PRELIMINARY OFFICIAL STATEMENT

<u>**NEW ISSUE**</u> **BOND ANTICIPATION NOTES**

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) 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 and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. For a more complete discussion of the tax aspects, see "Tax Matters" herein.

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

$2,500,000

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SARATOGA AND SCHENECTADY COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$2,500,000 Bond Anticipation Notes, 2019

(the "Notes")

Dated: June 25, 2019 **Due: June 25, 2020**

The Notes are general obligations of the Burnt Hills-Ballston Lake Central School District, Saratoga and Schenectady Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. 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. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of The Law Offices of Jeffrey E. Storch, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser(s), or about June 25, 2019.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 13, 2019 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

May 22, 2019

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN 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 C – MATERIAL EVENT NOTICES" HEREIN.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT
SARATOGA AND SCHENECTADY COUNTIES, NEW YORK

DISTRICT OFFICIALS

2018-2019 BOARD OF EDUCATION

JOHN BLOWERS
President

PATRICK ZIEGLER
Vice President

JENNIFER LONGTIN
DON MARSHALL
LISA MORSE
PETER SAWYER
DAVID VERSOCKI

* * * * *

ADMINISTRATION

DR. PATRICK MCGRATH
Superintendent of Schools

DR. CHRISTOPHER ABDOO
Assistant Superintendent for Support Services

BRENDA KANE
School Business Administrator

ROBERT E. VAN VRANKEN, ESQ
School District Attorney

THE LAW OFFICES OF JEFFREY E. STORCH, ESQ.
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

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

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT SARATOGA AND SCHENECTADY COUNTIES, NEW YORK

Relating To

$2,500,000 Bond Anticipation Notes, 2019

This Official Statement, which includes the cover page and appendices, has been prepared by the Burnt Hills-Ballston Lake Central School District, Saratoga and Schenectady Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $2,500,000 principal amount of Bond Anticipation Notes, 2019 (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.

NATURE OF OBLIGATION

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

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

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

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

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

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

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words,

"faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean… So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated June 25, 2019 and will mature, without option of prior redemption, on June 25, 2020. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the purchaser(s) either (i) requested in the name of the purchaser, in certificated denominations of $5,000 or integral multiples thereof, as may be determined by the successful bidder(s); or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

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 duly adopted by the Board of Education on April 17, 2019 authorizing issuance up to $34,077,420 serial bonds to finance a redesign of the O'Rourke Middle School entrance to enhance safety & security, a renovated auditorium at the High School, and the construction of a new transportation facility, among other reconstruction and improvements to District buildings and facilities.

The proceeds of the Notes will provide $2,500,000 in new monies for the aforementioned purpose.

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.

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

If 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 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 lies on the borders of Saratoga and Schenectady Counties, in the Capital Region of New York State, approximately five miles north of the City of Schenectady. The District encompasses approximately 40 square miles and includes portions of the Towns of Ballston, Charlton, Clifton Park and Glenville (the "Towns").

The District is primarily suburban residential in nature. The majority of homes within the District are single-family homes and the trend of new residential construction is for upper-middle income homes. Commercial development within the District is limited, however, the residents are afforded ample retail services located in the Town of Glenville in the southern end of the District at the Mayfair and Willowbrook Shopping Centers. A Target opened in the Town of Glenville in 2012, Panera Bread opened in 2013 and Applebees opened in 2015. A new Stewart's shop is scheduled to open in Ballston in early 2019.

Major economic developments nearby the District include the completion of the GlobalFoundries Fab 8 manufacturing plant, located within the 1,400-acre Luther Forest Technology Campus in the nearby town of Malta, which currently employs approximately 3,000 people and produces state-of-the-art 300mm semiconductor wafers for leading edge companies like IBM, Rockchip, Broadcom, Qualcomm, STMicroelectronics and others. The GlobalFoundries campus consists of approximately 2 million square feet of building space situated on just over 220 acres, including two office buildings over 200,000 square feet each, utility and support buildings and a 390,000 square foot factory, including a clean room the size of 6 football fields.

GlobalFoundries completed and then expanded its first Fabrication facility ("Fab") in 2015; then completed a large administrative building and a new Technology Development Center (TDC) that added more production space in 2016. The expanded facilities are expected to play a key role in the company's strategy to develop innovative semiconductor solutions allowing customers to compete at the leading edge of technology. The TDC features more than a half million square feet of flexible space to support a range of technology development and manufacturing activities, including cleanroom and laboratory space.

GlobalFoundries was also recently granted zoning and planning approval for a new Fab 8.2 manufacturing plant which could produce 450mm wafers. This 575,000-square-feet factory, with 475,000 square feet of cleanroom space, could add an estimated 3,700 new jobs. The expansion would triple the company's current employment of 2,160 on site jobs to 6,700 jobs. GlobalFoundries has applied for the zoning changes for Fab 8.2 so it could act quickly if there is an increase in demand for chips and a need for more capacity in the semiconductor industry.

Including the construction of the TDC, the total GlobalFoundries capital investment is now approximately $8 billion, of which New York State has invested roughly $1.3 billion. The planned Fab 8.2 plant is expected to cost up to $14.7 billion. New York State has invested over $100 million in the development of the Luther Forest Technology Campus and accompanying infrastructure, including roads, power, water, sewer and other systems infrastructure. Saratoga County has also invested over $68 million in a new countywide water system and has invested $54 million to upgrade sewage treatment capacity.

GlobalFoundries is considered among the largest semi-conductor manufacturing facilities, performs the most advance research, development and manufacturing of semi-conductors in the world and is the first major tenant in the Luther Forest Technology Campus. Per a GlobalFoundries "Fab 8 Campus" Fact Sheet, there is approximately 3 million square feet of development with a total capital investment into these facilities of approximately $10 billion dollars creating approximately 3,000 new direct jobs and 15,000 indirect jobs.

There are a few large single family residential housing developments currently planned in the Towns of Charlton and Ballston.

The Rivers Casino & Resort, in nearby Schenectady, opened in early 2017. In addition to the Casino, The Landing Hotel has opened with 165 guest rooms, and there are five restaurants that have opened to date: Duke's Chophouse, Mian, Flipt, Johnny's Italian and Villa Italia.

A network of local and state roadways services the District, including New York State Route #50 and Lakehill Road. Albany International Airport, located nearby in the Town of Colonie, provides passenger and freight service to the residents of the District and accommodates both general aviation and military services.

National Grid (formerly Niagara Mohawk Power Corporation) supplies electricity and natural gas throughout the District. The Towns maintain their own municipal water supply and distribution systems and are primarily supported from usage charges. There are no sanitary sewage collection and treatment facilities within the District.

The New York State Police, the Saratoga and Schenectady County Sheriffs' Offices and the Police Department of the Town of Glenville provide police protection for the District. Local volunteer units provide fire and ambulance services.

Source: District officials.

Population

The current estimated population of the District is 19,353. (Source: 2017 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2013-2017	2000	2006-2010	2013-2017
Towns of:						
Ballston	$ 24,206	$ 28,420	$ 39,667	$ 61,709	$ 86,150	$ 94,531
Charlton	27,924	36,862	39,070	66,250	86,094	90,938
Clifton Park	31,997	38,846	45,870	81,410	103,404	115,865
Glenville	24,795	31,363	34,732	62,599	84,760	93,585
County of:						
Saratoga	23,945	32,186	39,653	58,213	81,251	94,290
Schenectady	21,992	27,500	29,981	53,670	70,712	80,122
State of:						
New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 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 2013-2017 American Community Survey data.

Ten Largest Employers

Name	Type	# of Employees
Burnt Hills-Ballston Lake CSD	Public Education	593
Price Chopper	Supermarket	285
Hannaford	Supermarket	126
Morris Ford	Automobile Dealership	64
Applebees	Restaurant	60
Town of Ballston	Municipality	57
TCAR	Recovery & Collection Services	53
Charlton School	Private Education	50
CVS	Pharmacy	49
Scotia Glenville Medicine	Health Professionals	40

Source: District Officials.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Unemployment Rate Statistics

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

Annual Average

	2012	2013	2014	2015	2016	2017	2018
Saratoga County	6.8%	5.8%	4.7%	4.1%	3.8%	4.0%	3.5%
Schenectady County	7.7%	6.7%	5.4%	4.7%	4.3%	4.5%	4.0%
New York State	8.5%	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%

2019 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Saratoga County	3.8%	3.7%	3.5%	3.0%	N/A	N/A
Schenectady County	4.1%	4.1%	3.9%	3.4%	N/A	N/A
New York State	4.6%	4.4%	4.1%	3.6%	N/A	N/A

Note: Unemployment rates for May and June 2018 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education (the "Board"), the policy-making body of the School District, consists of seven members each with overlapping three-year terms so that as nearly an equal number as possible is elected to the Board each year. Each Board member must be a qualified voter of the School District and the President (and Chief Fiscal Officer) and the Vice President are selected from among the Board members. The Board also appoints the superintendent, assistant superintendent and school business official to conduct the day-to-day operations of the School District.

Budgetary Procedures

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

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 "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap 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 Vote Results

The budget for the 2017-18 fiscal year was adopted by the qualified voters on May 16, 2017 with a vote of 1,094 to 323. The District's adopted budget for 2017-18 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011.

The budget for the 2018-19 fiscal year was adopted by the qualified voters on May 15, 2018 with a vote of 1,090 to 389. The District's adopted budget for 2018-19 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011.

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 with a vote of 1,173 to 420. The District's adopted budget for 2019-20 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposit 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 of 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 New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality, school district or district corporation, other than the School District; (6) obligations of a New York public 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 only in: (1) certificates of deposit issued by a bank or trust company located and authorized to do business in the State; (2) time deposit accounts in a bank or trust company located and authorized to do business in the State; (3) obligations of the State; and (4) obligations of the United States of America. Funds may also be invested in: (1) obligations of agencies of the federal government, if payment of principal and interest is guaranteed by the United States of America; and (2) with the approval of the State Comptroller, in revenue anticipation notes or tax anticipation notes of New York municipalities, other than the School District. School District reserve funds may also be invested in obligations of the School District.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-2020 fiscal year, approximately 35.55% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Potential reductions in Federal aid received by the State.

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

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

The State's Enacted 2017-2018, 2018-2019 and 2019-2020 budgets allowed the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. If federal support is reduced by $850 million or more, the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

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

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

Building aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2019-2020 preliminary building aid ratios, the District expects to receive State building aid of approximately 74.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

School district fiscal year (2016-2017): The 2016-2017 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District received $21,638,908 in total State aid and $12,868,792 in the form of Foundation aid.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $1,456,731. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-2018 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 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-2018 Enacted Budget allowed the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately $859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at $26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid 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's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served 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 2018-2019. The State 2018-2019 Enacted Budget continued to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

School district fiscal year (2019-2020): The State's 2019-2020 Enacted Budget includes 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 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.

State Aid Litigation

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

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total State Aid	Total Revenues	Percentage of Total Revenues Consisting of State Aid
2013-2014	$ 19,889,606	$ 57,044,805	34.81%
2014-2015	19,892,921	57,567,711	34.56
2015-2016	20,411,797	60,022,040	34.01
2016-2017	21,696,905	61,093,042	35.51
2017-2018	23,154,291	63,430,498	36.50
2018-2019 (Budgeted)	24,065,085	66,071,658	36.42
2019-2020 (Budgeted)	23,797,454	66,937,304	35.55

Source: Audited financial statements for the 2013-2014 fiscal year through and including the 2017-2018 fiscal year, and the budgets of the District for the 2018-2019 and 2019-2020 fiscal years. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Renovations
Burnt Hills-Ballston Lake Senior High School	9-12	1,596	1954,'68,'92,'01,'04,'05,'06,'07,'10, '11, '12, '13, '14, '15, '16 '17'18
Burnt Hills-Ballston Lake Middle School	6-8	1,440	1960,'65,'01,'05,'06,'07, '10, '12, '13, '14, '15, '16,'17'18
Charlton Heights School	K-5	691	1957,'62,'01,'04,'05,'07,'10,'11, '12, '13, '16,'17'18
Pashley School	K-5	694	1951,'58,'67,'01,'06,'07,'10, '12, '13,'15'16,'17'18
Stevens School	K-5	726	1930,'63,'02,'04,'07,'10,'11, '12, '13, '14, '15, '17'18

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2014-15	3,111	2019-20	3,040
2015-16	3,091	2020-21	3,091
2016-17	3,070	2021-22	3,100
2017-18	3,031	2022-23	3,312
2018-19	3,067	2023-24	3,231

Source: District officials.

Employees

The District employs a total of 465 full-time and 129 part-time employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
264	Civil Service Employees' Association	June 30, 2019 (1)
288	New York State United Teachers' Association	June 30, 2021
17	Burnt Hills-Ballston Lake Administrators' Association	June 30, 2021
14	Non-Contractual Employees'	June 30, 2019
7	Operations Managers' Association	June 30, 2022
3	Individual Contracts	June 30, 2021
1	Superintendent	June 30, 2023

(1) Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the 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 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 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% and contributions at such rates continue so long as such employee continues to accumulate pension credits, 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 2018-2019 and 2019-2020 fiscal years are as follows:

Fiscal Year	ERS	TRS
2013-2014	$ 923,318	$ 3,928,465
2014-2015	1,064,243	4,293,658
2015-2016	920,553	3,354,142
2016-2017	1,034,013	3,108,606
2017-2018	1,157,380	2,612,864
2018-2019 (Budgeted)	1,097,397	3,040,871
2019-2020 (Budgeted)	1,066,114	2,577,627

Source: District records.

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

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

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

Year	ERS	TRS
2015-16	18.2%	13.26%
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86*

* Estimated. The final rate will be adopted by the New York State Teachers' Retirement System Board at its July 31, 2019 meeting.

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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

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

Other Post Employee 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 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.

Summary of Changes from the Last Valuation. The District contracted with Korn Ferry Hay Group, an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending June 30, 2018. 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 during the fiscal year, by source.

Balance at June 30, 2017:	$ 63,816,691
Changes for the year:	
Service cost	1,443,957
Interest	2,260,800
Differences between expected and actual experience	-
Changes of benefit terms	-
Changes in assumptions	(3,190,835)
Benefit payments	(1,331,725)
Net Changes	(817,803)
Balance at June 30, 2018:	$ 62,998,888

Note: The above table is not audited. For additional information see "APPENDIX – C" attached hereto.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

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

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

The District had contracted with Korn Ferry Hay Group, an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on actuarial valuations, the following tables show the components of the District's annual OPEB cost, the amount actuarially contributed to the plan, changes in the District's net OPEB obligation and funding status for the fiscal years ended June 30, 2016 and June 30, 2017:

Annual OPEB Cost and Net OPEB Obligation:	***2016***	***2017***
Annual required contribution (ARC)	$ 2,581,933	$ 2,702,977
Interest on net OPEB obligation	567,979	617,092
Adjustment to ARC	(415,469)	(462,258)
Annual OPEB cost (expense)	2,724,443	2,857,811
Contributions made	(1,742,197)	(1,410,939)
Increase in net OPEB obligation	982,246	1,446,872
Net OPEB obligation - beginning of year	11,359,584	12,341,830
Net OPEB obligation - end of year	$ 12,341,830	$ 13,788,702
Percentage of annual OPEB cost contributed	63.95%	49.37%
Funding Status:		
Actuarial Accrued Liability (AAL)	$ 41,956,866	$ 40,618,752
Actuarial Value of Assets	0	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 41,956,866	$ 40,618,752
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	$ 2,857,811	49.4%	$ 13,788,702
2016	2,724,443	63.9	12,341,830

Note: The above tables are not audited.

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

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

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

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

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2018 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller Report of Examination

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

The NYS Comptroller's office released an audit report of the District on March 18, 2016. The purpose of the audit was to evaluate the accuracy of the District's accounting for leave time and separation payments for the period July 1, 2014 through September 30, 2015.

Key Findings:

- District officials properly accounted for employee leave accruals and made accurate separation payments.

Key Recommendations:

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

The District provided a complete response to the NYS Comptroller's office on March 8, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the District that are currently in progress or pending release.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2018	No Designation	10.0%
2017	No Designation	6.7%
2016	No Designation	20.0%

Source: Website of the Office of the New York State Comptroller.

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Towns of:					
Ballston	$ 634,742,837	$ 641,812,814	$ 654,103,875	$ 660,103,174	$ 674,990,691
Charlton	254,495,057	258,503,931	262,158,690	264,969,762	267,259,657
Clifton Park	63,206,643	63,202,697	63,772,876	63,944,952	64,645,268
Glenville	612,428,929	612,242,330	614,209,153	613,029,076	612,977,542
Total Assessed Valuation	$ 1,564,873,466	$ 1,575,761,772	$ 1,594,244,594	$ 1,602,046,964	$ 1,619,873,158
State Equalization Rates					
Towns of:					
Ballston	95.80%	95.90%	96.20%	93.20%	91.50%
Charlton	71.00%	72.00%	72.00%	70.00%	67.00%
Clifton Park	58.00%	58.00%	58.00%	58.00%	56.00%
Glenville	96.00%	95.00%	94.00%	92.00%	89.00%
Total Taxable Full Valuation	$ 1,767,938,325	$ 1,781,721,168	$ 1,807,418,177	$ 1,863,379,309	$ 1,940,766,545

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Towns of:					
Ballston	$ 21.64	$ 22.03	$ 21.93	$ 22.39	$ 22.53
Charlton	29.20	29.34	29.30	29.81	30.77
Clifton Park	35.74	36.42	36.38	35.98	36.81
Glenville	21.60	22.23	22.44	22.68	23.16

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charged from September 1st through October 2nd, but a 2% penalty is charged from October 3rd to October 31st. By November 15th of each year, uncollected school taxes are reported to the respective County Treasurers and, by April 1st, the Counties are required to pay the amount of such uncollected taxes to the District. As such, the District is assured 100% tax collection annually. The Counties have the power to issue and sell tax anticipation notes in order to reimburse any uncollected taxes paid to the District.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Total Tax Levy	$ 36,652,136	$ 37,634,413	$ 38,132,693	$ 38,882,000	$ 40,009,573
Amount Uncollected (1)	1,341,468	1,254,035	1,282,359	1,203,081	1,221,956
% Uncollected	3.66%	3.33%	3.36%	3.09%	3.05%

(1) See "Tax Collection Procedure" herein.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Real Property Tax Revenues

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

Fiscal Year	Total Property Tax & Other Tax Items	Total Revenues	Percentage of Total Revenues Consisting of Real Property Tax & Other Tax Items
2013-2014	$ 36,017,956	$ 57,044,805	63.03%
2014-2015	36,699,868	57,567,711	63.75
2015-2016	37,697,408	60,022,040	62.81
2016-2017	38,189,815	61,093,042	62.51
2017-2018	38,951,739	63,430,498	61.41
2018-2019 (Budgeted)	40,009,573	66,071,658	60.55
2019-2020 (Budgeted)	41,169,851	66,937,304	61.51

Source: Audited financial statements for the 2013-2014 fiscal year through and including the 2017-2018 fiscal year, and the budget of the District for the 2018-2019 and 2019-2020 fiscal years. This table is not audited.

Larger Taxpayers 2018 for 2018-19 Tax Roll

Name	Type	Estimated Full Valuation
National Grid (Formerly Niagara Mohawk Power Corporation)	Utility	$ 50,420,657
Saratoga Schen Real Prop LLC	Professional Bldg.	7,971,584
MSF Mayfair LLC	Shopping Center	7,735,730
REESG Properties, LLC	Shopping Center	6,058,876
Fox Properties	Industrial Park	5,350,819
Indian Brook Apartments	Apartments	5,065,168
237 Albany Street Investments	Commercial	3,486,557
Cole CVS Glenville Scotia	Pharmacy	2,547,752
Outlet Enterprises	Shopping Center	2,145,136
CVS Albany, LLC	Pharmacy	2,022,404

The ten larger taxpayers listed above have a total full valuation of $92,804,683 which represents 4.78% of the tax base of the District.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known to have a material impact on the District.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $86,300 or less, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a "basic" exemption on their primary residence.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Ballston	$ 76,220	$ 33,280	4/9/2019
Charlton	55,810	24,370	4/9/2019
Clifton Park	46,650	20,370	4/9/2019
Glenville	61,140	26,700	4/9/2019

$4,868,210 of the School District's $38,882,000 2017-2018 school tax was exempted by the STAR Program. The School District received full reimbursement of such exempt taxes from the State in January 2018.

$4,854,613 of the District's $40,009,573 school tax levy for 2018-19 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2019.

Additional Tax Information

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

Senior citizens' exemptions & Veterans' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-88%; Commercial-5%; Agricultural-1% and Other-6%.

The estimated total annual property tax bill of a $250,000 average market value residential property located in the School District is approximately $5,900 which includes the County, Town and School District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, 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. It expires on June 15, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

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

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applies in the years 2016 through 2019 and includes continued tax cap compliance.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

Except on rare occasions the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30th:	2014	2015	2016	2017	2018
Bonds	$ 27,115,000	$ 24,350,000	$ 21,490,000	$ 18,525,000	$ 15,450,000
Bond Anticipation Notes	5,445,000	13,445,000	25,325,167	30,537,871	29,599,617
Tax Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 32,560,000	$ 37,795,000	$ 46,815,167	$ 49,062,871	$ 45,049,617

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 22, 2019.

Type of Indebtedness	Maturity		Amount
Bonds	2019-2027		$ 14,495,000
Bond Anticipation Notes			
Capital Project	June 21, 2019		29,599,617 (1)
		Total Indebtedness	$ 44,094,617

(1) To be partially redeemed and permanently financed at maturity with the issuance of serial bonds on June 17, 2019 through the Dormitory Authority of the State of New York ("DASNY") and $1,838,541 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 22, 2019:

Full Valuation of Taxable Real Property			$ 1,940,766,545
Debt Limit 10% thereof			194,076,655
Inclusions:			
Bonds	$ 14,495,000		
Bond Anticipation Notes	29,599,617 (1)		
Principal of this Issue	2,500,000		
Total Inclusions		$ 46,594,617	
Exclusions:			
State Building Aid (2)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 46,594,617
Net Debt-Contracting Margin			$ 147,482,038
The percent of debt contracting power exhausted is			24.01%

(1) To be partially redeemed and permanently financed at maturity with the issuance of serial bonds on June 17, 2019 through the Dormitory Authority of the State of New York ("DASNY") and $1,838,541 available funds of the District.

(2) Based on preliminary 2019-2020 building aid estimates, the District anticipates State Building aid of 74.1% 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 net indebtedness of the District.

Bonded Debt Service

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

Capital Project Plans

On April 22, 2014, the School District authorized $32,172,000 serial bonds to finance the cost of the construction, reconstruction and equipping of School District facilities. The School District issued $5,445,000 bond anticipation notes on June 26, 2014 as the first borrowing against said authorization. The District issued $13,445,000 bond anticipation notes on June 25, 2015 to renew $5,445,000 bond anticipation notes maturing on June 26, 2015 and provide $8,000,000 new monies as the second borrowing against said authorization. The District issued $25,325,167 bond anticipation notes on June 23, 2016 as the third borrowing against said authorization. The District issued $30,537,871 on June 22, 2017, along with $787,296 available funds of the District, to partially redeem and renew bond anticipation notes maturing June 23, 2017 and provide $6,000,000 new money under this authorization. The District issued $29,599,617 bond anticipation notes, along with $938,254 available funds of the District, to renew $30,537,871 bond anticipation notes maturing June 22, 2018. The District is in the process of issuing serial bonds through DASNY to permanently finance this project scheduled to close on June 17, 2019.

On October 23, 2018, voters authorized the district to undertake a $34,077,420 capital project with a 69% majority voting in favor. Major items in this project include a redesign of the O'Rourke Middle School entrance to enhance safety & security, a renovated auditorium at the High School, and the construction of a new transportation facility. The bulk of the construction associated with this project is scheduled to begin during the 2020 and 2021 calendar years. The Notes are being issued as the first borrowing against this authorization.

The School District currently has no other authorized and unissued indebtedness for capital or other purposes.

Cash Flow Borrowings

The following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings since the 2001-2002 fiscal year:

Fiscal Year	Amount	Type	Issue Date	Due Date
2001-2002	3,000,000	TAN	07/12/01	06/28/02
2002-2003	4,000,000	TAN	07/11/02	06/27/03
2003-2004	2,500,000	TAN	07/14/03	07/09/04
2003-2004	5,400,000	RAN	06/25/03	10/24/03
2004-2005	2,500,000	TAN	07/08/04	07/08/05
2005-2006	2,500,000	TAN	07/13/05	07/13/06
2006-2007	2,500,000	TAN	07/06/06	07/06/07
2007-2008	2,500,000	TAN	07/05/07	07/03/08
2008-2009	3,500,000	TAN	07/02/08	07/02/09
2009-2010	3,500,000	TAN	07/02/09	07/02/10

The District has not issued TANs or RANs since the 2009-2010 fiscal year and has no plans to do so in the foreseeable future.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [(1)]	Exclusions [(2)]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Saratoga	12/31/2016	$ 60,630,000	$ -	$ 60,630,000	4.93%	$ 2,989,059
Schenectady	12/31/2016	81,627,000	-	81,627,000	6.84%	5,583,287
Town of:						
Ballston	12/31/2016	2,113,720	2,113,720	-	69.29%	-
Charlton	12/31/2016	1,742,900	30,900	1,712,000	79.54%	1,361,725
Clifton Park	12/31/2016	11,691,875	1,913,901	9,777,974	2.69%	263,028
Glenville	12/31/2016	15,245,854	8,177,233	7,068,621	29.82%	2,107,863
					Total:	$ 12,304,961

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

Note: The 2017 Comptroller's Special Report is currently unavailable as of the date of this Official Statement.

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

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 22, 2019:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 46,594,617	$ 2,407.62	2.40%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]...........	58,899,578	3,043.43	3.03

(a) The current estimated population of the District is 19,353. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2018-19 fiscal year is $1,940,766,545. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is $12,304,961. (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 District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

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

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

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as 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 District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

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

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

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.

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.

TAX MATTERS

In the opinion of The Law Offices of Jeffrey E. Storch, Bond Counsel, under existing law: (i) interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax and the Notes will be designated as qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code; and (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume (without verifying) the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the District's certifications and representations or the continuing compliance with the District's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the District may cause loss of such status and result in the interest on the Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The District has covenanted to take the actions required of it for the interest on the Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Notes or the market prices of the Notes.

Under the Code, interest on the Notes may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain "S corporations" (as defined in §1361(a)(1) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Noteowner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress, and legislation affecting the exemption of interest thereon for purposes of taxation by the State may be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes. As an example, in recent years Congress proposed budgets that could, among other things, result in additional federal income taxes on taxpayers that own tax-exempt obligations, such as the Notes, if they have incomes above certain thresholds.

These and other legislative proposals may be considered or introduced that could affect the market price or marketability of the tax-exempt obligations such as the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation court proceedings, or any new case law.

PROSPECTIVE PURCHASERS OF THE NOTES AT OTHER THAN THEIR ORIGINAL ISSUANCE AT THE PRICE OF INDICATION ON THE COVER OF THIS OFFICIAL STATEMENT SHOULD ALSO CONSULT THEIR ADVISORS REGARDING OTHER TAX CONSEQUENCES, SUCH AS CONSEQUENCES OF MARKET DISCOUNT, AS TO ALL OF WHICH BOND COUNSEL EXPRESSES NO OPINION.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the beneficial owners regarding the tax status of interest on the Notes in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the District as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Notes.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Legal Matters

Legal matters incident to the authorization, issuance, and sale of the Notes will be subject to the final approving opinion of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel to the District. Such opinions will be available at the time of delivery of and payment for the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the District, for the payment of which the District has validly pledged its faith and credit, and all the real property within the District subject to taxation by the District is subject to the levy by the District of ad valorem taxes, without limitation as to rate or amount, for payment of the principal of and interest on the Notes.

Said opinions will also contain further statements to the effect that, assuming continuing compliance with certain covenants and the accuracy of certain representations of the District contained in the records of proceedings relating to the authorization and issuance of the Notes, (a) 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 and the Notes will be designated as qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, (b) interest on the Notes is exempt from personal income taxes imposed by the State and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) the enforceability of the Notes is subject to bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion, and (d) the scope of the engagement of The Law Offices of Jeffrey E. Storch, as Bond Counsel in relation to the Notes, has extended solely to rendering the opinions expressed in said opinion, that said law firm is rendering no opinion other than the opinions expressly stated therein, and that said law firm expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes.

Closing Certificates

Upon delivery of and payment for the Notes, the purchaser(s) of the Notes will also receive, without cost, in form satisfactory to Bond Counsel, the following dated as of the date of delivery of and payment for the Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes, (b) a certificate or certificates executed by the officer of the District who executed the Notes on behalf of the District, stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Notes, (2) no authority or proceedings for the issuance of the Notes has or have been repealed, rescinded or revoked, and (3) the statements contained in this Official Statement relating to the Notes, on the date thereof and on the date of delivery of and payment for the Notes, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (c) a Tax Compliance Certificate executed by the President of the Board of Education, (d) the unqualified legal opinions as to the validity of the Notes of The Law Offices of Jeffrey E. Storch, New York, New York, Bond Counsel and (e) a Continuing Disclosure Agreement relating to the Notes executed by the President of the Board for purposes of the Rule. See "Continuing Disclosure" below.

ABSENCE OF LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into a Continuing Disclosure Agreement, as further set forth in "APPENDIX – C" attached hereto.

Historical Compliance

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

MUNICIPAL ADVISOR

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

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, 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 – C", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "AA" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

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.

The Law Offices of Jeffrey E. Storch, Esq., New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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

The District's contact information is as follows: Mr. Christopher Abdoo, Assistant Superintendent for Support Services, 88 Lakehill Road, Burnt Hills, New York 12027, telephone (518) 399-9141 x 85025, fax (518) 399-2096, email cabdoo@bhbl.org

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

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

Dated: May 22, 2019

JOHN BLOWERS
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2014	2015	2016	2017	2018
ASSETS					
Unrestricted Cash	$ 5,572,217	$ 7,225,560	$ 5,292,025	$ 4,843,398	$ 6,815,483
Restricted Cash	1,098,156	1,098,156	-	-	-
Investments - Restricted	9,450,984	8,344,208	11,248,489	7,588,715	5,058,283
Accounts Receivable	143,080	27,768	143,390	289,780	255,024
Due from Other Funds	1,659,662	1,957,234	2,051,650	1,564,921	1,485,130
Prepaid Expenditures	-	-	-	-	3,000
State and Federal Aid Receivable	2,028,338	1,528,727	1,342,547	1,491,560	1,921,403
TOTAL ASSETS	$ 19,952,437	$ 20,181,653	$ 20,078,101	$ 15,778,374	$ 15,538,323
LIABILITIES AND FUND EQUITY					
Accounts Payable & Accrued Liabilities	$ 157,008	$ 314,200	$ 519,298	$ 344,020	$ 358,698
Due to Other Funds	522,388	824,564	2,410,528	933,248	278,100
Due to Teachers' Retirement System	4,128,378	4,554,241	3,554,132	3,277,123	2,772,513
Due to Employees' Retirement System	317,561	467,829	281,899	297,258	294,025
Tax Anticipation Notes Payable	-	-	-	-	-
Deferred Revenue	2,653	-	1,359	1,235	15,134
TOTAL LIABILITIES	$ 5,127,988	$ 6,160,834	$ 6,767,216	$ 4,852,884	$ 3,718,470
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ 3,000
Restricted	9,496,456	9,113,534	8,051,327	6,062,477	6,963,380
Assigned:					
Unappropriated	75,152	63,078	368,362	73,252	122,312
Appropriated	2,835,000	2,335,000	2,335,000	2,290,000	2,010,860
Unassigned	2,418,341	2,509,207	2,556,196	2,499,761	2,720,301
TOTAL FUND EQUITY	$ 14,824,949	$ 14,020,819	$ 13,310,885	$ 10,925,490	$ 11,819,853
TOTAL LIABILITIES and FUND EQUITY	$ 19,952,937	$ 20,181,653	$ 20,078,101	$ 15,778,374	$ 15,538,323

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:	2013	2014	2015	2016	2017
REVENUES					
Real Property Taxes	$ 30,271,353	$ 31,042,559	$ 31,657,718	$ 32,518,740	$ 33,120,698
Other Tax Items	4,915,217	4,975,397	5,041,968	5,178,668	5,069,117
Charges for Services	152,184	328,137	317,606	514,206	495,927
Use of Money & Property	122,697	74,403	98,323	111,271	103,127
Sale of Property and Compensation for Loss	47,387	6,189	35,214	545,064	47,738
Miscellaneous	430,097	650,963	464,111	606,282	432,295
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	18,574,761	19,889,606	19,892,921	20,411,797	21,696,905
Revenues from Federal Sources	108,365	77,551	59,850	136,012	127,235
Total Revenues	$ 54,622,061	$ 57,044,805	$ 57,567,711	$ 60,022,040	$ 61,093,042
Other Sources:					
Operating Transfers In	-	100,000	-	-	296,501
Total Revenues and Other Sources	$ 54,622,061	$ 57,144,805	$ 57,567,711	$ 60,022,040	$ 61,389,543
EXPENDITURES					
General Support	$ 4,322,774	$ 4,499,055	$ 4,620,465	$ 4,816,806	$ 5,193,141
Instruction	30,083,030	31,457,601	31,872,004	32,622,131	34,753,873
Pupil Transportation	2,593,848	2,546,853	2,901,844	2,940,796	3,470,011
Home and Community Services	9,640	8,834	4,784	5,911	8,521
Employee Benefits	12,399,965	14,157,782	14,543,714	13,921,485	14,462,942
Debt Service	4,575,606	4,914,288	3,810,445	4,067,481	5,037,507
Total Expenditures	$ 53,984,863	$ 57,584,413	$ 57,753,256	$ 58,374,610	$ 62,925,995
Other Uses:					
Operating Transfers Out	352,398	237,550	618,585	2,357,364	848,493
Total Expenditures and Other Uses	$ 54,337,261	$ 57,821,963	$ 58,371,841	$ 60,731,974	$ 63,774,488
Excess (Deficit) Revenues Over Expenditures	284,800	(677,158)	(804,130)	(709,934)	(2,384,945)
FUND BALANCE					
Fund Balance - Beginning of Year	15,217,307	15,502,107	14,824,949	14,020,819	13,310,885
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 15,502,107	$ 14,824,949	$ 14,020,819	$ 13,310,885	$ 10,925,940

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:	2018 Adopted Budget	2018 Modified Budget	2018 Actual	2019 Adopted Budget	2020 Adopted Budget
REVENUES					
Real Property Taxes	$ 38,882,000	$ 34,020,021	$ 34,017,225	$ 40,009,573	$ 41,169,851
Other Tax Items	-	4,926,979	4,934,513	-	-
Charges for Services	449,000	485,000	436,463	395,000	415,000
Use of Money & Property	-	120,000	227,208	-	-
Sale of Property and Compensation for Loss	-	83,453	62,032	-	-
Miscellaneous	739,453	435,000	473,272	1,102,000	1,454,999
Interfund Revenues	-	-	-	400,000	-
Revenues from State Sources	23,031,566	23,031,566	23,154,291	24,065,085	23,797,454
Revenues from Federal Sources	100,000	100,000	125,494	100,000	100,000
Total Revenues	$ 63,202,019	$ 63,202,019	$ 63,430,498	$ 66,071,658	$ 66,937,304
Other Sources:					
Operating Transfers In	-	-	424,171	-	-
Total Revenues and Other Sources	$ 63,202,019	$ 63,202,019	$ 63,854,669	$ 66,071,658	$ 66,937,304
EXPENDITURES					
General Support	$ 9,246,154	$ 5,446,578	$ 4,804,856	$ 5,749,903	$ 6,178,020
Instruction	34,170,750	35,331,302	34,715,122	38,501,743	39,495,052
Pupil Transportation	1,484,400	3,735,500	3,437,729	1,598,630	1,647,340
Home and Community Services	-	12,989	12,927	-	-
Employee Benefits	15,413,665	15,239,441	14,210,331	16,020,141	16,365,839
Debt Service	5,177,050	5,439,222	5,439,221	6,212,101	5,862,157
Total Expenditures	$ 65,492,019	$ 65,205,032	$ 62,620,186	$ 68,082,518	$ 69,548,408
Other Uses:					
Operating Transfers Out	-	360,244	340,120	-	-
Total Expenditures and Other Uses	$ 65,492,019	$ 65,565,276	$ 62,960,306	$ 68,082,518	$ 69,548,408
Excess (Deficit) Revenues Over Expenditures	(2,290,000)	(2,363,257)	894,363	(2,010,860)	(2,611,104)
FUND BALANCE					
Fund Balance - Beginning of Year	2,290,000	2,363,257	10,925,490	2,010,860	2,611,104
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 11,819,853	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2019	$ 3,190,000	$ 539,145.00	$ 3,729,145.00
2020	2,410,000	439,085.00	2,849,085.00
2021	2,390,000	364,450.00	2,754,450.00
2022	2,450,000	295,300.00	2,745,300.00
2023	1,140,000	230,100.00	1,370,100.00
2024	1,205,000	176,100.00	1,381,100.00
2025	930,000	119,000.00	1,049,000.00
2026	975,000	72,500.00	1,047,500.00
2027	760,000	23,750.00	783,750.00
TOTALS	$ 15,450,000	$ 2,259,430.00	$ 17,709,430.00

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a financial obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect bondholders, 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 School 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 District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

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

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

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

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

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT
SARATOGA AND SCHENECTADY COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2018

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.

CONTENTS

CONTENTS (Continued)

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 26, 2018

The Board of Education of
Burnt Hills-Ballston Lake Central School District:

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 Burnt Hills-Ballston Lake Central School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

(Continued)

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Burnt Hills-Ballston Lake Central School District as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 16 to the financial statements, in 2018 the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

Report on Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of funding contributions, proportionate share of the net pension liability (asset) and changes in total OPEB liability and related ratios 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.

Report on Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information described in the table of contents, as required by the New York State Education Department 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary 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.

(Continued)

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 September 26, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2018. The section 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-based 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 District's 2017-2018 actual general fund revenue came in $228,479 over projected revenue. Use of money and property as well as state sources constituted much of this increase. The revenue was $2,041,415 greater than the prior year primarily due the increase in state and local sources respectively.

- The 2017-2018 approved budget was $65,492,019. It was approved 1,094 to 323. (77% margin) The actual expenditures for the fiscal year were $62,960,306, equating to a favorable difference of $2,482,658 after encumbrances and final budget transfers. Costs associated with pupil and central services, transportation as well as employee benefits costs came in more favorable than expected.

- In May of 2018, two board candidates who ran unopposed were elected to the Board of Education. The board established procedures to ensure continuity of school board governance including a mentoring process for its newest members to provide support and training. The district ensures that all board members complete required fiscal oversight training. In addition, the board has a history of employing long range planning strategies in their decision making process for financial and instructional matters.

- The enrollment for the District remains stable. An enrollment study commissioned during the 2016-2017 school year projected stable to slightly declining overall enrollment over the next five years. The continuous growth in Saratoga County as well as expanding to a full day kindergarten program in 2013-14 helps mitigate the declining enrollment that is happening across New York State.

- In May 2018, the 2018-19 budget proposal of $68,082,518 was voter approved by a 74% margin including $850,000 to replace some of the district's older buses.

- In 2011, the State Legislature and the Governor enacted legislation applicable to the 2018-19 school year, establishing a cap on the amount that a school district's property tax levy can increase each year. Under this law, the starting point for the calculation of the allowable growth in the school tax levy will be capped at 2% or the rate of inflation, whichever is less, with some exceptions. A majority of the taxpayers must approve the budget. To raise the levy greater than 2%, with certain exclusions, requires a super majority of 60% of the local voters to approve the increase. The District's ability to raise local revenue is now contingent on successfully informing local taxpayers as to its needs for any increase in the tax levy. The 2017-18 budget carried a tax levy increase of 1.96% and the 2018-19 budget carried a tax levy increase of 2.90%. Neither exceeded the tax levy limit.

FINANCIAL HIGHLIGHTS (Continued)

- All collective bargaining units have settled contracts.

- Since 1978 the District has addressed major renovations and capital improvements in five year cycles through voter approved bond referenda. In October 2013, a $34.2 million proposition to Build our 2nd Century was voter approved by a 67.7% margin. This capital project is still in process. The District maximized state building aid on all projects included in the scope of this bond.

- Continual upgrades to our existing network are being made with the purchase of equipment for the wireless infrastructure and stronger fiber connections between buildings as well as hardware to allow students the ability to acquire the latest 21st learning skills. The District generated BOCES aid for much of these expenditures and is using the Smart Schools Investment Funding for additional purchases in accordance with the Technology Plan.

- The Board of Education voted to discontinue Burnt Hills-Ballston Lake's participation in the National School Lunch Program in September of 2013 but has rejoined the program for the elementary schools in 2016-17 and the middle school in 2017-18.

- The 2016-17 school year was the third year that we are recognizing our proportionate share of net pension liability (asset) required by GASB 68. In 2017-18, GASB 68 was replaced by GASB 75 which requires us to recognize a much greater share.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

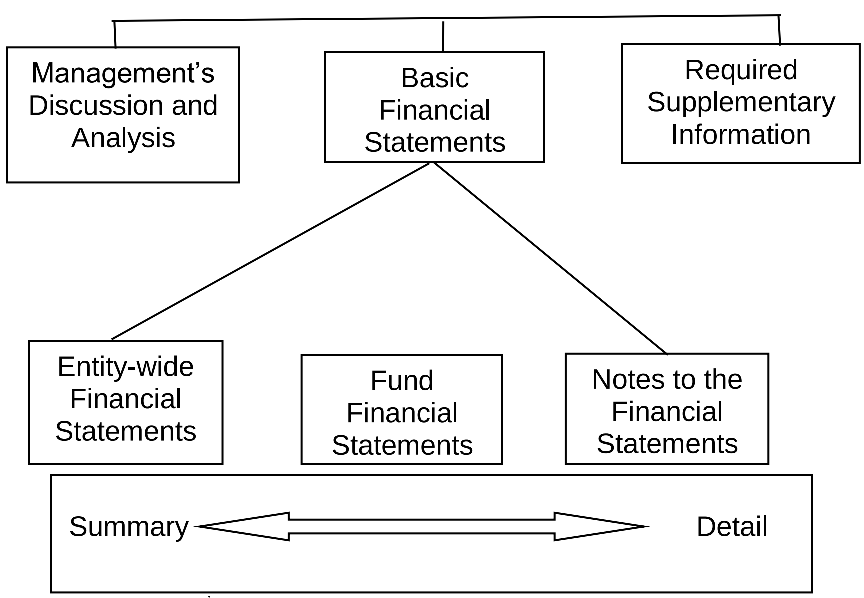
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the operation in more detail than the entity-wide statements.

  The governmental fund statements tell how basic services such as instruction and support functions were financed in the short-term, as well as what remains for future spending.

  Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of the District.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

Table A-1: Organization of the District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Table A-2: Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire 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 inflows-outflows of resources/ liability information	All assets, deferred inflows/outflows of resources, and liabilities, both financial and capital, short-term and long-term debt	Assets, deferred inflows/outflows of deferred resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	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.	Additions and deductions during the year, regardless of when cash is received or paid.

District-Wide Statements

The District-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, deferred inflow/outflows of resources, 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 District-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 inflow/outflows of resources, and liabilities – is one way to measure the School District's financial health or position.

- 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.

- For assessment of the overall health of the School District, additional nonfinancial factors, such as changes in the property tax bases and the condition of buildings and other facilities, should be considered.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

District-Wide Statements (Continued)

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. Also, 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 in the governmental fund financial statements. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

District-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 as follows:
    - Net position invested in capital assets, net of debt.
    - Restricted net position are those with constraints placed on use by external sources or imposed by law.
    - Unrestricted net position are net assets that do not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – not the District as a whole. Funds are accounting devices the 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 District has two kinds of funds:

- *Governmental Funds*: Most of the 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 District-wide statements, additional information at the bottom of the governmental fund 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, debt service fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

- *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 District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because 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 DISTRICT AS A WHOLE

The District's net position as of June 30, 2018 are detailed in Tables A-3 and A-4.

Table A-3 Condensed Statement of Net Position – Governmental Activities

	Fiscal Year 2018	(restated) Fiscal Year 2017	Percent Change
Current assets	$ 20,038,126	$ 28,906,682	-30.7%
Non current assets	72,777,892	64,767,724	12.4%
Total assets	92,816,018	93,674,406	-0.9%
Deferred outflows of resources	19,105,840	18,938,892	0.9%
Current liabilities	37,032,219	39,675,398	-6.7%
Long-term liabilities	80,602,511	87,448,030	-7.8%
Total liabilities	117,634,730	127,123,428	-7.5%
Deferred inflows of resources	7,671,464	938,623	717.3%
Net position:			
Investment in capital assets	25,468,484	14,583,747	74.6%
Restricted for debt service	9,334,621	8,462,567	10.3%
Unrestricted	(48,187,441)	(38,495,067)	-25.2%
Total net position	$(13,384,336)	$(15,448,753)	-13.4%

During 2017-2018, Current assets decreased due to using cash to pay for construction costs. Non-current assets and deferred outflows of resources increased primarily due to the change of our proportionate share in net pension costs.

Changes in Net Position
The District's fiscal year 2018 revenue totaled $67,097,508 (see Table A-4). Property taxes and state aid accounted for most of the District's revenue by contributing 51% and 35%, respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, operating grants, tuition, interest earnings, insurance recovery, refunds (BOCES/NYSMAC), Medicaid reimbursement, and other miscellaneous sources.

The total cost of all programs and services totaled $65,033,091 in 2018. 87% of this amount is used to support general instruction, the provision of services to students with disabilities, and student transportation (see Table A-6). The District's Board of Education, administrative, and business activities accounted for 10% of total costs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-4 Changes in Net Position from Operating Results - Governmental Activities Only:

	Fiscal Year 2018	Fiscal Year 2017	Percent Change
Revenue			
Charges for services	$ 1,140,424	$ 1,217,281	-6.3%
Operating grants	1,665,318	1,518,259	9.7%
General revenue:			
Real property taxes	34,017,225	33,120,698	2.7%
Other tax items	4,934,513	5,069,117	-2.7%
Use of money and property	678,778	118,746	471.6%
State sources	24,000,452	21,696,905	10.6%
Federal sources	125,494	127,235	-1.4%
Sale of property/compensation for loss	62,032	47,738	29.9%
Other	473,272	432,294	9.5%
Total revenue	67,097,508	63,348,273	5.9%
Expenses			
General support	6,119,914	5,716,026	7.1%
Instruction	51,967,085	51,979,556	0.0%
Pupil transportation	4,550,503	4,538,406	0.3%
Community service	12,927	8,521	51.7%
Debt service	1,353,972	1,177,517	15.0%
School lunch program	1,028,690	1,053,451	-2.4%
Total expenses	65,033,091	64,473,477	0.9%
Change in net position	$ 2,064,417	$ (1,125,204)	283.5%

Total operating revenue increased over the prior year. Property taxes and state aid which are the main sources of revenue increased 2.7% and 10.6%, respectively. The District received a minimal increase in Foundation Aid and the restoration of the gap elimination adjustment to state aid. Additionally, the District received $846,161 in Smart bond funds. The overall expenses increased by .9%, primarily due to the recording of net pension liabilities in instructional expenditures to reflect recent GASB changes. Additionally, amortization of the GASB 45 liability is no longer permitted under GASB 75, which resulted in lower GASB 75 related expenses in the current year. (See Table A-4).

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-5 Sources of Revenue for Fiscal Year 2018:

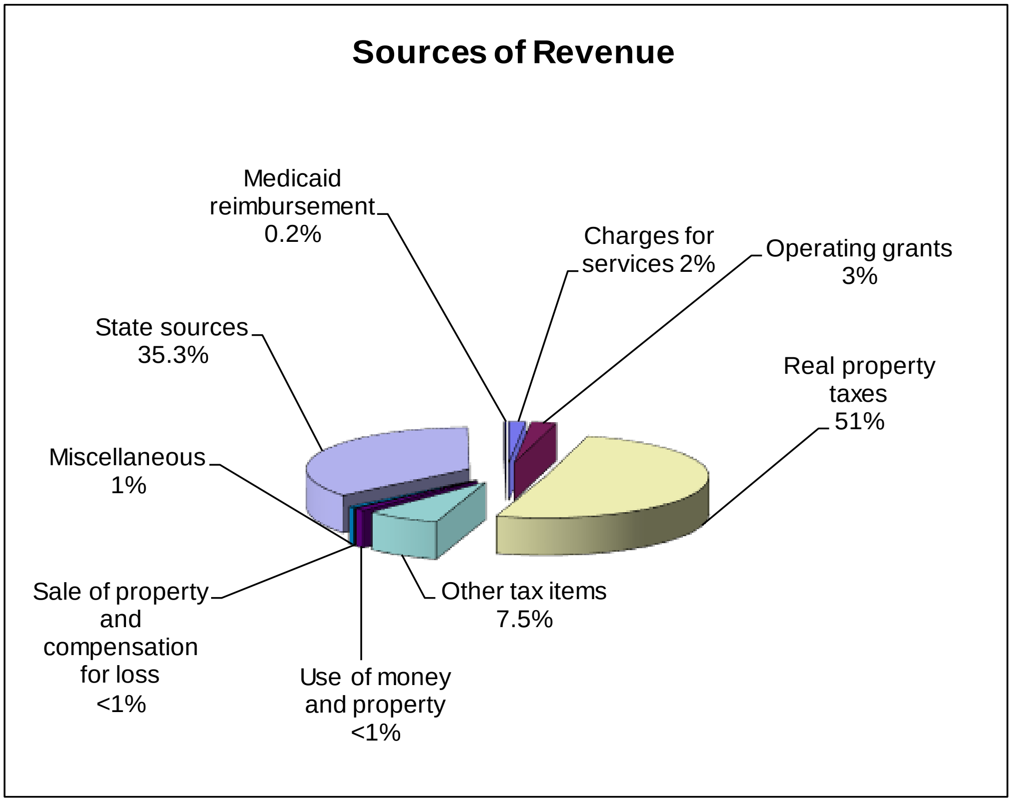
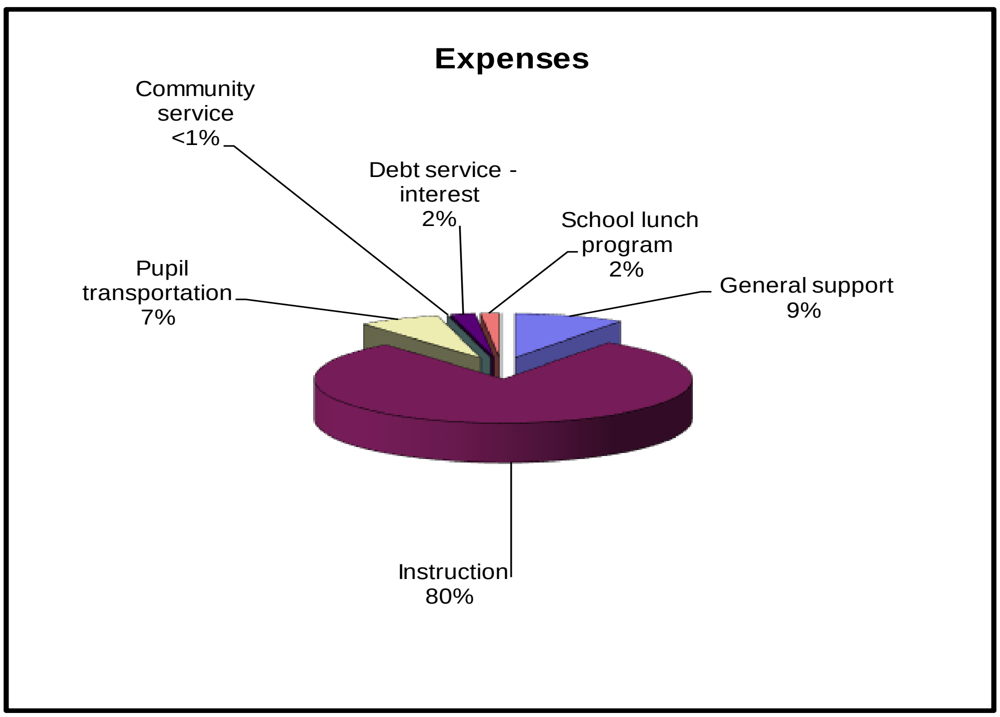


Table A-6 Expenses for Fiscal Year 2018:



FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the District's governmental activities totaled $67,097,508 a 5.9% increase from the previous fiscal year. Total expenses equaled $65,033,091, a .9% decrease from the previous fiscal year. The net result of the change in the District's financial condition can be mainly attributed to accounting changes related to the reporting of pension liability as required by new GASB regulations.

Table A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Table A-7 Net Cost of Governmental Activities:

	2018		2017	
Category	Total Cost	Net Cost	Total Cost	Net Cost
General support	$ 6,119,914	$ 6,119,914	$ 5,716,026	$ 5,716,026
Instruction	51,967,085	50,040,821	51,979,556	50,105,226
Pupil transportation	4,550,503	4,550,503	4,538,406	4,538,406
Community service	12,927	12,927	8,521	8,521
Debt service	1,353,972	1,353,972	1,177,517	1,177,517
School lunch	1,028,690	149,212	1,053,451	192,241
Total	$ 65,033,091	$ 62,227,349	$ 64,473,477	$ 61,737,937

- The total cost of all governmental activities this year was $65,033,091.
- The users of the District's programs financed $1,140,424 of the cost.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of $1,665,318.
- Most of the District's net costs of $62,227,349 were financed by property taxes and state aid.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

Governmental Funds Highlights

General Fund – Total revenue increased overall in comparison to the prior year. Real property taxes increased 2.7% and state aid increased 10.6%. The District's state aid allocation includes the return of the Gap Elimination Adjustment. Total expenditures decreased 3.5% from the prior year. $2.3 million of fund balance was appropriated to balance the 2017-18 school year budget.

Special Aid Fund – Title I, Title IIA, SE611, SE619 and the Summer Handicap Program Aid were the main sources of grant funding.

School Lunch Fund – During the fiscal year ended June 30, 2018, the federal subsidy for the elementary and middle schools helped to mitigate the cost increases. However, the challenge to be self-sustaining remains.

Capital Projects Fund – In October 2013, a $34.2 million proposition to Build our 2nd Century was voter approved and started. The multi-year project is the fourth and final phase. During the current year, the district received $846,161 in smart bond funds.

Capital Assets

At the end of 2018, the District had an investment of $71,506,076 in a broad range of capital assets.

Table A-8: Capital Assets (net of accumulated depreciation)

Category	Fiscal Year 2018	Fiscal Year 2017	Percent Change
Land	$ 100,000	$ 100,000	-
Construction in progress	32,072,355	23,766,870	34.9%
Buildings and improvements	67,456,663	67,696,663	-0.4%
Furniture and equipment	10,588,436	9,659,013	9.6%
Total	110,217,454	101,222,546	8.9%
Less: Accumulated depreciation	38,711,378	36,454,822	6.2%
Total capital assets, net	$ 71,506,076	$ 64,767,724	10.4%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Long-Term Liabilities
At year-end, the District had $83,792,511 of long-term liabilities outstanding. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Table A-9 Outstanding Long-Term Liabilities

Category	Fiscal Year 2018	(restated) Fiscal Year 2017
General obligation bonds	$ 16,070,052	$ 19,221,935
Net pension liability	707,064	3,744,314
Other long-term liabilities	67,015,395	67,769,682
Total	$ 83,792,511	$ 90,735,931

FACTORS BEARING ON THE FUTURE OF THE DISTRICT

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its future financial health:

- Legislation applicable to the 2018-19 school year that established a cap on the amount that a school district's property tax levy can increase each year is a concern for the future. The District will continue efforts to seek additional revenues, find cost effective measures, look for savings, and reduce expenditures wherever possible.

- The District participates in an energy consortium offered through BOCES for heat and power to mitigate fluctuating costs over multiple years. Fuel for pupil transportation has been purchased at prices below NYS contract through a cooperative bid with other school districts. The District participates in a purchasing co-op with 140+ other districts to purchase supplies which results in significantly lower prices. Most recently, the District has partnered with the Scotia–Glenville Central School District, Mohonasen Central School District and the Niskayuna Central School District to share out of district transportation runs where appropriate. All of the above initiatives will continue to be monitored for effectiveness along with seeking others.

- The Board of Education and District Administration engage in frequent discussions surrounding state legislative proposals that impact funding for education such as the tax cap legislation. Implications to students, staff and the core operations of the District are closely monitored. The District is actively exploring cost effective strategies to address these challenges.

- The Board of Education develops goals that support the District Strategic Objectives to continuously improve student learning and district infrastructure.

- The District continues to monitor enrollment trajectories through census data, commissioned studies and town housing permits.

FACTORS BEARING ON THE FUTURE OF THE DISTRICT (Continued)

- The Board of Education and District Administration are actively involved in strategic long range planning that focuses on instruction and infrastructure. The Board charged a 21st Century Instructional/Infrastructure Committee to develop a process that will guide the direction of instructional planning and budgeting for the next 10 to 15 years. Instructional staff is using the strategic framework to guide curriculum planning.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Assistant Superintendent for Support Services
Burnt Hills-Ballston Lake Central School District Office
PO Box 1389
Ballston Lake, NY 12019

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Cash - unrestricted	$ 7,093,080
Cash - restricted	3,774,721
Investments - restricted	5,863,162
Accounts receivable	255,561
State and federal aid receivable	2,994,374
Prepaid expenditures	3,000
Inventories	54,228
Total current assets	20,038,126
NON CURRENT ASSETS:	
Net pension asset	1,271,816
Capital assets, net	71,506,076
Total non current assets	72,777,892
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions	19,105,840
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	425,459
Accrued interest	171,913
Due to other funds	166,076
Due to Teachers' Retirement System	2,772,513
Due to Employees' Retirement System	294,025
Due to other governments	1,765
Unearned revenue	42,928
Bond premium on bond anticipation note	367,923
Bond anticipation notes payable	29,599,617
Bonds payable due within one year	3,190,000
Total current liabilities	37,032,219
LONG-TERM LIABILITIES:	
Bonds payable, net of current portion	12,880,052
Other postemployment benefits	62,998,888
Compensated absences payable, net of current portion	4,016,507
Net pension liability	707,064
Total long-term liabilities	80,602,511
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - other post employment benefits	2,750,935
Deferred inflows of resources - pensions	4,920,529
Total deferred inflows of resources	7,671,464
NET POSITION	
Investment in capital assets	25,468,484
Restricted	9,334,621
Unrestricted	(48,187,441)
TOTAL NET POSITION	$ (13,384,336)

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenue		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS:				
General support	$ 6,119,914	$ -	$ -	$ (6,119,914)
Instruction	51,967,085	436,463	1,489,801	(50,040,821)
Pupil transportation	4,550,503	-	-	(4,550,503)
Community service	12,927	-	-	(12,927)
Debt service - interest	1,353,972	-	-	(1,353,972)
School lunch program	1,028,690	703,961	175,517	(149,212)
TOTAL FUNCTIONS AND PROGRAMS	$ 65,033,091	$ 1,140,424	$ 1,665,318	(62,227,349)
GENERAL REVENUE:				
Real property taxes				34,017,225
Other tax items				4,934,513
Use of money and property				678,778
Sale of property and compensation for loss				62,032
Miscellaneous				473,272
State sources				24,000,452
Federal sources				125,494
TOTAL GENERAL REVENUE				64,291,766
CHANGE IN NET POSITION				2,064,417
TOTAL NET POSITION - beginning of year, as previously reported				34,579,236
PRIOR PERIOD ADJUSTMENT (Note 16)				(50,027,989)
NET POSITION - beginning of year, as restated				(15,448,753)
TOTAL NET POSITION - end of year				$ (13,384,336)

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	Governmental Fund Types					
	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
ASSETS						
Cash	$ 6,815,483	$ 65,939	$ 211,658	$ -	$ -	$ 7,093,080
Cash - restricted	-	-	-	1,403,480	2,371,241	3,774,721
Investments - restricted	5,058,283	-	-	804,879	-	5,863,162
Accounts receivable	255,024	-	537	-	-	255,561
Due from other funds	1,485,130	852	109,164	-	-	1,595,146
State and federal aid receivable	1,921,403	1,060,144	12,827	-	-	2,994,374
Prepaid expenditures	3,000	-	-	-	-	3,000
Inventory	-	-	54,228	-	-	54,228
TOTAL ASSETS	$ 15,538,323	$ 1,126,935	$ 388,414	$ 2,208,359	$ 2,371,241	$ 21,633,272
LIABILITIES						
Accounts payable and accrued liabilities	$ 358,698	$ 575	$ 1,855	$ 64,331	$ -	$ 425,459
Due to other funds	278,100	1,126,360	356,762	-	-	1,761,222
Due to other governments	-	-	1,765	-	-	1,765
Due to Teachers' Retirement System	2,772,513	-	-	-	-	2,772,513
Due to Employees' Retirement System	294,025	-	-	-	-	294,025
Bond anticipation notes	-	-	-	29,599,617	-	29,599,617
Unearned revenue	15,134	-	27,794	-	-	42,928
TOTAL LIABILITIES	3,718,470	1,126,935	388,176	29,663,948	-	34,897,529
FUND BALANCE						
Nonspendable						
Prepaid expenditures	3,000	-	-	-	-	3,000
Inventory	-	-	54,228	-	-	54,228
Total nonspendable fund balance	3,000	-	54,228	-	-	57,228
Restricted						
Workers' compensation	833,701	-	-	-	-	833,701
Retirement contribution	2,044,887	-	-	-	-	2,044,887
Unemployment	39,947	-	-	-	-	39,947
Debt service	-	-	-	-	2,371,241	2,371,241
Tax certiorari	121,120	-	-	-	-	121,120
Employee benefits	3,923,725	-	-	-	-	3,923,725
Total restricted fund balance	6,963,380	-	-	-	2,371,241	9,334,621
Assigned						
Unappropriated	122,312	-	-	-	-	122,312
Appropriated for subsequent year expenditures	2,010,860	-	-	-	-	2,010,860
Total assigned fund balance	2,133,172	-	-	-	-	2,133,172
Unassigned	2,720,301	-	(53,990)	(27,455,589)	-	(24,789,278)
TOTAL FUND BALANCE	11,819,853	-	238	(27,455,589)	2,371,241	(13,264,257)
TOTAL LIABILITIES AND FUND BALANCE	$ 15,538,323	$ 1,126,935	$ 388,414	$ 2,208,359	$ 2,371,241	$ 21,633,272

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

Total governmental fund balances per Balance Sheet - Governmental Funds	$ (13,264,257)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	71,506,076
GASB 68 related government wide activity	
Net pension asset	1,271,816
Deferred outflows of resources	19,105,840
Net pension liability	(707,064)
Deferred inflows of resources	(4,920,529)
Bond premium on bond anticipation note is a financial resource, and therefore reported in the funds	(367,923)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	(20,086,559)
Accrued other postemployment benefits do not require the expenditure of current resources and, therefore, are not reported as expenditures in the governmental funds	(65,749,823)
Accrued interest payable at year end in the government-wide statements under full accrual accounting	(171,913)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (13,384,336)

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Fund Types					
	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
REVENUE:						
Real property taxes	$ 34,017,225	$ -	$ -	$ -	$ -	$ 34,017,225
Other tax items	4,934,513	-	-	-	-	4,934,513
Charges for services	436,463	-	-	-	-	436,463
Use of money and property	227,208	-	-	-	27,399	254,607
Sale of property and compensation for loss	62,032	-	-	-	-	62,032
Miscellaneous	473,272	-	-	-	-	473,272
State sources	23,154,291	440,386	8,943	846,161	-	24,449,781
Medicaid reimbursement	125,494	-	-	-	-	125,494
Federal sources	-	1,049,415	166,574	-	-	1,215,989
Sales - School lunch	-	-	703,961	-	-	703,961
Total revenue	63,430,498	1,489,801	879,478	846,161	27,399	66,673,337
EXPENDITURES:						
General support	4,804,856	-	-	-	-	4,804,856
Instruction	34,715,122	1,438,401	-	-	-	36,153,523
Pupil transportation	3,437,729	182,356	-	-	-	3,620,085
Community service	12,927	-	-	-	-	12,927
Employee benefits	14,210,331	-	156,850	-	-	14,367,181
Debt service - Principal	4,013,254	-	-	-	-	4,013,254
Debt service - Interest	1,425,967	-	-	-	-	1,425,967
Cost of sales	-	-	831,792	-	-	831,792
Capital outlay	-	-	-	9,124,567	-	9,124,567
Total expenditures	62,620,186	1,620,757	988,642	9,124,567	-	74,354,152
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	810,312	(130,956)	(109,164)	(8,278,406)	27,399	(7,680,815)
OTHER SOURCES AND (USES):						
BANs redeemed from appropriations	-	-	-	938,254	-	938,254
Proceeds from premium on BANs issued	-	-	-	-	367,923	367,923
Operating transfers in	424,171	130,956	109,164	100,000	-	764,291
Operating transfers (out)	(340,120)	-	-	-	(424,171)	(764,291)
Total other sources (uses)	84,051	130,956	109,164	1,038,254	(56,248)	1,306,177
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	894,363	-	-	(7,240,152)	(28,849)	(6,374,638)
FUND BALANCE - beginning of year	10,925,490	-	238	(20,215,437)	2,400,090	(6,889,619)
FUND BALANCE - end of year	$ 11,819,853	$ -	$ 238	$ (27,455,589)	$ 2,371,241	$ (13,264,257)

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net changes in fund balance - Total governmental funds	$ (6,374,638)
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	9,058,596
Depreciation and loss on disposal is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(2,266,504)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	494,108
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.	4,013,254
BANs redeemed are not revenue in government-wide statements	(938,254)
Bond premium on bond anticipation note is recorded as a liability in the statement of activities	56,248
Accrued interest expense does not require the expenditure of current resources and is, therefore, not reported as expenditures in the governmental funds.	4,888
Accrued post-employment benefits do not require the expenditure of current resources and, therefore, are not reported as expenditures in the governmental funds.	817,803
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(63,516)
Amortization expense is not recorded as an expenditure in the government funds, but is recorded in the statement of activities.	76,883
Change in net position - Governmental activities	$ 4,878,868

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018

	Private Purpose Trusts	Agency
ASSETS:		
Cash - unrestricted	$ -	$ 764,349
Cash - restricted	310,765	123,636
Due from other funds	-	168,083
Total assets	$ 310,765	$ 1,056,068
LIABILITIES:		
Extraclassroom activity balances	$ -	$ 123,636
Due to other funds	1,128	879
Other liabilities	-	931,553
Total liabilities	1,128	$ 1,056,068
NET POSITION:		
Reserved for private purposes	$ 309,637	

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

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

	Private Purpose Trusts
ADDITIONS:	
Local sources	$ 374,282
DEDUCTIONS:	
Scholarships and other private purposes	316,883
CHANGE IN NET POSITION	57,399
NET POSITION - beginning of year	252,238
NET POSITION - end of year	$ 309,637

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS

Burnt Hills-Ballston Lake Central School District provides K-12 public education to eligible students living within its geographic borders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Burnt Hills-Ballston Lake Central School District (School District) have been prepared in conformity with generally accepted accounting principles (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 Burnt Hills-Ballston Lake Central School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE has authority to make decisions, power to appoint management and accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles. 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 a brief description of a certain entity included in the School District's reporting entity.

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The BOE 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture
The School District is a component school district in Albany-Schoharie-Schenectady Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

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

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

<u>Government-Wide Statements</u>
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 revenue, 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 direct expenses and program revenue 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. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

<u>Fund Financial Statements</u>
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 financial 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, school lunch operations, 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. The School District uses two special revenue type funds – special aid and school lunch.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District as an agency for individuals, private organizations, other governmental units, and/or other funds.

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent resources that belong to others. 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 classes of fiduciary funds:

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

- *Agency 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

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.

The School District-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 financial 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 sixty days after the end of the fiscal year.

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

Cash and Investments

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

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 districts.

Investments are stated at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories

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 inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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 within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

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

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 1,000	N/A	N/A
Buildings and improvements	$20,000	SL	30-50
Equipment, furniture and land	$ 1,000	SL	5-8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

The government has the following items that qualify for reporting in this category:

Deferred charges result from pension contributions made subsequent to the measurement date of the plan.

Deferred charges result from differences between expected and actual experience of the plan.

Deferred charges result from net differences between projected and actual earnings on pension plan investments of the plan.

These amounts are deferred and amortized and expensed against pension expense in future periods.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

The government has the following items that qualify for reporting in this category:

The net amount of the School District's balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement period between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

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 October 31.

Uncollected real property taxes are subsequently enforced by the Counties of Saratoga and Schenectady, in which the School District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the School District no later than the following April 1.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may 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 varying 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 district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other 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 pension benefits described, the School District provides postemployment 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. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

Unearned revenue is reported when potential revenue does 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 District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

Accrued Liabilities and Long-Term Obligations

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

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the 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 a liability in the fund financial statements when due.

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 Assets.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets 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.

Equity Classifications

<u>District-Wide Statements</u>

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

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

Restricted net position consist of the following:

Workers' compensation	$ 833,701
Retirement contribution	2,044,887
Unemployment	39,947
Debt service	2,371,241
Tax certiorari	121,120
Employee benefits	3,923,725
Total restricted net position	$ 9,334,621

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

Governmental Fund Statements

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch 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:

Capital
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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Repair
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
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
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.

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
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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Liability Claims and Property Loss
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
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 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
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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

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, 2018.

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 $122,312. As of June 30, 2018, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	$	67,911
Instruction		54,401
Total encumbrances	$	122,312

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 District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL DISTRICT WIDE STATEMENTS

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

Total Fund 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.

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 assets.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's 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 appropriations 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 by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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.

Fund Deficit

The Capital Projects fund has a fund deficit of $27,455,589. The majority of this deficit relates to School District-wide renovations, financed by Bond Anticipation Notes (BANs). The intent is to fund the repayment of these BANs and the deficit with appropriations from the General fund.

5. 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 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 and investments, including trust funds	$ 19,672,845	$ 17,929,713
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	$ 18,457,378	
Covered by FDIC insurance	1,215,467	
Total	$ 19,672,845	

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

The School District does not typically purchase investments denominated in foreign currency, and is not exposed to foreign currency risk.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

General Fund	$ 6,815,483
Capital Projects Fund	$ 1,403,480
Trust and agency fund:	
Cash on deposit for scholarships, private purpose trust funds, and extraclassroom activity funds	$ 434,401

Investment pool
The School District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

6. PARTICIPATION IN BOCES

During the year, the School District was billed $3,490,996 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to $1,449,747.

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

7. CAPITAL ASSETS

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

	July 1, 2017 Balance	Additions	Deletions	Adjustments	June 30, 2018 Balance
Governmental activities:					
Capital assets that are not depreciated:					
Land	$ 100,000	$ -	$ -	$ -	$ 100,000
Construction in progress	23,766,870	8,305,485	-	-	32,072,355
Total nondepreciable cost	23,866,870	8,305,485	-	-	32,172,355
Capital assets that are depreciated:					
Buildings and improvements	67,696,663	-	240,000	-	67,456,663
Furniture and equipment	9,659,013	1,308,589	379,166	-	10,588,436
Total depreciable historical cost	77,355,676	1,308,589	619,166	-	78,045,099
Less accumulated depreciation:					
Buildings	30,277,022	1,546,121	5,500	-	31,817,643
Furniture and equipment	6,177,800	720,383	4,448	-	6,893,735
Total accumulated depreciation	36,454,822	2,266,504	9,948	-	38,711,378
Total capital assets, net	$ 64,767,724	$ (957,915)	$ 609,218	$ -	$ 71,506,076

Depreciation expense of $2,266,504 for the year ended June 30, 2018, was allocated to specific functions as follows:

General support	$ 192,569
Instruction	1,908,559
Transportation	136,004
School lunch	29,372
Total depreciation	$ 2,266,504

8. SHORT-TERM DEBT

The School District may issue revenue anticipation notes (RAN) or tax anticipation notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability in the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

8. SHORT-TERM DEBT (Continued)

The School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing 6/21/19 at 3.00%	$ -	$ 29,599,617	$ -	$ 29,599,617
BAN maturing 6/22/18 at .82%	30,537,871	-	30,537,871	-
Total	$ 30,537,871	$ 29,599,617	$ 30,537,871	$ 29,599,617

9. LONG-TERM DEBT

Interest on all debt for the year was composed of:

Interest paid - bonds	$ 662,520
Interest paid - BANs	763,447
Amortization of bond premium	(76,883)
Less: interest accrued in prior year	(167,025)
Plus: interest accrued in current year	171,913
Total expense	$ 1,353,972

9. LONG-TERM DEBT (Continued)

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

	(restated) Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year	Long-term Portion
Government activities						
Bonds and notes payable:						
General obligation debt:						
Serial bonds	$ 18,525,000	$ -	$ 3,075,000	$ 15,450,000	$ 3,190,000	$ 12,260,000
Unamortized bond premium	696,935	-	76,883	620,052	-	620,052
Total bonds and notes payable	19,221,935	-	3,151,883	16,070,052	3,190,000	12,880,052
Other liabilities:						
Other postemployment benefits	63,816,691	513,922	1,331,725	62,998,888	-	62,998,888
Net pension liability*	3,744,314	-	3,037,250	707,064	-	707,064
Compensated absences*	3,952,991	63,516	-	4,016,507	-	4,016,507
Total other liabilities	21,486,007	577,438	4,368,975	67,722,459	-	67,722,459
Total long-term liabilities	$ 40,707,942	$ 577,438	$ 7,520,858	$ 83,792,511	$ 3,190,000	$ 80,602,511

* Note - this is shown net

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

The 2012 and 2013 serial bonds were issued at a premium, net of underwriting costs, of $1,136,550. The premium is being amortized over the life of the bonds, which mature in July 2018 through June 2027. At June 30, 2018, the unearned bond premium was $620,052.

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

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2018 Balance
2000 General obligation bond	2000	2020	5.20-5.60%	$ 195,000
2010 General obligation bond	2010	2024	2.00-4.00%	1,715,000
Capital Project Bonds Series 2012	2012	2027	2.00-5.00%	7,425,000
Advanced Refunding 2021 bonds	2013	2018	0.00-5.00%	855,000
Advanced Refunding 2013 bonds	2013	2021	2.00-4.00%	5,260,000
Total				$ 15,450,000

9. LONG-TERM DEBT (Continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	$ 3,190,000	$ 539,145	$ 3,729,145
2019	2,410,000	439,085	2,849,085
2020	2,390,000	364,450	2,754,450
2021	2,450,000	295,300	2,745,300
2022	1,140,000	230,100	1,370,100
2023-2027	3,870,000	391,350	4,261,350
Totals	15,450,000	2,259,430	17,709,430
Bond premium	620,052	-	620,052
Totals	$ 16,070,052	$ 2,259,430	$ 18,329,482

10. INTERFUND BALANCES AND ACTIVITY

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.

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditure
General fund	$ 1,485,130	$ 278,100	$ 424,171	$ 340,120
Special aid fund	852	1,126,360	130,956	-
School lunch fund	109,164	356,762	109,164	-
Capital fund	-	-	100,000	-
Debt service fund	-	-	-	424,171
Fiduciary funds	168,083	2,007	-	-
Total governmental activities	$ 1,763,229	$ 1,763,229	$ 764,291	$ 764,291

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

11. PENSION PLANS

New York State Employee 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.

11. PENSION PLANS (Continued)

New York State Employee Retirement System (Continued)
System benefits are established under the provisions of the New York Retirement and Social Security Law (NYSRSSL). 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 (ERS) 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 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 System's 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:

2018	$	955,139
2017	$	906,369
2016	$	846,900

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008. The total unpaid liability at the end of the fiscal year was $2,592 and is recorded in the Schedule of Non-Current Governmental Liabilities.

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For state fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.

11. PENSION PLANS (Continued)

New York State Employee Retirement System (Continued)

- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

1. Chapter 105 of the Laws of 2010 of the State of New York authorizes local governments to make available a retirement benefit incentive program with an estimated total cost of $0, of which $0 was charged to expenditures in the Governmental Funds and $0 to expenses in the Proprietary Funds in the current fiscal year. The costs of the program will be billed and paid over five years beginning February 1, 2012.

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

At June 30, 2018, the District reported a liability of $707,064 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2018, the School District's proportion was 0.0219079%, which was an increase of 0.0008163% from its proportion measured June 30, 2017.

For the year ended June 30, 2018, the School District recognized pension expense of $948,817. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 252,187	$ 208,398
Changes of assumptions	468,842	-
Net difference between projected and actual earnings on pension plan investments	1,026,955	2,027,106
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	281,249	5,065
Contributions subsequent to the measurement date	294,025	-
	$ 2,323,258	$ 2,240,569

11. PENSION PLANS (Continued)

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

New York State Employee Retirement System (Continued)

$294,025 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2019. 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:		
2019	$	245,374
2020		212,379
2021		(464,942)
2022		(204,147)
	$	(211,336)

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% 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-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

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 equities and fixes income as well as historical investment data and plan performance.

11. PENSION PLANS (Continued)

New York State Employee Retirement System (Continued)

Actuarial Assumptions (Continued)
Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below;

Asset Type	Target Allocation	Long-term expected real rate or return
Domestic Equity	36.0%	4.55%
International Equity	14.0%	6.35%
Private Equity	10.0%	7.75%
Real Estate	10.0%	5.80%
Absolute Return	2.0%	4.00%
Opportunistic Portfolio	3.0%	5.89%
Real Asset	3.0%	5.54%
Bonds, Cash & Mortgages	17.0%	1.31%
Cash	1.0%	-0.25%
Inflation Indexed Bonds	4.0%	1.50%
	100.0%	

Discount Rate
The discount rate used to calculate the total pension liability was 7.0%. 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.

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 7.0 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 (6.0%) or 1 percent higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate Share of Net Pension liability (asset)	$ 5,349,840	$ 707,064	$ (3,220,538)

11. PENSION PLANS (Continued)

New York State Employee Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 183,400,590,000
Net position	(180,173,145,000)
Net pension liability (asset)	$ 3,227,445,000
Fiduciary net position as a percentage of total pension liability	98.24%

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 for 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.

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:

2018	$ 2,610,367
2017	$ 3,387,144
2016	$ 4,354,251

11. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

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

At June 30, 2018, the School District reported an asset of $1,271,816 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. 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, 2018 the "the District's" proportion was 0.1673220%, which was an increase of 0.0027620% of its proportion measured June 30, 2017.

For the year ended June 30, 2018, the School District recognized pension expense of $3,173,215. At June 30, 2018 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	$ 1,046,392	$ 495,866
Changes of Assumptions	12,940,974	-
Net difference between projected and actual earnings on pension plan investments	-	2,995,494
Changes in proportion and differences between the District's contributions and proportionate share of contributions	22,703	215,555
Contributions subsequent to the measurement date	2,772,513	-
	$ 16,782,582	$ 3,706,915

$2,772,513 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2018	$ 270,031
2019	3,399,503
2020	2,425,834
2021	583,959
2022	2,418,705
Thereafter	1,205,122
	$ 10,303,154

11. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, with update procedures used to roll forward the total pension liability to June 30, 2017. These actuarial valuations used the following actuarial assumptions:

Inflation	2.50%
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	1.5% compounded annually
Investment Rate of Return	7.25% 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 the Society of Actuaries Scale MP2014, applied on a generational basis. Active mortality rates are based on the plan member experience.

The actuarial assumptions used in the June 30, 2016 valuations 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.

11. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Type	Target Allocation	Long-term expected real rate or return
Domestic equity	35.0%	5.9%
International equity	18.0%	7.4%
Real estate	11.0%	4.3%
Private equities	8.0%	9.0%
Domestic fixed income securities	16.0%	1.6%
Global fixed income securities	2.0%	1.3%
High-yield fixed income securities	1.0%	3.9%
Mortgages	8.0%	2.8%
Short-term	1.0%	0.6%
	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25 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 to the Discount Rate Assumption

The following presents the net pension liability (asset) of the School Districts calculated using the discount rate of 7.25 percent, as well as what the districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
Proportionate Share of Net Pension liability (asset)	$ 21,909,617	$ (1,271,816)	$ (20,685,115)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset) of the plan as of June 30, 2017, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 114,708,261,032
Net position	(115,468,360,316)
Net pension liability (asset)	$ (760,099,284)
Fiduciary net position as a percentage of total pension liability	100.66%

12. OTHER POSTEMPLOYMENT BENEFITS

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 District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The 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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	400
Active employees	541
Total participants	941

Total OPEB Liability

The School District's total OPEB liability of $62,998,888 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Method	Entry age normal cost method
Inflation	2.20 percent per year
Real wage growth	1.00 percent
Wage inflation	3.20 percent average
Salary increases, including wage inflation	10.47%-3.20%
Discount Rate	3.87 percent as of July 1, 2017
Healthcare Cost Trend Rates	5.50 percent for 2018, decreasing annually to an ultimate rate of 3.84 percent for 2078 and later years

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

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2017, as restated	$ 63,816,691
Changes for the Year	
Service cost	1,443,957
Interest	2,260,800
Changes of benefit terms	-
Changes in assumptions or other inputs	-
Differences between expected and actual experience	(3,190,835)
Benefit payments	(1,331,725)
Net changes	(817,803)
Balance at June 30, 2018	$ 62,998,888

The discount rate was 3.58% at the prior measurement date compared to 3.78% at the current measurement date.

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 District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.87%)	Current Discount (3.87%)	1% Increase (4.87%)
Total OPEB Liability	$ 77,509,104	$ 62,998,888	$ 54,790,362

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:

	Healthcare		
	1% Decrease (4.50%)	Current Discount (5.50%)	1% Increase (6.50%)
Total OPEB Liability	$ 54,024,562	$ 62,998,888	$ 78,721,621

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2018, the District recognized OPEB expense of $513,922. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 2,750,935

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

Fiscal Year Ending June	Amount
2019	$ (439,900)
2020	(439,900)
2021	(439,900)
2022	(439,900)
2023	(439,900)
Thereafter	(551,435)
	$ (2,750,935)

13. 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.

The School District does not purchase insurance for the risk of losses for unemployment and workers' compensation claims. Instead, the School District manages its risks for these losses internally and accounts for these in the School District’s general fund, including provisions for unexpected and unusual claims.

13. RISK MANAGEMENT (Continued)

The activity for the unemployment insurance reserve for the year ended June 30, 2018, is as follows:

	Beginning Balance	Change in Reserve	Payments Made	Ending Balance
Unemployment insurance reserve	$ -	$ 39,947	$ -	$ 39,947

Claims are recognized as expenditures when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At June 30, 2018, management estimates there are no outstanding claims liabilities.

14. CONTINGENCIES AND COMMITMENTS

Litigation
The School District has been named as a defendant in several tax certiorari cases. A review by management and the School District's attorneys indicate these actions are not substantial enough to materially affect the financial position of the School District.

Other Contingencies
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 Districts administration believes disallowances, if any will be immaterial.

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

15. ACCOUNTING PRONOUNCEMENT ISSUED NOT YET IMPLEMENTED

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The School District is required to adopt the provisions of this Statement for the year ending June 30, 2020, with early adoption encouraged.

15. ACCOUNTING PRONOUNCEMENT ISSUED NOT YET IMPLEMENTED (Continued)

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues identified in the implementation and application of certain GASB Statements affecting including but not limited to pensions and other postemployment benefits. The School District is required to adopt the provisions of this Statement for the year ending June 30, 2018, with early adoption encouraged.

In June 2017, GASB issue Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The School District is required to adopt the provisions of this Statement for the year ending June 30, 2021.

The School District has not assessed the impact of these statements on its future financial statements.

16. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The School District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment benefits. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accordingly, Beginning Net Position and Other Postemployment Benefits on the Statement of Net Position were adjusted as noted in the following table:

	District-Wide Statement of Net	
	Other Postemployment Benefits	Net Position
Balance at June 30, 2017, as previously reported	$ 13,788,702	$ 34,579,236
Restatement of beginning balance - Adoption of GASB Statement No. 75		
Increase to liability	50,027,989	(50,027,989)
Balance at June 30, 2017, as restated	$ 63,816,691	$ (15,448,753)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
LOCAL SOURCES:					
Real property taxes	$ 33,882,000	$ 34,020,021	$ 34,017,225	$ -	$ (2,796)
Other tax items	5,065,000	4,926,979	4,934,513	-	7,534
Charges for services	485,000	485,000	436,463	-	(48,537)
Use of money and property	120,000	120,000	227,208	-	107,208
Sale of property and compensation for loss	83,453	83,453	62,032	-	(21,421)
Miscellaneous	435,000	435,000	473,272	-	38,272
Total local sources	40,070,453	40,070,453	40,150,713	-	80,260
State sources	23,031,566	23,031,566	23,154,291	-	122,725
Medicaid reimbursement	100,000	100,000	125,494	-	25,494
Total revenue	23,131,566	23,131,566	23,279,785	-	148,219
OTHER FINANCING SOURCES					
Transfers from other funds	-	-	-	-	-
Total revenue and other financing sources	63,202,019	63,202,019	63,430,498	-	228,479

(Continued)

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	31,100	27,947	21,762	-	6,185
Central administration	269,918	280,642	277,430	-	3,212
Finance	677,887	647,310	627,600	13,342	6,368
Staff	123,600	122,304	102,917	-	19,387
Central services	4,346,962	3,913,782	3,333,875	54,569	525,338
Special items	524,968	454,593	441,272	-	13,321
Total general support	5,974,435	5,446,578	4,804,856	67,911	573,811
INSTRUCTION:					
Instruction, administration, and improvement	2,331,895	2,354,371	2,320,383	-	33,988
Teaching - Regular school	19,267,926	20,663,385	20,522,366	46,988	94,031
Programs for children with handicapping conditions	8,172,252	7,600,677	7,489,420	-	111,257
Occupational education	1,496,713	907,022	906,834	-	188
Teaching - Special school	223,700	186,298	176,036	31	10,231
Instructional media	1,194,467	1,111,857	1,037,946	1,200	72,711
Pupil services	2,262,462	2,507,692	2,262,137	6,182	239,373
Total instruction	34,949,415	35,331,302	34,715,122	54,401	561,779
Pupil transportation	3,594,355	3,735,500	3,437,729	-	297,771
Community services	33,100	12,989	12,927	-	62
Employee benefits	15,663,664	15,239,441	14,210,331	-	1,029,110
Debt service - Principal	3,925,000	4,013,255	4,013,254	-	1
Debt service - Interest	1,090,050	1,425,967	1,425,967	-	-
Total expenditures	65,230,019	65,205,032	62,620,186	122,312	2,462,534
OTHER FINANCING USES					
Transfers to other funds	(262,000)	(360,244)	(340,120)	-	20,124
Total expenditures and other financing uses	65,492,019	65,565,276	62,960,306	122,312	2,482,658
NET CHANGE IN FUND BALANCES	(2,290,000)	(2,363,257)	470,192	(122,312)	2,711,137
FUND BALANCE - beginning of year	10,925,490	10,925,490	10,925,490		
FUND BALANCE - end of year	$ 8,635,490	$ 8,562,233	$ 11,395,682		

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	0.0219079%	0.0210916%	0.0209759%	0.0193883%	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)	$ 707.1	$ 1,981.8	$ 3,366.7	$ 655.0						
Covered-employee payroll	$ 6,374.7	$ 5,910.5	$ 5,658.2	$ 5,219.3						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.09%	33.53%	59.50%	12.55%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.24%	94.70%	90.68%	97.95%						

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	0.1673220%	0.1645600%	0.1650210%	0.1636600%	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)	$ (1,271.8)	$ 1,762.5	$ (17,140.4)	$ (18,230.7)						
Covered-employee payroll	$ 27,961.8	$ 25,393.2	$ 24,788.4	$ 24,175.2						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-4.55%	6.94%	-69.15%	-75.41%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.66%	99.01%	110.46%	111.48%						

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 955.1	$ 906.4	$ 1,117.8	$ 923.3	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	955.1	906.4	1,117.8	923.3						
Contribution deficiency (excess)	$ -	$ -	$ -	$ -						
Covered-employee payroll	$ 6,374.7	$ 5,910.5	$ 5,658.2	$ 5,219.3						
Contributions as a percentage of covered-employee payroll	14.98%	15.33%	19.76%	17.69%						

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 2,610.4	$ 3,367.1	$ 4,345.4	$ 3,928.5	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	2,610.4	3,367.1	4,345.4	3,928.5						
Contribution deficiency (excess)	$ -	$ -	$ -	$ -						
Covered-employee payroll	$ 27,961.8	$ 25,393.2	$ 24,788.4	$ 24,175.2						
Contributions as a percentage of covered-employee payroll	9.34%	13.26%	17.53%	16.25%						

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB Liability										
Service cost	$ 1,443,957									
Interest	2,260,800									
Changes of benefit terms	-									
Differences between expected and actual experience	-									
Changes in assumptions	(3,190,835)									
Benefit payments	(1,331,725)									
Total change in total OPEB liability	(817,803)									
Total OPEB liability - beginning	63,816,691									
Total OPEB liability - ending	$ 62,998,888									
Covered-employee payroll	$ 32,382,959									
Total OPEB liability as a percentage of covered-employee payroll	194.54%									

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:

	2018	2017
Discount rate	3.87%	3.58%

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 actuarial cost method has been updated from Projected Unit Credit to Entry Age Normal, which caused a decrease in liabilities.

The healthcare trend cost rates have been reset to an initial rate of 5.50% decreasing annually to an ultimate rate of 3.84% in 2078 and beyond, which caused an increase in liabilities.

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.

SUPPLEMENTARY INFORMATION (UNAUDITED)

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2018 (UNAUDITED)

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 65,492,019
Add: Prior year's encumbrances	73,257
Original budget	65,565,276
Budget revision	-
Final budget	$ 65,565,276

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2018-19 voter approved expenditure budget	$ 68,082,518
Maximum allowed (4% of 2018-19 budget)	2,723,301
General Fund fund balance subject to Section 1318 of real Property Tax Law*:	
Unrestricted fund balance:	
Committed fund balance	-
Assigned fund balance	2,133,172
Unassigned fund balance	2,720,301
Total fund balance	$ 4,853,473
Less:	
Appropriated fund balance	2,010,860
Encumbrances included in assigned fund balance	122,312
Total adjustments	2,133,172
General Fund fund balance subject to Section 1318 of Real Property Tax Law	$ 2,720,301
Actual percentage	4.00%

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

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

			Expenditures			
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance
District-wide - Renovations Trans Washbay	$ -	$ 436,900	$ 434,769	$ -	$ 434,769	$ 2,131
District-wide - Renovations Dec 2009	12,538,550	13,223,550	13,102,771	-	13,102,771	120,779
District-wide - Renovations Oct 2013	34,200,000	34,200,000	23,766,770	8,305,484	32,072,254	2,127,746
Purchase Property 834 Rt 50	-	-	151,000	(149,990)	1,010	(1,010)
Bus Purchases	-	-	450,000	-	450,000	(450,000)
	$ 46,738,550	$ 47,860,450	$ 37,905,310	$ 8,155,494	$ 46,060,804	$ 1,799,646

See independent auditors report.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2018

Capital assets, net		$ 71,506,076
Deduct:		
Bond anticipation notes	29,599,617	
Bond premium on bond anticipation note	367,923	
Short-term portion of bonds payable	3,190,000	
Long-term portion of bonds payable	12,880,052	
		46,037,592
Add: Unspent bond proceeds		-
Investment in capital assets		$ 25,468,484

See independent auditor's report.

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Certified Public Accountants

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*

September 26, 2018

To the Board of Education
Burnt Hills-Ballston Lake Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Burnt Hills Ballston Lake Central School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 26, 2018.

Internal Control over Financial Reporting

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

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

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

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

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

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

Bonadio & Co., LLP
Certified Public Accountants

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

September 26, 2018

To the Board of Education
Burnt Hills-Ballston Lake Central School District:

Report on Compliance for Each Major Federal Program
We have audited Burnt Hills Ballston Lake Central School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Each Major Federal Program
In our opinion, Burnt Hills-Ballston Lake Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

(Continued)

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

ALBANY • BATAVIA • BUFFALO • EAST AURORA • GENEVA • NYC • ROCHESTER • RUTLAND, VT • SYRACUSE • UTICA

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

Report on Internal Control Over Compliance

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

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

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

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

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title		Federal CFDA Number	Agency or Pass-through Number	Expenditures	Expenditures to Sub-recipients
U.S. Department of Agriculture					
Pass-Through New York State Dept. of Education					
Child Nutrition Cluster:					
School Breakfast Program		10.553	n/a	$ 12,694	$ -
National School Lunch Program		10.555	n/a	144,874	-
Special Milk Program for Children		10.556	n/a	9,006	-
Total Child Nutrition Cluster				166,574	-
Total U.S. Department of Agriculture				166,574	-
Pass-Through New York State Dept. of Education					
Title 1 Grants to Local Educational Agencies		84.010	0021-18-2670	261,373	-
Total Title 1 Grants to Local Educational Agencies				261,373	-
Special Education Cluster:					
IDEA, Part B Section 611	*	84.027	0032-18-0805	691,741	-
IDEA, Part B Section 619	*	84.173	0033-18-0805	33,913	-
Total Special Education Cluster				725,654	-
ESEA - Title II Part A - Improving Teacher Quality State Grant		84.367	0147-18-2670	62,388	-
Total U.S. Department of Education				1,049,415	-
Total Expenditures of Federal Awards				$ 1,215,989	$ -

* Special Education Cluster

The accompanying notes are an integral part of this schedules.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Burnt Hills Ballston Lake Central School District (District), under programs of the federal government for the year ended June 30, 2018. 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 selected portion of the operations of the District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the District's general ledger

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

3. PASS-THROUGH PROGRAMS

Where the District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Catalog of Federal Domestic Assistance (CFDA) number advised by the pass-through grantor.

Identifying numbers, other than the CFDA numbers, which may be assigned by pass-through grantors are not maintained in the District's financial management system. The District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

5. MATCHING COSTS

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

6. NON-MONETARY FEDERAL PROGRAM

The District was not a recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary" program.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the District's financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

Internal control over major program compliance:	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	__ yes _X_ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Special Education Cluster
84.027	IDEA, Part B Section 611
84.173	IDEA, Part B Section 619

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

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

Section II—Financial Statement Findings

None.

Section III—Federal Award Findings and Questioned Costs

None.

Section IV—Summary Schedule of Prior Year Audit Findings

None.