs reflect a change in the discount rate from 3.51% in 2019 to 2.21% in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease 1.21%	Current Discount 2.21%	1% Increase 3.21%
Total OPEB Liability	$ 743,095,377	$ 609,721,622	$ 506,916,246

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

	1% Decrease 4.40%	Current Trend 5.40%	1% Increase 6.40%
Total OPEB Liability	$ 490,990,678	$ 609,721,622	$ 770,795,761

9. OTHER POSTEMPLOYMENT BENEFITS OBLIGATION (Continued)

OPEB Expense and Deferred Outflows and Inflows related to OPEB

For the year ended June 30, 2020, the School District recognized OPEB expense of $42,815,014. As of June 30, 2020 the School District reported deferred outflows and inflows of resources as follows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ -	$ 10,827,285
Changes of assumptions or other inputs	245,414,452	11,187,938
	$245,414,452	$ 22,015,223

Deferred outflows/inflows will be recognized as follows:

Year Ending:	
2021	$ 31,636,669
2022	31,636,669
2023	31,636,669
2024	31,636,669
2025	31,636,669
Thereafter	65,215,884
	$223,399,229

10. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provisions grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The School District is affected by several real property tax abatement agreements with various entities. These agreements provide for a form of Payment In Lieu of Taxes (PILOT) in return for an abatement of real property taxes.

10. TAX ABATEMENTS (Continued)

Generally the tax abatements are issued under the NYS Private Housing Finance Law (PHFL) or the City of Albany Industrial Development Agency (CAIDA). PILOT agreements are in place under both categories, with shelter rents (a percentage of the rents from the housing) being the predominant PILOT method for PHFL agreements, and payments of a percentage of taxable assessed value being the predominant PILOT method for IDA agreements. The PHFL properties are mostly organized under the Albany Housing Authority, which is a separate, but component unit of the City of Albany. These properties contain almost exclusively affordable housing units. The IDA properties are commercial properties comprised of a mix of hotel, office, retail, and both market rate and affordable apartment units.

The total assessed value of all affordable housing properties, including the IDA shelter rent properties, is $294,790,656 for the School Tax year, with taxable assessed values of $39,629,813. The total PILOT payments on these properties was $706,586. This value is an expression of what the total value of collected shelter rents would be if they were collected and apportioned as taxes. This constitutes a $7,618,383 abatement of school taxes.

The total assessed value of Commercial (almost exclusively IDA) properties is $298,921,100 for the School Tax Year, with taxable assessed values of $140,675,902. The total PILOT payments on these properties to date were $ $3,478,706 to the School District. This constitutes a $4,962,908 abatement of school taxes.

11. RISK MANAGEMENT

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

New York State Unemployment Insurance (NYS/UI)
The School District has chosen to establish a risk-financing fund for risks associated with unemployment claims which is accounted for in the School District's general fund and includes provisions for unexpected and unusual claims.

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

Any excess funding received over claims paid and accrued is held in the workers' compensation reserve, restricted for future claim payments.

11. RISK MANAGEMENT (Continued)

Health Insurance Plan
All of the School District's health insurance plans are self-insured.

All known claims filed and an estimate of all incurred, but not reported claims existing at June 30, 2020, have been recorded as accrued liabilities in the general fund and as long-term debt.

The School District establishes health insurance claims liabilities based on estimates of the ultimate cost of claims. Claims under this plan are paid during the year or in the subsequent year. The length of time that claims may be submitted is limited to ninety days after year-end. The School District has stop loss insurance limiting its liability to $150,000 per insured.

The School District establishes Workers' Compensation and unemployment claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on complex factors, such as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

The School District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

The following represents changes in those aggregate liabilities for the School District during 2020:

	Health	Workers' Compensation	Unemployment
Unpaid claims and claim adjustment - beginning of year	$ 2,104,816	$ 1,263,693	$ -
Incurred claims and claim adjustment expenses:			
Provision for incurred claims expenses for events of the current year	30,853,193	6,318,183	(175,235)
Total incurred claims and claims adjustment expenses	32,958,009	7,581,876	(175,235)
Payments made for claims arising during the current year	30,853,193	5,599,888	(175,235)
Total unpaid claims and claim adjustment expenses - end of year	$ 2,104,816	$ 1,981,988	$ -

12. CONTINGENCIES AND COMMITMENTS

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

The School District has various commitments with contractors for the completion of capital projects.

Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time.

The School District is the defendant in certain litigation, in the opinion of management and the School District's attorney, it is unlikely that any losses will be material to the financial statements.

Other

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

13. COVID-19 PANDEMIC

As of the date of this report, the United States is in the midst of a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). The School District was closed effective March 16, 2020 and did not re-open during the 2020 academic year. The School District has developed a re-opening plan for the 2020-2021 school year and will resume educating students in September. Instruction will be a mix of in-person and virtual education.

Businesses throughout NYS remain closed or are operating significantly below their capacity. New York State has publicly stated that COVID-19 will have a significant negative impact on its revenues and its 2020-21 budget. In August 2020 the New York State Department of Education notified all School Districts that effective immediately all future payments of state aid will be reduced by a 20% withholding and that this withholding may become a permanent reduction in aid. As a result, at June 30, 2020, the School District has recorded a deferred inflow of resources in the amount of $1,073,870 in the General fund.

It is difficult at this time to predict with certainty the full effect this impact may have on future State aid payments to the School District. However, at this time it appears that NYS will be withholding 20% of substantially all aid payments for the foreseeable future. The School District is currently analyzing the effects such a reduction will have on its fiscal 2021 operations.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	*Final Budget*	*Actual (Budgetary Basis)*	*Encumbrances*	*Final Budget Variance with Budgetary Actual*
REVENUE					
Local Sources:					
Real property taxes	$ 109,490,199	$ 110,281,964	$ 110,044,731	$ -	$ (237,233)
Other tax items	15,996,414	15,204,649	15,304,371	-	99,722
Nonproperty taxes	4,200,000	4,200,000	4,091,984	-	(108,016)
Charges for services	1,860,000	1,860,000	2,123,525	-	263,525
Use of money and property	182,500	182,500	473,413	-	290,913
Sale of property and compensation for loss	19,000	19,000	4,627	-	(14,373)
Miscellaneous	3,484,500	3,484,500	2,926,871	-	(557,629)
Total local sources	135,232,613	135,232,613	134,969,522	-	(263,091)
State sources	117,635,896	117,635,896	115,836,077	-	(1,799,819)
Medicaid reimbursement	1,950,000	1,950,000	1,368,840	-	(581,160)
Total revenue	254,818,509	254,818,509	252,174,439	-	(2,644,070)
OTHER FINANCING SOURCES					
Transfers from other funds	250,000	250,000	167,101	-	(82,899)
Total revenue and other financing sources	$ 255,068,509	$ 255,068,509	$ 252,341,540	$ -	$ (2,726,969)

(Continued)

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

EXPENSES	*Original Budget*	*Final Budget*	*Actual (Budgetary Basis)*	*Encumbrances*	*Final Budget Variance with Budgetary Actual*
General support					
Board of education	$ 129,100	$ 196,025	$ 185,840	$ -	$ 10,185
Central administration	407,890	417,315	413,816	-	3,499
Finance	970,993	1,268,809	1,009,876	231,676	27,257
Staff	1,451,041	1,468,739	1,395,196	-	73,543
Central services	11,979,286	12,104,099	11,174,078	171,736	758,285
Special items	1,633,800	1,254,500	1,161,838	-	92,662
Total general support	16,572,110	16,709,487	15,340,644	403,412	965,431
Instruction					
Instruction, administration & improvement	10,756,931	10,819,870	10,170,350	42,780	606,740
Teaching - regular school	96,836,351	97,294,798	94,441,936	408,828	2,444,034
Programs for students with disabilities	30,086,298	31,242,668	30,779,021	3,625	460,022
Occupational education	752,308	747,845	727,334	400	20,111
Teaching - special schools	1,078,830	1,017,072	867,746	-	149,326
Instructional media	3,667,028	3,919,323	3,470,562	217,351	231,410
Pupil services	20,293,300	20,494,748	18,526,665	79,851	1,888,232
Total instruction	163,471,046	165,536,324	158,983,614	752,835	5,799,875
Pupil transportation	9,802,952	9,802,952	7,467,439	1,420,648	914,865
Employee benefits	52,664,337	51,665,484	50,253,566	-	1,411,918
Debt service - Principal	188,072	183,466	183,465	-	1
Debt service - Interest	14,480	25,671	25,644	-	27
Total expenditures	242,712,997	243,923,384	232,254,372	2,576,895	9,092,117
OTHER FINANCING USES					
Transfers to other funds	17,642,152	17,642,152	17,621,979	-	20,173
Total expenditures and other uses	260,355,149	261,565,536	249,876,351	2,576,895	9,112,290
NET CHANGE IN FUND BALANCE	(5,286,640)	(6,497,027)	2,465,189	(2,576,895)	6,385,321
FUND BALANCE - beginning of year	22,708,539	22,708,539	22,708,539	-	-
FUND BALANCE - end of year	$ 17,421,899	$ 16,211,512	$ 25,173,728	$ (2,576,895)	$ 6,385,321

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset) (thousands)	0.0740415%	0.0697084%	0.0664322%	0.0646409%	0.0646409%	0.0649258%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.			
Proportionate share of the net pension liability (asset)	$ 19,606.6	$ 4,939.0	$ 2,144.1	$ 6,196.4	$ 10,375.0	$ 2,193.4				
Covered-employee payroll	$ 22,567.3	$ 19,780.0	$ 19,287.0	$ 17,973.0	$ 16,769.1	$ 16,903.0				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	86.88%	24.97%	11.12%	34.48%	61.87%	12.98%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%				

Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion of the net pension liability (asset) (thousands)	0.558119%	0.544519%	0.529804%	0.484392%	0.484392%	0.489271%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.			
Proportionate share of the net pension liability (asset)	$ (14,500.0)	$ (9,846.3)	$ (4,027.0)	$ 5,520.7	$ (50,312.9)	$ (54,501.7)				
Covered-employee payroll	$ 94,243.2	$ 93,159.1	$ 86,475.2	$ 79,539.9	$ 72,762.3	$ 72,273.0				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.39%	-10.57%	-4.66%	6.94%	-69.15%	-75.41%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%				

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN (thousands)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 3,098.0	$ 2,709.1	$ 2,718.4	$ 2,572.7	$ 2,622.7	$ 3,255.9	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.			
Contributions in relation to the contractually required contribution	3,098.0	2,709.1	2,718.4	2,572.7	2,622.7	3,255.9				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Covered-employee payroll	$ 22,567.3	$ 19,780.0	$ 19,287.0	$ 17,973.0	$ 16,769.1	$ 16,903.0				
Contributions as a percentage of covered-employee payroll	13.73%	13.70%	14.09%	14.31%	15.64%	19.26%				

Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN (thousands)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 8,350.0	$ 9,893.5	$ 8,474.6	$ 10,547.0	$ 12,755.2	$ 11,744.4	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.			
Contributions in relation to the contractually required contribution	8,350.0	9,893.5	8,474.6	10,547.0	12,755.2	11,744.4				
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
Covered-employee payroll	$ 94,243.2	$ 93,159.1	$ 86,475.2	$ 79,539.9	$ 72,762.3	$ 72,273.0				
Contributions as a percentage of covered-employee payroll	8.86%	10.62%	9.80%	13.26%	17.53%	16.25%				

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB Liability										
Service cost	$ 12,786,739	$ 11,013,684	$ 11,602,843							
Interest	12,912,212	12,807,522	11,874,146							
Changes of benefit terms	(14,520,606)	-	-							
Differences between expected and actual experience	(12,374,040)	-	-							
Changes in assumptions	260,784,781	21,966,845	(16,540,574)							
Benefit payments	(9,815,386)	(11,431,799)	(13,024,806)							
Total change in total OPEB liability	249,773,700	34,356,252	(6,088,391)							
Total OPEB liability - beginning	359,947,922	325,591,670	331,680,061							
Total OPEB liability - ending	$ 609,721,622	$ 359,947,922	$ 325,591,670							
Covered-employee payroll	$ 112,148,280	$ 106,567,717	$ 93,136,917							
Total OPEB liability as a percentage of covered-employee payroll	543.7%	337.8%	349.6%							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

	2020	2019	2018
Discount rate	2.21%	3.51%	3.87%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The healthcare trend cost rates have been reset to an initial rate of 5.40% for 2019 decreasing annually to an ultimate rate of 3.94% by 2075.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:
- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

OTHER INFORMATION (UNAUDITED)

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 260,355,149
Add: Prior year's encumbrances	1,210,387
Original budget	261,565,536
Budget revisions	-
Final budget	$ 261,565,536

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-21 voter-approved expenditure budget		$ 261,568,188
Maximum allowed (4% of subsequent year's budget):		10,462,728
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance		$ 4,976,895
Unassigned fund balance		6,855,969
Total unrestricted fund balance		$ 11,832,864
Less:		
Appropriated fund balance	$ 2,400,000	
Encumbrances included in committed and assigned fund balance	2,576,895	
Total adjustments	$ 4,976,895	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 6,855,969
Actual percentage		2.62%

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

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

			Expenditures				Methods of Financing				Fund
PROJECT TITLE	*Original Appropriation*	*Revised Appropriation*	*Prior Years*	*Current Year*	*Total*	*Unexpended Balance*	*Proceeds of Obligations*	*State Aid*	*Local Sources*	*Total*	*Balance 30-Jun-19*
Capital Projects - $240M Summary	$ 164,603,000	$ 204,240,000	$ 203,401,488	$ -	$ 203,401,488 *	$ 838,512	$ 198,298,340	$ 5,669,666	$ 255	$ 203,968,261	$ 566,773
Livingston Magnet School	19,422,000	-	-	-	-	-	-	-	-	-	-
Sunshine School	1,215,000	-	(264)	-	(264)	264	-	-	-	-	264
Lease Cathedral Immaculate	-	-	1,489,900	-	1,489,900	(1,489,900)	-	-	1,490,200	1,490,200	300
Lease 75 Watervliet	-	-	226,592	-	226,592	(226,592)	-	-	205,993	205,993	(20,599)
Albany High School Reconstruction	-	7,792,150	7,074,198	-	7,074,198	717,952	5,676,000	-	2,109,469	7,785,469	711,271
Abrookin - Excel Project	-	3,809,933	3,734,646	-	3,734,646	75,287	3,173,244	826,756	-	4,000,000	265,354
Giffen - Excel Project	-	960,000	885,383	-	885,383	74,617	691,200	208,800	-	900,000	14,617
North Albany Academy Roof	-	300,000	240,880	-	240,880	59,120	-	-	-	-	(240,880)
Albany School of Humanities - Chiller Project	-	300,000	299,803	-	299,803	197	-	-	285,000	285,000	(14,803)
Hackett Parking Lot & Generator	-	370,000	502,043	-	502,043	(132,043)	-	-	-	-	(502,043)
Eagle Point Roof	-	110,000	115,125	-	115,125	(5,125)	-	-	-	-	(115,125)
Arbor Hill Air Handlers	-	300,000	15,432	-	15,432	284,568	-	-	-	-	(15,432)
Albany High Turf Field	2,417,000	-	2,387,542	-	2,387,542	29,458	1,642,640	-	774,360	2,417,000	29,458
Albany High Press Box - Turf Field	67,000	-	59,171	-	59,171	7,829	-	-	67,000	67,000	7,829
Albany High School - $179.9M	179,900,000	-	38,429,842	32,499,491	70,929,333	108,970,667	1,440,000	1,805,543	-	3,245,543	(67,683,790)
District Wide Reconstruction - $13.9 Million	13,944,000	-	14,387,702	18,710	14,406,412	(462,412)	8,993,000	-	4,951,000	13,944,000	(462,412)
N Lark Street Purchase	-	-	2,192,449	-	2,192,449	(2,192,449)	-	-	2,192,449	2,192,449	-
N Lark St Middle School Conversion	6,525,000	-	6,470,954	-	6,470,954	54,046	295,000	-	1,305,000	1,600,000	(4,870,954)
ASH NYPA Energy Project	-	-	787,610	-	787,610	(787,610)	787,610	-	-	787,610	-
395 Elk Building Purchase	4,100,000	-	4,005,831	-	4,005,831	94,169	-	-	4,100,000	4,100,000	94,169
Smart Schools Bond	2,100,827	-	1,641,341	-	1,641,341	459,486	-	1,641,341	-	1,641,341	-
New Scotland Temp Air Conditioning	613,000	-	-	166,774	166,774	446,226	-	-	-	-	(166,774)
Harriet Gibbons Mechanica	168,000	-	-	18,900	18,900	149,100	-	-	-	-	(18,900)
Five Year Facilities Plan	17,021,287	-	-	399,522	399,522	16,621,765	-	-	3,334,900	3,334,900	2,935,378
North Albany MS	28,460,000	-	115,684	443,850	559,534	27,900,466	-	-	11,700,000	11,700,000	11,140,466
	$ 440,556,114	$ 218,182,083	$ 288,463,352	$ 33,547,247	$ 322,010,599	$ 151,487,598	$ 220,997,034	$ 10,152,106	$ 32,515,626	$ 263,664,766	$ (58,345,833)

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

Capital assets, net		$ 288,139,239
Add:		
Unamortized deferred loss on refunding		7,565,118
Deduct:		
BAN payable	77,892,000	
Short-term portion of bonds payable	10,282,274	
Long-term portion of bonds payable	85,713,830	
Less: Unspent proceeds	(23,638,325)	150,249,779
Unamortized bond premium		12,458,221
Net investment in capital assets		$ 132,996,357

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

October 8, 2020

To the Board of Education of
City School District of the City of Albany:

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 City School District of the City of Albany (School District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 8, 2020.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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

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

Bonadio & Co., LLP

Bonadio & Co., LLP

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

October 8, 2020

The Board of Education of the
City School District of the City of Albany:

Report on Compliance for Each Major Federal Program
We have audited the City School District of the City of Albany's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City School District of the City of Albany's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (Continued)

Opinion on Each Major Federal Program
In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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

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

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

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

Bonadio & Co., LLP

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	*Federal CFDA Number*	*Pass Through Grant Number*	*Expenditures*	*Amounts Provided to Subrecipients*
U.S. Department of Agriculture				
Passed through New York State Dept. of Education/				
Child Nutrition Cluster:				
National school lunch program (Noncash food donations)	10.555	N/A	$ 321,060	$ -
School breakfast program	10.553	N/A	749,305	-
National school lunch program	10.555	N/A	2,432,037	-
Summer food service program for children	10.559	N/A	1,325,060	-
Total Child Nutrition Cluster			4,827,462	-
Total U.S. Department of Agriculture			4,827,462	-
U.S. Department of Education				
Passed through New York State Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021-20-0005	3,981,151	-
Title I Grants to Local Educational Agencies	84.010	0021-19-0005	849,695	-
Title I Grants to Local Educational Agencies	84.010	0011-20-2012	212,930	-
Title I Grants to Local Educational Agencies	84.010	0011-19-2012	44,494	-
Title I Grants to Local Educational Agencies	84.010	0011-18-2012	207,860	-
Title I Grants to Local Educational Agencies	84.010	0016-20-0005	189,165	-
Title I Grants to Local Educational Agencies	84.010	0016-19-0005	86,164	-
			5,571,459	-
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-20-0001	3,121,297	-
Special Education - Preschool Grants (IDEA, Preschool)	84.173	0033-20-0001	156,276	-
Total Special Education Cluster (IDEA)			3,277,573	-
VATEA, General	84.048	8000-20-0084	88,672	-
Education for Homeless Children and Youth	84.196	0212-20-3097	47,681	-
Twenty-First Century Community Learning Center	84.287	0187-20-7078	823,223	-
Twenty-First Century Community Learning Center	84.287	0187-19-7078	16,034	-
			839,257	-
English Language Acquisition Grants - Title IIIA	84.365	0149-19-0005	9,070	-
English Language Acquisition Grants - Title IIIA	84.365	0293-20-0005	93,334	-
English Language Acquisition Grants - Title IIIA	84.365	0293-19-0005	88,086	-
			190,490	-
Title II Part B - Math -Science	84.366	0294-19-0301	31,268	-
Title II Part A - Teaching	84.367	0147-20-0005	543,184	-
Title II Part A - Teaching	84.367	0147-19-0005	79,646	-
			622,830	-
Connecting Youth in Transition	84.420	0144-20-0003	56,527	-
Connecting Youth in Transition	84.420	0144-18-0003	36,285	-
			92,812	-
Title IV - Student Support and Academic Enrichment Program	84.424	0204-20-0005	74,984	-
Title IV - Student Support and Academic Enrichment Program	84.424	0204-19-0005	42,937	-
			117,921	-
Total New York State Education Department			10,879,963	-
Total U.S. Department of Education			10,879,963	-
Total expenditures of federal awards			$ 15,707,425	$ -

The accompanying notes to the schedule of federal awards are an integral part of these statements.

CITY SCHOOL DISTRICT OF THE CITY OF ALBANY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City School District of the City of Albany (School District), under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the government activities, each major fund and aggregate remaining for the School District.

2. BASIS OF ACCOUNTING

The Schedule is presented in accordance with generally accepted accounting principles, as described in the School District's basic financial statements.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent that such costs are included in the federal financial reports used as the source document for the data presented.

The School District did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. MATCHING COSTS

Matching costs, i.e. the School District's share of certain program costs, are not included in the reported expenditures.

5. NONCASH ASSISTANCE

The School District received noncash assistance is reported totaling $321,060 (CFDA 10.555) in the form of food commodities for the year ended June 30, 2020.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	__ Yes _X_ No
Significant deficiencies identified?	__ Yes _X_ None reported
Noncompliance material to financial statements noted?	__ Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	__ Yes _X_ No
Significant deficiencies identified	__ Yes _X_ None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	__ Yes _X_ No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553/10.555/10.559	Child Nutrition Cluster
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	_X_ Yes __ No

Section II—Financial Statement Findings

There were no findings identified that are required to be reported under *Government Auditing Standards*.

Section III—Federal Award Findings and Questioned Costs

There were no findings identified including questioned costs that are required to be reported under Uniform Guidance.