

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Barclay Damon, LLP, Albany, New York, Bond Counsel, under existing law (1) interest on the Notes is excluded from the gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the "Code") on individuals, except (A) interest on the Notes is included in the adjusted current earnings of corporations for purposes of calculating corporate alternative minimum taxable income and (B) that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance thereof, (2) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). (See the caption "TAX MATTERS" herein.)

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



\$10,400,000*
CORINTH CENTRAL SCHOOL DISTRICT
SARATOGA AND WARREN COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 218854

\$10,400,000* Bond Anticipation Notes, 2018 Series B
(the "Notes")

Dated: July 26, 2018

Due: July 26, 2019

The Notes are general obligations of the Corinth Central School District, Saratoga County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES - Nature of the 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 book-entry-only 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 book-entry-only 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 Barclay Damon, LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon by the purchaser(s), on or about July 26, 2018.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on July 17, 2018 until 11:15 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

July 10, 2018

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

* Preliminary, subject to change.



CORINTH CENTRAL SCHOOL DISTRICT

SARATOGA AND WARREN COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2018-2019 BOARD OF EDUCATION ⁽¹⁾

LORI BAKER
President

LOUIS LUECK
Vice President

ANDREW KELLEY
DANIELLE FREEBERN
CHERI SULLIVAN
CELIA LOCKHART
ARTHUR LOZIER, III

* * * * *

DR. MARK STRATTON
Superintendent of Schools

SUSAN FOLEY
Business Administrator

HELEN BARDIN
District Clerk



School District Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



Bond Counsel

⁽¹⁾ Subject to change. The positions of President and Vice President of the Board of Education are to be voted on at the District's meeting scheduled for July 10, 2018.

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
CORINTH CENTRAL SCHOOL DISTRICT
SARATOGA AND WARREN COUNTIES, NEW YORK
Relating To
\$10,400,000* Bond Anticipation Notes, 2018 Series B

This Official Statement, which includes the cover page, has been prepared by the Corinth Central School District, Saratoga and Warren Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$10,400,000* principal amount of Bond Anticipation Notes, 2018 Series B (the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes are dated July 26, 2018 and mature, without option of prior redemption, on July 26, 2019. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered form registered in the name of the purchaser, in denominations of \$5,000 each or multiples thereof, as may be determined by the successful bidder(s) or (ii) at the option of the purchaser(s), as book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

On May 17, 2016, the qualified voters of the District approved a proposition authorizing the District to finance the acquisition of a 7.5 acre parcel of real property and constructions thereon of an approximately 29,000 square foot bus garage facility, construction of additions to and reconstruction of various school district buildings and facilities, reconstruction of athletic fields, construction of a storage building, demolition of the existing bus garage, together with related site improvements, and acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such buildings and facilities are to be used at a maximum estimated cost of \$12,740,000 through the issuance of the District's serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on May 9, 2017.

The proceeds of the Notes, along with \$300,000 in available funds, will redeem and renew the District's outstanding \$2,870,000 Bond Anticipation Notes, 2017 and \$300,000 Bond Anticipation Notes, 2018 Series A maturing on July 27, 2018, and provide \$7,530,000 in new monies for the abovementioned purpose.

* Preliminary, subject to change.

Nature of the 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 or bonds.

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 subject to applicable statutory limitations.

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.

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 the option of the District at the office of the district or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, established in 1894 and centralized in 1953, is located in the Village of Corinth as well as all or portions of the Towns of Corinth, Day, Greenfield, Hadley and Wilton in Saratoga County and the Town of Lake Luzerne in Warren County. The District covers approximately 85 square miles.

The District is served by an excellent network of State highway, providing access to U.S. Route 87 (the “Northway”) at Exit 16. State Route 9N is the main route through the District. Rail service and air transportation are available in Albany, approximately 50 miles to the South.

The District is primarily a rural area, with some 40% of its land area located within the Adirondack Park. Residents are employed in the Glens Falls/Queensbury area, approximately ten miles to the northeast, and in the Saratoga Springs/Ballston Spa area, roughly 12 miles to the south. The lumber industry and papermaking are a part of the economy of Corinth.

Depending on location, residents use private wells and septic or village water and public services. Police protection is provided to the Village and Towns by the County Sheriff’s Departments as well as the New York State Police. Fire protection and ambulance service are provided by various volunteer organizations. Electricity is provided by National Grid; telephone service by Frontier Communication, Spectrum and Verizon, New York.

The District provides public education for grades K-12. Opportunities for higher education are available in Glens Falls and Albany.

District residents find commercial and financial services in Corinth, as well as in Glens Falls and Albany. Banking facilities are provided in the Village of Corinth by Saratoga National Bank, N.A. and Hudson River Community Credit Union.

Source: District officials.

Population

The current estimated population of the District is 7,838. (Source: 2016 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2012-2016</u>	<u>2000</u>	<u>2006-2010</u>	<u>2012-2016</u>
Towns of:						
Corinth	\$ 16,003	\$ 21,881	\$ 24,161	\$ 41,732	\$ 61,655	\$ 61,250
Day	17,949	24,128	29,079	38,281	54,286	55,938
Greenfield	20,014	35,885	35,567	48,299	66,308	79,952
Hadley	17,560	25,896	27,971	42,438	68,462	62,933
Lake Luzerne	16,246	25,720	25,555	40,104	71,581	72,443
Wilton	29,508	33,711	36,323	68,472	93,952	96,042
County of:						
Saratoga	23,945	32,186	37,583	58,213	81,251	89,802
Warren	20,727	27,744	31,652	46,793	64,195	70,982
State of:						
New York	23,389	30,948	34,212	51,691	67,405	74,036

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2012-2016 American Community Survey data.

Larger Employers

The following are the five larger employers located within or in close proximity to the District.

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Corinth Central School District	Public Education	200
Town of Corinth	Municipal Government	50
Hudson River Federal Credit Union	Banking	35
Tops	Grocery Store	20
Evergreen Health Care	Medical Facility	20

Source: District officials.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Saratoga County	6.7%	6.8%	5.8%	4.7%	4.2%	3.8%	4.0%
Warren County	8.9	9.2	8.2	6.6	5.5	5.2	5.3
New York State	8.3	8.5	7.7	6.3	5.3	4.8	4.7

	<u>2018 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>
Saratoga County	4.7%	5.0%	4.5%	4.5%	3.3%	N/A	N/A
Warren County	7.3	7.2	6.8	5.7	4.2	N/A	N/A
New York State	5.1	5.1	4.8	4.4	3.7	N/A	N/A

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

Form of School Government

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

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the 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 District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

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 by a vote of 292 to 47. 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 called for a total tax levy increase of 2.4%, which was below the District tax levy limit of 4.7%.

The budget for the 2018-19 fiscal year was adopted by the qualified voters on May 15, 2018 by a vote of 251 to 57. The District’s adopted budget for 2018-19 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 2.78%, which is below the District tax levy limit of 2.8%.

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

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State Aid

The District receives financial assistance from the State. In its adopted budget for the 2018-2019 fiscal year, approximately 55.45% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Potential reductions in Federal aid received by the State.

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

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

The State's Enacted 2017-2018 Budget allows 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 2018-2019 preliminary building aid ratios, the District expects to receive State building aid of approximately 78.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

The 2012-2013 State budget linked additional school aid to compliance with a new teacher evaluation process. A school district would not be eligible for an aid increase in 2012-2013 unless it had its teacher evaluation process reviewed and approved by the New York State Education Department by January 17, 2013. The New York State Education Department approved the District's initial Annual Professional Performance Review Plan (APPR) on December 12, 2012. The most current APPR was approved on November 4, 2016.

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

School district fiscal year (2014-2015): The 2014-2015 State budget included a \$1.1 billion or 5.3% increase in State aid to school districts for the 2014-2015 school year. High-need school districts received 70% of the school aid increase. The 2014-15 State budget restored \$602 million of Gap Elimination Adjustment ("GEA") reductions that had been imposed on school districts from 2010-2011 to 2012-2013. The 2014-2015 State budget invested \$1.5 billion over five years to support the phase-in of a statewide universal full-day pre-kindergarten program.

The Smart Schools Bond Act was proposed as part of the 2014-2015 State budget and was subsequently approved by the voters of the State. The Smart Schools Bond Act authorized the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds thereunder is \$1,065,678.

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

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

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 \$8,945,210. 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 2017-18 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State's 2018-19 Enacted Budget includes nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately \$859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at \$26.03 billion statewide, a 3.4% increase over the last year. The State's 2018-19 Enacted Budget includes an increase of \$618 million in Foundation Aid for school districts. Foundation Aid now totals nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase will be distributed using a one year, off formula methodology. The State's 2018-19 Enacted Budget guarantees that all school districts receive an increase in Foundation Aid over their 2017-18 levels. \$50 million of the Foundation Aid increase will be "set aside" for certain school districts to fund community schools. The State's 2018-19 Enacted Budget fully funds all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-19. The Federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2018-2019 Budget continues authorization for a process by which the State would manage significant reductions in Federal aid during fiscal year 2018-2019 and fiscal year 2019-2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the Federal government (i) reduces Federal financial participation in Medicaid funding to the State or its subdivisions by \$850 million or more; or (ii) reduces Federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

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, budgeted and unaudited figures for the 2017-2018 fiscal year, and budgeted figures for the 2018-2019 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2012-2013	\$ 17,687,834	\$ 9,379,200	53.03%
2013-2014	18,249,115	9,545,275	52.31
2014-2015	18,942,950	10,013,153	52.86
2015-2016	20,378,551	11,096,871	54.45
2016-2017	20,462,687	11,372,451	55.58
2017-2018 (Budgeted)	21,100,460	11,800,000	55.92
2017-2018 (Unaudited)	21,150,060	11,729,506	55.46
2018-2019 (Budgeted)	21,845,805	12,138,365	55.56

Source: Audited financial statements for the 2012-2013 fiscal year through and including the 2016-2017 fiscal year and the budgets of the District for the 2017-2018 and 2018-2019 fiscal years. The 2017-2018 unaudited figures are estimates and audited results may vary therefrom. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Center Street Elementary	K-4	734	1996, '00
Oak Street Middle/High School	5-12	1,314	1934, '10

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2013-14	1,211	2018-19	1,170
2014-15	1,204	2019-20	1,175
2015-16	1,201	2020-21	1,175
2016-17	1,208	2021-22	1,175
2017-18	1,173	2021-22	1,175

Source: District officials.

Employees

The District provides services through approximately 200 employees with the majority represented by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
107	Corinth Teachers' Association	June 30, 2019
32	Associated Staff Union	June 30, 2020
50	Civil Service Employees' Association	June 30, 2018 ⁽¹⁾
4	Administrators Association	June 30, 2021
3	Confidential Employees	June 30, 2021
4	Supervisors Working Agreement	June 30, 2021

⁽¹⁾ Currently under negotiations.

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 fiscal years and the budgeted figures for the 2018-2019 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2013-2014	\$ 396,309	\$ 1,261,793
2014-2015	334,354	1,312,399
2015-2016	409,809	1,013,267
2016-2017	385,258	1,103,990
2017-2018	259,000	874,000
2018-2019 (Budgeted)	295,000	920,000

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 has early retirement incentive programs. The District offered early retirement incentives as follows:

<u>Fiscal Year</u>	<u>Staff Participants</u>	<u>Replacement Cost</u>	<u>Savings</u>
2014-2015	13	\$ 154,365	\$ 174,211
2015-2016	9	87,675	92,628
2016-2017	4	101,796	47,918
2017-2018	8	289,875	79,908

Source: District officials.

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 (2014 to 2019) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2013-14	20.9%	16.25%
2014-15	20.1	17.53
2015-16	18.2	13.26
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.63 *

* Estimated. The TRS rate for the 2018-19 fiscal year will be adopted in August 2018.

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 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. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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

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

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

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

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

The District contracted with Bouchey, Millet & Schafer Benefit Consulting (merged with Green Mountain Benefits), an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on the most recent actuarial valuation and financial data as of June 30, 2017, 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 ending June 30, 2016 and June 30, 2017:

<i>Annual OPEB Cost and Net OPEB Obligation:</i>	<u>2016</u>	<u>2017</u>
Annual required contribution (ARC)	\$ 349,105	\$ 300,423
Interest on net OPEB obligation	53,980	61,852
Adjustment to ARC	<u>(89,530)</u>	<u>(96,546)</u>
Annual OPEB cost (expense)	313,555	265,729
Contributions made	<u>(109,084)</u>	<u>(126,570)</u>
Increase in net OPEB obligation	204,471	139,159
Net OPEB obligation - beginning of year	<u>1,402,079</u>	<u>1,606,550</u>
Net OPEB obligation - end of year	<u>\$ 1,606,550</u>	<u>\$ 1,745,709</u>
Percentage of annual OPEB cost contributed	34.79%	47.63%

Funding Status:

Actuarial Accrued Liability (AAL)	\$ 3,137,488	\$ 3,106,405
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 3,137,488</u>	<u>\$ 3,106,405</u>
Funded Ratio (Assets as a Percentage of AAL)	0.00%	0.00%

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 265,729	47.63%	\$ 1,745,709
2016	313,555	34.79	1,606,550
2015	284,839	34.82	1,402,079

Note: The above tables are not audited.

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

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 June 2015, the Governmental Accounting Standards Board issued GASB Statement 75 ("GASB 75"), which when implemented will supersede and eliminate GASB 45. GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 is required to be implemented for all municipalities and school districts in the fiscal year beginning after June 2017. Actuarial valuation will be required every two years for GASB 75.

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 School District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2017 and may be found as "APPENDIX – D" of this Official Statement. 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.

Unaudited Results for Fiscal Year Ending June 30, 2018

The District expects to end the fiscal year ending June 30, 2018 with a cumulative unappropriated unreserved fund balance of \$900,000. Summary unaudited information for the General Fund operations for the period ending June 30, 2018 is as follows:

Revenues:	\$ 21,150,000
Expenditures:	<u>20,500,000</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ 650,000</u>
Total Cumulative Fund Balance:	<u>\$ 4,000,000</u>

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: District officials.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on June 5, 2015. The purpose of the audit was to review the District's financial condition for the period July 1, 2012 through February 28, 2015.

Key Findings:

- The Board-adopted 2012-13 through 2014-15 general fund budgets were not structurally balanced because the Board routinely relied on significant amounts of appropriated fund balance to finance operations.
- The Board and District officials did not develop a multiyear financial plan to address the use of restricted and unrestricted fund balance.
- The Business Administrator did not prepare periodic year-end revenue projections for the Board.

Key Recommendations:

- Adopt general fund budgets that include realistic estimates for revenues and expenditures and ensure that future budgets are structurally balanced without relying on fund balance as a financing source.
- Develop a comprehensive multiyear financial plan to establish objectives for funding long-term needs.
- Prepare periodic year-end revenue and expenditure projections to ensure that estimated revenues are still anticipated to be collected in full to support appropriations.

The District provided a complete response to the State Comptroller's office on April 24, 2015. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

As of the date of this Official Statement, 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.

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:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2017	No Designation	25.4%
2016	No Designation	20.0%
2015	Significant Fiscal Stress	73.3%

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

<u>Fiscal Year Ending June 30:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Towns of:					
Corinth	\$ 583,760,306	\$ 584,946,850	\$ 580,713,548	\$ 657,498,385	\$ 660,416,832
Day	3,131,294	3,219,594	3,126,633	3,190,354	3,210,316
Greenfield	65,330,172	65,864,792	65,586,042	66,969,349	67,839,708
Hadley	13,429,302	13,473,593	13,620,594	13,836,320	13,999,735
Lake Luzerne	25,103,791	25,124,056	25,107,073	29,474,759 ⁽¹⁾	29,419,534
Wilton	174,900	174,900	174,900	174,986	174,982
Total Assessed Values	<u>\$ 690,929,765</u>	<u>\$ 692,803,785</u>	<u>\$ 688,328,790</u>	<u>\$ 771,144,153</u>	<u>\$ 775,061,107</u>

State Equalization Rates

Towns of:					
Corinth	100.00%	100.00%	100.00%	100.00%	100.00%
Day	69.20%	71.00%	69.90%	70.00%	68.00%
Greenfield	103.00%	100.00%	100.00%	100.00%	100.00%
Hadley	80.00%	85.00%	84.50%	86.00%	86.00%
Lake Luzerne	92.50%	92.50%	93.50%	106.87% ⁽¹⁾	100.00%
Wilton	100.00%	100.00%	100.00%	100.00%	95.00%
Total Taxable Full Valuation	<u>\$ 695,813,410</u>	<u>\$ 698,533,609</u>	<u>\$ 693,919,029</u>	<u>\$ 772,869,125</u>	<u>\$ 778,860,080</u>

⁽¹⁾ Significant change from the previous year due to revaluation.

Tax Rates Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Towns of:					
Corinth	\$ 11.30	\$ 11.46	\$ 12.53	\$ 11.31	\$ 11.49
Day	16.33	16.15	17.57	16.16	16.90
Greenfield	10.87	11.46	12.28	11.31	11.49
Hadley	14.12	13.49	14.53	13.15	13.37
Lake Luzerne	12.21	12.39	13.13	10.58 ⁽¹⁾	11.49
Wilton	11.30	11.46	12.28	11.31	12.10

⁽¹⁾ Significant change from the previous year due to revaluation.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 2nd to November 1st. On or about November 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Tax Levy	\$ 7,930,305	\$ 8,026,150	\$ 8,606,642	\$ 8,801,674	\$ 8,952,960
Amount Uncollected ⁽¹⁾	442,256	492,319	534,226	443,567	436,718
% Uncollected	5.58%	6.13%	6.21%	5.04%	4.88%

⁽¹⁾ District taxes are made whole by the Counties. See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, budgeted and unaudited figures for the 2017-2018 fiscal year, and budgeted figures for the 2018-2019 fiscal year comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2012-2013	\$ 17,687,834	\$ 5,875,007	33.21%
2013-2014	18,249,115	6,714,235	36.79
2014-2015	18,942,950	6,921,896	36.54
2015-2016	20,378,551	7,391,770	36.27
2016-2017	20,462,687	7,651,608	37.39
2017-2018 (Budgeted)	20,950,460	8,952,960	42.73
2017-2018 (Unaudited)	21,150,000	8,952,958	42.33
2018-2019 (Budgeted)	21,845,805	9,200,000	42.11

Source: Audited financial statements for the 2012-2013 fiscal year through and including the 2016-2017 fiscal year and the budgets of the District for the 2017-2018 and 2018-2019 fiscal years. The 2017-2018 unaudited figures are estimates and audited results may vary therefrom. This table is not audited.

Larger Taxpayers 2017 for 2017-18 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Curtis/Palmer Hydro Electric	Hydro Electric	\$ 150,477,800
Indeck-Corinth Limited	Hydro Electric	71,318,900
Erie Boulevard Hydro LP	Hydro Electric	18,400,000
National Grid	Utility	14,102,517
MHC Alpine, LLC	Campground	7,054,220
State of New York	State Land	6,455,924
Camp Ghida, Inc.	Private Camp	5,083,200
B.A.G. Corinth #197 L.P.	Grocery	2,940,525
Young, Richard B.	Mobile Home Park	2,171,793
Hudson River Community Credit Union	Credit Union	1,860,500

The larger taxpayers listed above have a total taxable assessed valuation of \$279,865,379, which represents approximately 36.11% of the tax base of the District.

As of the date of this Official Statement, the District currently has outstanding tax certioraris that if decided adversely to the District, may have a material impact on the District's financial condition. The District currently has a tax certiorari reserve with a balance \$859,593. The following table shows a summary of the taxpayers with outstanding claims:

<u>Name</u>	<u>Assessed</u>	<u>Claimed</u>	<u>Difference</u>
Hudson River Community Credit Union	\$ 750,000 ⁽¹⁾	\$ 450,000	\$ 300,000
Young, Richard B.	2,650,400 ⁽²⁾	1,900,000	750,400
RiteAid	2,990,525	299,053	2,691,472
Indeck	71,200,000 ⁽¹⁾	5,050,000	66,150,000
Totals:	\$ 77,590,925	\$ 7,699,053	\$ 69,891,872

⁽¹⁾ The assessed values shown above are for certain parcels of the taxpayer's total property which are subject to tax certiorari.

⁽²⁾ The assessed value includes the STAR exemption and thus is different from the taxable assessed values shown above.

Source: District Officials and District Tax Rolls.

Additional Tax Information

Real property located in the District is assessed by the towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential- 53.0%; Commercial- 4.6%; Agricultural- 0.1%, and Other – 42.3%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$2,130 including County, Town or Village, School District and Fire District taxes.

Tax Cuts and Jobs Act of 2017

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (HR. 1, P.L. 115-97), making major changes to the Internal Revenue Code of 1986, as amended (the "Code"), most of which are effective in the 2018 tax year. The new Federal tax law makes extensive changes to Federal personal income taxes, including the deductibility of real property taxes, including real property taxes levied by the District. The State's 2018-2019 Enacted Budget includes legislation decoupling certain linkages between Federal and local income tax, including increasing the opportunities for charitable contributions, and providing municipalities and school districts, including the District, with the option to establish local charitable funds that would accept charitable contributions and provide taxpayers with a credit against their property taxes. On May 23, 2018, the U.S. Department of the Treasury and the Internal Revenue Service issued a notice today stating that proposed regulations will be issued addressing the deductibility of state and local tax payments for federal income tax purposes. The notice also informs taxpayers that federal law controls the characterization of the payments for federal income tax purposes regardless of the characterization of the payments under state law. The District has no plans at this time to establish such a local charitable fund.

STAR – School Tax Exemption

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

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

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

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Corinth	\$ 85,400	\$ 38,360	4/9/2018
Day	58,070	26,080	4/9/2018
Greenfield	85,400	38,360	4/9/2018
Hadley	73,450	32,990	4/9/2018
Lake Luzerne	66,800	30,000	4/9/2018
Wilton	81,130	36,440	4/9/2018

\$1,074,204 of the District’s \$8,952,960 school tax levy for the 2017-18 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2018.

Approximately \$1,100,000 of the District’s \$9,200,000 school tax levy for the 2018-2019 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January, 2019.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year’s amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year’s STAR credit check or taxpayers may also account for those changes in their State income taxes.

TAX LEVY LIMITATION LAW

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

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

Chapter 97 now 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 other legislation is 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 would be 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 could 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.

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 this 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 and the Equal Protection and Due Process clauses and the First Amendment of the United States Constitution. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. 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. 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 demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

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 and utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Statutory Procedure

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

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

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

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

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds	\$ 5,053,509	\$ 4,117,464	\$ 6,855,452	\$ 6,056,964	\$ 5,131,457
Bond Anticipation Notes	3,543,434	3,861,777	0	0	3,170,000
Other Debt ⁽¹⁾	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,731,560</u>	<u>2,546,265</u>
Total Debt Outstanding	\$ 8,596,943	\$ 7,979,241	\$ 6,855,452	\$ 8,788,524	\$ 10,847,722

⁽¹⁾ Represents an Energy Performance Contract (EPC) which is not counted against the District's debt limit. See "Other Obligations" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 10, 2018:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2018-2030	\$ 5,131,457
<u>Bond Anticipation Notes</u>		
Capital Improvements	July 27, 2018	2,870,000 ⁽¹⁾
Capital Improvements	July 27, 2018	<u>300,000 ⁽¹⁾</u>
Total Indebtedness		<u>\$ 8,301,457</u>

⁽¹⁾ To be redeemed and renewed at maturity with the proceeds of the Notes along with \$300,000 in available funds of the District. See "Capital Project Plans" herein.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin shown as of July 10, 2018:

Full Valuation of Taxable Real Property	\$ 778,860,080
Debt Limit 10% thereof	77,886,008

Inclusions:

Bonds.....	\$ 5,131,457
Bond Anticipation Notes	0
Principal of this Issue	<u>10,400,000 *</u>
Total Inclusions	<u>\$ 15,531,457</u>

Exclusions:

Building Aid ⁽¹⁾	<u>\$ 0</u>
Total Exclusions	<u>\$ 0</u>

Total Net Indebtedness \$ 15,531,457

Net Debt-Contracting Margin \$ 62,354,551

The percent of debt contracting power exhausted is 19.94%

⁽¹⁾ Based on preliminary 2018-2019 building aid estimates, the District anticipates State Building aid of 78.6% 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.

* Preliminary, subject to change.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past and has no future plans to do so.

Other Obligations

In 2016, the District entered into an Energy Performance Contract (EPC) in the amount of \$2,855,125 at an interest rate that is variable and adjusted on January 1 annually. The District will make payments through 2031 and receives 78.60% State building aid. EPCs are not counted against the District’s debt limit. As of June 30, 2018, \$2,675,912 principal remains outstanding.

Source: District records.

Capital Project Plans

On May 17, 2016, the District voters approved a \$12,740,000 capital improvement project for the construction of a new bus garage, infrastructure work including window replacements and roof replacements, and new boilers in the elementary school. The projected local share is \$3,700,000 and the majority of the project will receive 78.60% State building aid. The District issued \$2,870,000 bond anticipation notes maturing on July 27, 2018 as the first borrowing for this project. Additionally, in January 2018, the District issued \$300,000 bond anticipation notes maturing on July 27, 2018. The issuance of the Notes, along with \$300,000 in available funds, will redeem and renewed these two series of bond anticipation notes to July 26, 2019 and provide \$7,530,000 of new money for the project.

Other than as stated above, there are currently no other capital projects authorized or contemplated at this time.

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 below as of the close of the fiscal year of the respective municipalities shown below.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Saratoga	12/31/2016	\$ 60,630,000	\$ -	\$ 60,630,000	2.78%	\$ 1,685,514
Warren	12/31/2016	38,720,642	1,759,931	36,960,711	0.25%	92,402
Town of:						
Corinth	12/31/2016	161,613	84,881	76,732	100.00%	76,732
Day	12/31/2016	-	-	-	1.51%	-
Greenfield	12/31/2016	-	-	-	8.55%	-
Hadley	12/31/2016	-	-	-	7.01%	-
Lake Luzerne	12/31/2016	1,634,500	35,000	1,599,500	7.03%	112,445
Wilton	12/31/2016	-	-	-	0.01%	-
Village of:						
Corinth	5/31/2017	12,772,723	-	12,772,723	100.00%	12,772,723
					Total:	<u>\$ 14,739,816</u>

⁽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.

Source: Comptroller’s Special Report on Municipal Affairs for Local Finance Years Ended in 2016 and 2017.

Debt Ratios

The following table sets forth certain ratios relating to the District's net indebtedness as of July 10, 2018:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 15,531,457	\$ 1,988.66	1.99%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	30,271,273	3,875.96	3.89

(a) The current estimated population of the District is 7,810. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2017-2018 fiscal year is \$778,860,080. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.

(d) The District's estimated share of Net Overlapping Indebtedness is \$14,739,816. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

In the event of a default in the payment of the principal of and/or interest on the 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.

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 shall not exceed nine per centum per annum. 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 or interest on the Notes.

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.

The Federal Bankruptcy Code allows public bodies, such as the District, 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these Local Finance Law provisions do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any Counties, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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."

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

MARKET AND RISK FACTORS

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

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

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

TAX MATTERS

In the opinion of Barclay Damon, LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code, except that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to Federal income taxation from the date of issuance thereof, and (2) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

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

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

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

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

The Notes will be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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

LEGAL MATTERS

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

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, a summary of which is attached hereto as "APPENDIX – C".

Historical Compliance

The District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12, however; On March 18, 2014, the District did not file a material event notice regarding the credit rating change for the bond insurer for the School District's \$1,792,625 School District (Serial) Bonds, 2008. The underlying rating of the District was not affected by such bond insurer rating changes. The District did not timely file its Annual Financial Information and Operating Data ("AFIOD") and Audited Financial Statements to the Electronic Municipal Market Access ("EMMA") for the fiscal years ending June 30, 2009 and 2010. A notice of failure to timely file was published to EMMA on December 1, 2014.

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. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

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), 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 undertaking to provide Material Event Notices, a summary of which is attached hereto as "APPENDIX – C"

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" 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.

Barclay Damon LLP, Albany, 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 contact information is as follows: Ms. Susan Foley, School Business Administrator, Corinth Central School District, 105 Oak Street, Corinth, New York 12822, Phone: (518) 654-9005 Ext. 3403, Telefax: (518) 654-6266, Email: foleys@corinthcsd.com

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

CORINTH CENTRAL SCHOOL DISTRICT

Dated: July 10, 2018

LORI BAKER
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>ASSETS</u>					
Cash and cash equivalents					
Unrestricted Cash	\$ 1,383,256	\$ 674,113	\$ 362,855	\$ 1,144,774	\$ -
Restricted, special reserves	-	1,308,175	1,118,260	908,723	1,782,622
State and Federal Aid Receivable	507,315	1,057,999	1,070,482	896,189	376,660
Other Receivables, net	60,006	5,560	81,981	86,782	2,097
Due from Other Funds	785,327	837,681	623,510	688,621	2,201,683
Accounts Receivable	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
Restricted state and federal aid receivable	1,658,175	-	-	-	198,601
TOTAL ASSETS	<u>\$ 4,394,079</u>	<u>\$ 3,883,528</u>	<u>\$ 3,257,088</u>	<u>\$ 3,725,089</u>	<u>\$ 4,561,663</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 133,495	\$ 89,644	\$ 71,060	\$ 188,333	\$ 264,231
Accrued Liabilities	21,495	52,647	75,450	48,023	1,092
Due to Other Funds	-	39,913	-	16,819	17,960
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	983,682	1,339,319	1,487,228	1,120,523	967,116
Due to Employees' Retirement System	90,832	116,461	102,352	137,051	75,781
Overpayments	4	101	-	-	-
Revenue Excess Tax	-	21,874	-	-	-
TOTAL LIABILITIES	<u>\$ 1,229,508</u>	<u>\$ 1,659,959</u>	<u>\$ 1,736,090</u>	<u>\$ 1,510,749</u>	<u>\$ 1,326,180</u>
<u>FUND EQUITY</u>					
Reserved	\$ 1,658,175	\$ 1,308,175	\$ 1,118,260	\$ 908,723	\$ 1,981,223
Unreserved:					
Appropriated	966,240	627,491	266,285	367,311	425,231
Unappropriated	540,156	287,903	136,453	938,306	829,029
TOTAL FUND EQUITY	<u>\$ 3,164,571</u>	<u>\$ 2,223,569</u>	<u>\$ 1,520,998</u>	<u>\$ 2,214,340</u>	<u>\$ 3,235,483</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 4,394,079</u>	<u>\$ 3,883,528</u>	<u>\$ 3,257,088</u>	<u>\$ 3,725,089</u>	<u>\$ 4,561,663</u>

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:	<u>2013</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES					
Real Property Taxes	\$ 5,875,007	\$ 6,714,235	\$ 6,921,896	\$ 6,921,896	\$ 7,391,770
Other Tax Items	2,133,901	1,702,208	1,607,218	1,607,218	1,674,614
Charges for Services	52,137	62,474	63,469	63,469	41,269
Use of Money & Property	29,419	17,643	7,192	7,192	4,892
Sale of Property and					
Compensation for Loss	43,869	32,592	28,477	28,477	11,806
Miscellaneous	132,245	148,445	283,785	283,785	147,312
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	9,379,200	9,545,275	10,013,153	10,013,153	11,096,871
Revenues from Federal Sources	42,056	26,243	17,760	17,760	10,017
Total Revenues	<u>\$ 17,687,834</u>	<u>\$ 18,249,115</u>	<u>\$ 18,942,950</u>	<u>\$ 18,942,950</u>	<u>\$ 20,378,551</u>
Other Sources:					
Interfund Transfers & Others	-	-	22,538	-	425,106
Total Revenues and Other Sources	<u>\$ 17,687,834</u>	<u>\$ 18,249,115</u>	<u>\$ 18,965,488</u>	<u>\$ 18,942,950</u>	<u>\$ 20,803,657</u>
EXPENDITURES					
General Support	\$ 2,586,727	\$ 2,562,715	\$ 2,435,771	\$ 2,435,771	\$ 2,382,101
Instruction	9,793,541	9,900,353	10,265,171	10,265,171	10,191,481
Pupil Transportation	834,297	825,555	892,198	892,198	759,973
Community Services	8,915	7,493	6,092	6,092	7,466
Employee Benefits	4,223,839	4,681,338	4,838,296	4,838,296	4,738,238
Debt Service	1,261,512	1,206,593	1,222,654	1,222,654	5,111,283
Total Expenditures	<u>\$ 18,708,831</u>	<u>\$ 19,184,047</u>	<u>\$ 19,660,182</u>	<u>\$ 19,660,182</u>	<u>\$ 23,190,542</u>
Other Uses:					
Premium on bond anticipation notes	\$ -	\$ -	\$ -	\$ 22,538	\$ -
Proceeds from obligations	-	-	-	-	3,080,227
Interfund Transfers & Others	6,212	6,070	7,877	7,877	-
Total Expenditures and Other Uses	<u>\$ 18,715,043</u>	<u>\$ 19,190,117</u>	<u>\$ 19,668,059</u>	<u>\$ 19,645,521</u>	<u>\$ 20,110,315</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,027,209)</u>	<u>(941,002)</u>	<u>(702,571)</u>	<u>(702,571)</u>	<u>693,342</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,191,780	3,164,571	2,223,569	2,223,569	1,520,998
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,164,571</u>	<u>\$ 2,223,569</u>	<u>\$ 1,520,998</u>	<u>\$ 1,520,998</u>	<u>\$ 2,214,340</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2017			2018	2019
	Original Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 7,349,166	\$ 7,287,600	\$ 7,651,608	\$ 8,952,960	\$ 9,200,000
Other Tax Items	1,830,000	1,664,000	1,150,745	13,000	13,000
Charges for Services	-	42,000	52,396	-	37,000
Use of Money & Property	-	7,000	5,384	111,000	6,000
Sale of Property and Compensation for Loss	-	2,500	17,306	-	500
Miscellaneous	519,298	149,000	177,853	48,500	115,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	11,871,281	12,182,645	11,372,451	11,800,000	12,138,365
Revenues from Federal Sources	80,000	50,000	34,944	25,000	-
Total Revenues	<u>\$ 21,649,745</u>	<u>\$ 21,384,745</u>	<u>\$ 20,462,687</u>	<u>\$ 20,950,460</u>	<u>\$ 21,509,865</u>
Other Sources:					
Interfund Transfers & Others	-	-	-	50,000	100,000
Total Revenues and Other Sources	<u>\$ 21,649,745</u>	<u>\$ 21,384,745</u>	<u>\$ 20,462,687</u>	<u>\$ 21,000,460</u>	<u>\$ 21,609,865</u>
EXPENDITURES					
General Support	\$ 2,660,020	\$ 2,782,012	\$ 2,467,531	\$ 2,618,100	\$ 2,691,775
Instruction	11,348,414	11,647,792	10,275,735	11,139,860	11,747,230
Pupil Transportation	941,570	1,263,808	832,089	851,700	866,800
Community Services	11,500	11,692	6,658	4,500	6,000
Employee Benefits	5,192,920	4,816,631	4,509,637	4,994,500	4,911,000
Debt Service	1,480,321	1,475,220	1,322,088	1,476,800	1,608,000
Total Expenditures	<u>\$ 21,634,745</u>	<u>\$ 21,997,155</u>	<u>\$ 19,413,738</u>	<u>\$ 21,085,460</u>	<u>\$ 21,830,805</u>
Other Uses:					
Proceeds from obligations	-	265,000	-	-	-
Interfund Transfers & Others	15,000	20,101	45,260	15,000	15,000
Total Expenditures and Other Uses	<u>\$ 21,649,745</u>	<u>\$ 21,752,256</u>	<u>\$ 19,458,998</u>	<u>\$ 21,100,460</u>	<u>\$ 21,845,805</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>(367,511)</u>	<u>1,003,689</u>	<u>(100,000)</u>	<u>(235,940)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	367,511	2,214,340	100,000	235,940
Prior Period Adjustments (net)	-	-	17,454	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,235,483</u>	<u>\$ -</u>	<u>\$ -</u>

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

APPENDIX - B
Corinth CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th			
	Principal	Interest	Total
2019	\$ 717,923	\$ 164,755.51	\$ 882,678.51
2020	693,071	142,207.22	835,278.22
2021	645,433	119,677.81	765,110.81
2022	620,030	97,486.88	717,516.88
2023	590,000	75,137.80	665,137.80
2024	455,000	52,837.50	507,837.50
2025	220,000	36,268.75	256,268.75
2026	225,000	31,318.75	256,318.75
2027	230,000	25,975.00	255,975.00
2028	240,000	20,225.00	260,225.00
2029	245,000	13,925.00	258,925.00
2030	250,000	7,187.50	257,187.50
TOTALS	\$ 5,131,457	\$ 787,002.72	\$ 5,918,459.72

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2008 Construction			2015 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 130,000	\$ 29,175.00	\$ 159,175.00	\$ 162,892	\$ 6,020.41	\$ 168,912.41
2020	135,000	23,975.00	158,975.00	118,040	3,015.28	121,055.28
2021	145,000	18,575.00	163,575.00	45,402	835.27	46,237.27
2022	150,000	12,775.00	162,775.00	-	-	-
2023	155,000	6,588.00	161,588.00	-	-	-
TOTALS	\$ 715,000	\$ 91,088.00	\$ 806,088.00	\$ 326,334	\$ 9,870.96	\$ 336,204.96

Fiscal Year Ending June 30th	2012 DASNY Refunding of 2002			2015 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 185,000	\$ 63,250.00	\$ 248,250.00	\$ 190,000	\$ 62,087.50	\$ 252,087.50
2020	195,000	54,000.00	249,000.00	195,000	58,050.00	253,050.00
2021	205,000	44,250.00	249,250.00	200,000	53,906.25	253,906.25
2022	215,000	34,000.00	249,000.00	205,000	49,656.25	254,656.25
2023	225,000	23,250.00	248,250.00	210,000	45,300.00	255,300.00
2024	240,000	12,000.00	252,000.00	215,000	40,837.50	255,837.50
2025	-	-	-	220,000	36,268.75	256,268.75
2026	-	-	-	225,000	31,318.75	256,318.75
2027	-	-	-	230,000	25,975.00	255,975.00
2028	-	-	-	240,000	20,225.00	260,225.00
2029	-	-	-	245,000	13,925.00	258,925.00
2030	-	-	-	250,000	7,187.50	257,187.50
TOTALS	\$ 1,265,000	\$ 230,750.00	\$ 1,495,750.00	\$ 2,625,000	\$ 444,737.50	\$ 3,069,737.50

Fiscal Year Ending June 30th	2016 Bus Bond		
	Principal	Interest	Total
2019	\$ 50,031	\$ 4,222.60	\$ 54,253.60
2020	50,031	3,166.94	53,197.94
2021	50,031	2,111.29	52,142.29
2022	50,030	1,055.63	51,085.63
TOTALS	\$ 200,123	\$ 10,556.46	\$ 210,679.46

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 will agree to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material

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

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

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

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

The District reserves the right to terminate its obligation to provide the aforescribed 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.

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**CORINTH CENTRAL SCHOOL DISTRICT
SARATOGA AND WARREN COUNTIES, NEW YORK**

AUDITED FINANCIAL STATEMENTS

For The Fiscal Year Ending June 30, 2017

Such Audited Financial Statement and opinion 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.

CORINTH CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To The Board of Education
Corinth Central School District
Corinth, New York 12822

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Corinth Central School District as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for other postemployment benefits, budgetary comparison information, schedule of the District's pension contributions, the schedule of the District's proportionate share of the net pension liability, schedule of change from adopted budget to final budget and the real property tax limit, schedule of project expenditures – capital projects fund and net investment in capital assets on pages 3 through 13 and pages 52 through 59, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board and the New York State Office of the Comptroller, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corinth Central School District's 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 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 supplemental schedules on pages 52 through 59 have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017, on our consideration of the Corinth Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Corinth Central School District's internal control over financial reporting and compliance.

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

October 5, 2017

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

The discussion and analysis of Corinth Central School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- In total, change in net position decreased \$2,082,525, which was the result of a decrease in NYS TRS net pension asset and an increase in capital assets and new debt for an energy performance contract.
- The District's revenues increased by 1.6% as a result of increased property tax collections and increased State Aid.
- The District's expenses increased by 7.6% as a result of increases in postemployment benefits and pension expense, as well as increased costs related to the school lunch program.
- The District's enrollment increased by 5 students during the current school year. The 2015-2016 enrollment was 1,187 compared to 1,192 students at the end of the 2016-2017 school year.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities and Changes in Net Position. These provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general District services were financed in the short term, as well as what remains for future spending. Fiduciary fund statements provide information about the 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 explain some of the information in the financial statements and provide more detailed data. The statements are followed by

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

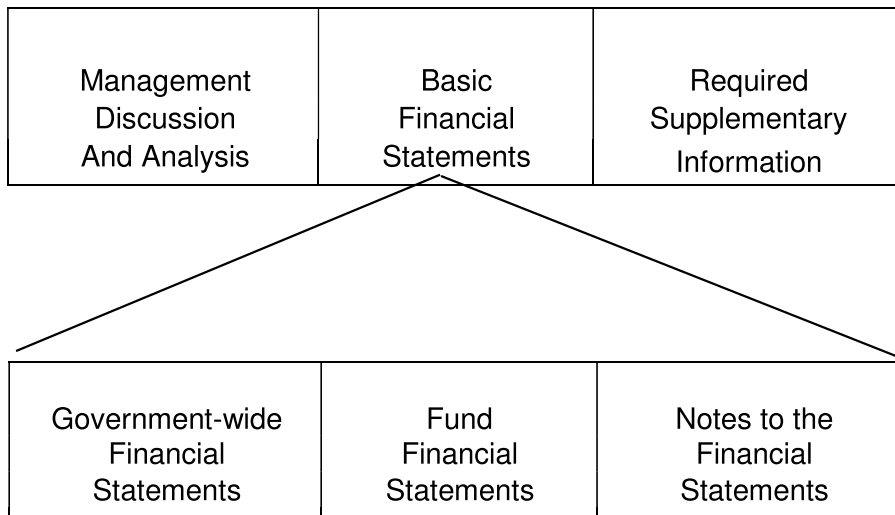
a section of required supplementary information that further explains and supports the financial statements. The supplementary information include the following:

- The District's funding progress for other postemployment benefits
- A comparison of the District's budget to actual results for the year.
- The District's pension contributions
- The District's proportionate share of the net pension liability
- The change from adopted budget to the final budget and the real property tax limit
- A schedule of project expenditures for the capital projects fund
- The net investment in capital assets

Figure A-1 shows how the required parts of the Financial Section are arranged and related to one another.

Figure A-1

Required Components of Corinth Central School District's Financial
Report



**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of Corinth Central School District's
Government-wide and Fund Financial Statements

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

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Entity-wide Statements

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

The two entity-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the performance of the students.

Net position of the government-wide 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 are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - 1) Net position invested in capital assets, net of related debt;
 - 2) Restricted net position includes amounts with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
 - 3) Unrestricted net position are amounts that do not meet any of the above restrictions.

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

Governmental funds - Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary funds - The District is the trustee or fiduciary, for assets that belong to others, such as scholarship funds and student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the entity-wide financial statements because it cannot use these assets to finance operations.

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was \$8,992,219 at June 30, 2017 compared to \$11,074,744 at June 30, 2016

Table A-3			
Condensed Statement of Net Position			
	Fiscal Year 2016	Fiscal Year 2017	Percent Change
Current and other assets	\$ 9,408,912	\$ 3,452,750	-63.3%
Capital assets (net)	13,571,205	13,825,197	1.9%
Total Assets	22,980,117	17,277,947	-24.8%
Deferred Outflows of Resources	2,309,496	6,084,661	163.5%
Current and other Liabilities	1,543,633	1,378,486	-0.1%
Long-term liabilities	10,304,635	12,679,374	23.0%
Total Liabilities	11,848,268	14,057,860	18.7%
Deferred Inflows of Resources	2,366,601	312,529	-86.8%
Net position:			
Invested in capital assets, net of related debt	6,716,601	4,700,548	-30.0%
Restricted	908,723	1,981,223	118.0%
Unrestricted	3,449,420	2,310,448	-33.0%
Total Net Position	\$11,074,744	\$8,992,219	-18.8%

A large portion of the District's net position is invested in capital assets (buildings, land and equipment). Another large portion is restricted to fund future debt payments, future capital projects, pending tax certioraris and employee benefit payments. The remaining unrestricted net position consists of assigned, nonspendable and unassigned amounts. The assigned balances are amounts set aside to fund future purchases, and for the school lunch fund. Nonspendable balances are amounts already spent on the purchase of school lunch inventory.

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Table A-4 takes the information from the Statement of Activities, rearranging it slightly, to present certain details that are relevant to taxpayers.

Table A-4

Changes in Net Position
Years Ended June 30

	Fiscal Year 2016	Fiscal Year 2017	Percent Change
Revenues			
Program Revenues:			
Charges for Services	\$ 204,345	\$ 212,462	4.0%
Operating/Capital Grants	1,098,785	1,343,501	22.3%
General Revenues:			
Property Taxes & Other Tax Items	9,066,384	8,802,353	-2.9%
State Aid	11,096,871	11,372,451	2.5%
Federal Sources	10,017	34,944	248.8%
Investment Earnings	4,933	5,422	9.9%
Other	141,339	198,352	40.3%
Total Revenues	21,622,674	21,969,485	1.6%
Expenses			
Instruction	13,893,173	15,075,337	8.5%
General Support	3,414,046	3,578,130	4.8%
Pupil Transportation	1,236,500	1,349,436	9.1%
Food Services	493,189	543,892	10.3%
Community Service	7,466	6,658	-10.8%
Debt Service	227,798	192,994	-15.3%
Total Expenses	19,272,172	20,746,447	7.6%
Prior Period Adjustment	1,589,580	(3,305,563)	
Changes In Net Position	\$ 3,940,082	\$ 2,082,525	-47.1%

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS FOR
THE YEAR ENDED JUNE 30, 2017**

The 2017 prior period adjustment is the result of \$17,454 in the general fund statement that represents revenue that should have been recorded in prior years and \$3,323,017 in the District-wide statements for the estimated cost of capital assets in prior years that were added without establishing a capital project. The capital project was established in the year ended June 30, 2017 when a repayment agreement was entered into thereby recording the cost twice.

The total cost of all programs and services totaled \$20,746,447 for the fiscal year 2016-2017 compared to \$19,272,172 for the fiscal year 2015-2016. Included in the various expenses by function are employee benefits, which are a significant portion of total expenses. Employee benefits (on the governmental fund basis) were \$4,928,481 and \$4,703,393 for the years ended June 30, 2016 and 2017, respectively, which represents a decrease of (4.6%). General Instruction accounted for 72.7% of total expenses. Salaries and employee benefits continue to be the largest expenses for the District.

Revenues for the District's government-wide activities totaled \$21,969,485 while total expenses equaled \$20,746,447. Therefore, the increase in net assets for governmental activities was \$1,223,038 in the fiscal year 2016-2017, compared to a \$2,350,502 increase in the 2015-2016 year.

Table A-5 presents the cost of seven Major District Activities: Instruction, General Support of Administration & Business and Operation & Maintenance; Pupil Transportation, Food Service, Community Service, and Debt Service. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers and federal and state agencies by each of the functions.

Table A-5

Net Cost of District-wide Activities
Fiscal Year Ended June 30, 2017

Category	Total Cost	Net Cost
Instruction	\$ 15,075,337	\$ 14,194,564
General Support	3,578,130	3,399,347
Pupil Transportation	1,349,436	1,349,436
Food Service	543,892	47,485
Community Service	6,658	6,658
Debt Service	192,994	192,994
Total	\$ 20,746,447	\$ 19,190,484

- The cost of all governmental activities this year was \$20,746,447.
- The federal and state governments subsidized certain programs with grants in the amount of \$1,343,501.

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS FOR
THE YEAR ENDED JUNE 30, 2017**

- 100% of the District's net costs of \$19,190,484 were financed by property taxes and state aid.

**FINANCIAL ANALYSIS OF THE DISTRICT'S
GOVERNMENTAL 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 current payments for debt.

There are significant variances reflected in the governmental fund financial statements for the fiscal year 2016-2017. They are:

Assets have increased \$1,194,458 from \$4,425,905 to \$5,620,363 and liabilities have increased \$1,350,610 from \$2,164,539 to \$3,515,149, between the fiscal year 2015-2016 to fiscal year 2016-2017. At June 30, 2017, the District governmental funds reported a combined surplus fund balance of \$2,105,214 which is a decrease of \$156,152 from \$2,261,366 at June 30, 2016.

The 2016-2017 year demonstrated a nice turn-a-round, with additional State Aid and an increase to the tax levy. The District continued to build general fund balance and reserves for future planning.

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2017, the District had \$13,825,197 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents an increase (additions, deletions and depreciation) of \$253,992 or 1.8% from last year's balance of \$13,571,205. This increase is due to the district purchasing land for a new bus garage and construction in progress.

Table A-6

Governmental Activities
Capital Assets - Net of Depreciation

	June 30, 2016	June 30, 2017
Land	\$ 502,394	\$ 767,394
Construction In Progress	-	617,067
Buildings and Improvements	11,703,277	11,113,034
Furniture and Equipment	1,365,534	1,327,702
	<hr/>	<hr/>
Total	\$ 13,571,205	\$ 13,825,197

The District had \$1,483,094 of capitalized expenditures during the year ended June 30, 2017, compared to \$308,020 for the year ended June 30, 2016. The large increase is due to finishing a capital building project and purchasing of land during the 2016-2017 year.

DEBT ADMINISTRATION

At June 30, 2017, the District had \$9,124,649 in general obligation bonds, installment debt and bond premiums and other long-term debt of \$3,554,725 outstanding, compared to \$7,117,192 in general obligation bonds and bond premiums and other long-term debt of \$3,450,031 at June 30, 2016. More detailed information about the District's long-term liabilities is presented in Section VIII of the financial statements.

During the year ended June 30, 2017, the District paid \$1,127,822 towards general obligation bonds and installment debt.

**CORINTH CENTRAL SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The Corinth Central School District ended the fiscal year 2016-2017, in a firm financial position. The District was able to build on the reserves it has used over the past several years.

The 2% tax levy limit will continue to make budgeting a challenge going forward if the State cannot continue to provide adequate State Aid.

The District has made strides to move employees to more inexpensive health insurance plans and the projected rates for the two State retirement systems is expected to decline in 2017-2018 which will reduce our expenses for next year.

Voters approved a \$12,740,000 capital project on May 17, 2016. Phase I of the project began in June of 2017 and phase II is scheduled to begin in June of 2018 with permanent financing of the project in 2019.

The District has four (4) major tax certiorari cases pending. The District's attorney is intervening on behalf of the district.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

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

Corinth Central School District
Attn: Susan Foley, Business Administrator
105 Oak Street
Corinth, New York 12822
(518) 654-9000

CORINTH CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2017

ASSETS

Cash and cash equivalents	
Unrestricted	\$ 616,914
Restricted, special reserves	1,782,622
Receivables	
State and federal aid receivable	789,902
Other receivables	3,736
Due from other funds	39,216
Restricted state and federal aid receivable	198,601
Inventories	21,759
Capital assets (net)	13,825,197
	<hr/>
Total Assets	17,277,947

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount from debt refunding	6,346
Deferred amount related to pensions	6,078,315
	<hr/>
Total Deferred Outflows of Resources	6,084,661

LIABILITIES

Payables	
Accounts payable and other current liabilities	295,941
Bond interest payable	30,950
Due to teachers' retirement system	967,116
Due to employees' retirement system	75,781
Unearned Credits	
Unearned revenue	4,500
Overpayments and collections in advance	4,198
Long-Term Liabilities	
Due and Payable Within one Year	
Bonds and installment debt payable	1,215,062
Due and Payable After one Year	
Bonds and installment debt payable	7,909,587
Other postemployment benefits payable	1,745,709
Compensated absences payable	587,330
Net pension liability - proportionate share	1,221,686
	<hr/>
Total Liabilities	14,057,860

DEFERRED INFLOWS OF RESOURCES

Deferred amount related to pensions	312,529
	<hr/>
Total Deferred Inflows of Resources	312,529

NET POSITION

Net investment in capital assets	4,700,548
Restricted for debt service	375,782
Restricted for other purposes	1,605,441
Unrestricted	2,310,448
	<hr/>
Total Net Position	\$ 8,992,219

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General support	\$ 3,578,130	\$ -	\$ -	\$ 178,783	\$ (3,399,347)
Instruction	15,075,337	52,396	828,377	-	(14,194,564)
Pupil transportation	1,349,436	-	-	-	(1,349,436)
Community services	6,658	-	-	-	(6,658)
Debt service - interest	192,994	-	-	-	(192,994)
School lunch program	543,892	160,066	336,341	-	(47,485)
Total Governmental Activities	<u>\$ 20,746,447</u>	<u>\$ 212,462</u>	<u>\$ 1,164,718</u>	<u>\$ 178,783</u>	<u>(19,190,484)</u>

General Revenues:

Real property taxes	7,651,608
Other tax items	1,150,745
Use of money and property	5,422
Sale of property and compensation for loss	16,227
Miscellaneous	182,125
State sources	11,372,451
Federal sources	34,944

Total General Revenues 20,413,522

Changes in Net Position 1,223,038

Net Position at Beginning of Year 11,074,744

Prior Period Adjustment (3,305,563)

Net Position at Beginning of Year, as Restated 7,769,181

Net Position at End of Year \$ 8,992,219

CORINTH CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2017

ASSETS	General	Special Aid	Capital Projects	Non-Major Fund School Lunch	Total Governmental Funds
Cash and cash equivalents					
Unrestricted	\$ -	\$ 341,373	\$ 228,117	\$ 47,424	\$ 616,914
Restricted, special reserves	1,782,622	-	-	-	1,782,622
Receivables					
State and federal aid receivable	376,660	412,397	-	845	789,902
Other receivables	2,097	-	-	1,639	3,736
Due from other funds	2,201,683	5,146	-	-	2,206,829
Restricted state and federal aid receivable	198,601	-	-	-	198,601
Inventories	-	-	-	21,759	21,759
Total Assets	<u>\$ 4,561,663</u>	<u>\$ 758,916</u>	<u>\$ 228,117</u>	<u>\$ 71,667</u>	<u>\$ 5,620,363</u>
LIABILITIES					
Payables					
Accounts payable	\$ 264,231	\$ 29,318	\$ 1,300	\$ -	\$ 294,849
Accrued liabilities	1,092	-	-	-	1,092
Due to other funds	17,960	725,098	1,405,215	19,340	2,167,613
Due to teachers' retirement system	967,116	-	-	-	967,116
Due to employees' retirement system	75,781	-	-	-	75,781
Unearned Credits					
Unearned revenues	-	4,500	-	-	4,500
Overpayments and collections in advance	-	-	-	4,198	4,198
Total Liabilities	<u>1,326,180</u>	<u>758,916</u>	<u>1,406,515</u>	<u>23,538</u>	<u>3,515,149</u>
FUND BALANCES					
Nonspendable	-	-	-	21,759	21,759
Restricted	1,981,223	-	-	-	1,981,223
Assigned	425,231	-	-	26,370	451,601
Unassigned (deficit)	<u>829,029</u>	<u>-</u>	<u>(1,178,398)</u>	<u>-</u>	<u>(349,369)</u>
Total Fund Balances (Deficits)	<u>3,235,483</u>	<u>-</u>	<u>(1,178,398)</u>	<u>48,129</u>	<u>2,105,214</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 4,561,663</u>	<u>\$ 758,916</u>	<u>\$ 228,117</u>	<u>\$ 71,667</u>	<u>\$ 5,620,363</u>

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2017

ASSETS	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassification and Eliminations	Statement of Net Position Totals
Cash and cash equivalents				
Unrestricted	\$ 616,914	\$ -	\$ -	\$ 616,914
Restricted, special reserves	1,782,622	-	-	1,782,622
Receivables				
State and federal aid receivable	789,902	-	-	789,902
Other receivables	3,736	-	-	3,736
Due from other funds	2,206,829	-	(2,167,613)	39,216
Restricted state and federal aid receivable	198,601	-	-	198,601
Inventories	21,759	-	-	21,759
Capital assets (net)	-	13,825,197	-	13,825,197
Total Assets	5,620,363	13,825,197	(2,167,613)	17,277,947
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount from debt refunding	-	6,346	-	6,346
Deferred amount related to pensions	-	6,078,315	-	6,078,315
Total Deferred Outflows of Resources	-	6,084,661	-	6,084,661
Total Assets and Deferred Outflows of Resources	\$ 5,620,363	\$ 19,909,858	\$ (2,167,613)	\$ 23,362,608
LIABILITIES				
Payables				
Accounts payable and other current liabilities	\$ 294,849	\$ -	\$ 1,092	\$ 295,941
Accrued liabilities	1,092	-	(1,092)	-
Due to other funds	2,167,613	-	(2,167,613)	-
Due to teachers' retirement system	967,116	-	-	967,116
Due to employees' retirement system	75,781	-	-	75,781
Bonds interest payable	-	30,950	-	30,950
Unearned Credits				
Unearned revenues	4,500	-	-	4,500
Overpayments and collections in advance	4,198	-	-	4,198
Bonds and installment debt payable - due in one year	-	1,215,062	-	1,215,062
Bonds and installment debt payable - due after one year	-	7,909,587	-	7,909,587
Compensated absences payable	-	587,330	-	587,330
Other postemployment benefits payable	-	1,745,709	-	1,745,709
Net pension liability - proportionate share	-	1,221,686	-	1,221,686
Total Liabilities	3,515,149	12,710,324	(2,167,613)	14,057,860
DEFERRED INFLOWS OF RESOURCES				
Deferred amount related to pensions	-	312,529	-	312,529
Total Deferred Inflows of Resources	-	312,529	-	312,529
FUND BALANCES (DEFICITS)/NET POSITION				
Nonspendable	21,759	-	(21,759)	-
Restricted	1,981,223	-	(1,981,223)	-
Assigned	451,601	-	(451,601)	-
Unassigned deficit	(349,369)	-	349,369	-
Net investment in capital assets	-	-	4,700,548	4,700,548
Restricted for debt service	-	-	375,782	375,782
Restricted for other purposes	-	-	1,605,441	1,605,441
Unrestricted (deficit)	-	6,887,005	(4,576,557)	2,310,448
Total Fund Balances (Deficits)/Net Position	2,105,214	6,887,005	-	8,992,219
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)/Net Position	\$ 5,620,363	\$ 19,909,858	\$ (2,167,613)	\$ 23,362,608

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2017

REVENUES	General	Special Aid	Capital Projects	Non-Major Fund School Lunch	Total Governmental Funds
Real property taxes	\$ 7,651,608	\$ -	\$ -	\$ -	\$ 7,651,608
Other tax items	1,150,745	-	-	-	1,150,745
Charges for services	52,396	-	-	-	52,396
Use of money and property	5,384	-	-	38	5,422
Sale of property and compensation for gain	17,306	-	-	-	17,306
Miscellaneous	177,853	1,000	-	4,272	183,125
State sources	11,372,451	72,916	178,783	10,926	11,635,076
Federal sources	34,944	754,461	-	291,093	1,080,498
Surplus food	-	-	-	34,322	34,322
Sales - school lunch	-	-	-	160,066	160,066
Total Revenues	20,462,687	828,377	178,783	500,717	21,970,564
EXPENDITURES					
General support	2,467,531	-	-	-	2,467,531
Instruction	10,275,735	732,860	-	-	11,008,595
Pupil transportation	832,089	8,136	-	-	840,225
Community services	6,658	-	-	-	6,658
Employee benefits	4,509,637	112,540	-	81,216	4,703,393
Debt service - principal	1,093,268	-	-	-	1,093,268
Debt service - interest	228,820	-	-	-	228,820
Cost of sales	-	-	-	438,022	438,022
Capital outlay	-	-	4,492,937	-	4,492,937
Total Expenditures	19,413,738	853,536	4,492,937	519,238	25,279,449
Excess (Deficiency) of Revenues Over Expenditures	1,048,949	(25,159)	(4,314,154)	(18,521)	(3,308,885)
OTHER FINANCING SOURCES (USES)					
Proceeds from obligations	-	-	3,135,279	-	3,135,279
Operating transfers in	-	25,159	-	20,101	45,260
Operating transfers out	(45,260)	-	-	-	(45,260)
Total Other Financing Sources (Uses)	(45,260)	25,159	3,135,279	20,101	3,135,279
Change In Fund Balances	1,003,689	-	(1,178,875)	1,580	(173,606)
Fund Balances (Deficit) at Beginning of Year	2,214,340	-	477	46,549	2,261,366
Prior Period Adjustment	17,454	-	-	-	17,454
Fund Balances (Deficit) at Beginning of Year, As Restated	2,231,794	-	477	46,549	2,278,820
Fund Balances at End of Year	\$ 3,235,483	\$ -	\$ (1,178,398)	\$ 48,129	\$ 2,105,214

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

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

For the Year Ended June 30, 2017

REVENUES	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Related Items	Long-Term Debt Transactions	Reclassifications	Statement of Activities Totals
Real property taxes	\$ 7,651,608	\$ -	\$ -	\$ -	\$ -	\$ 7,651,608
Other tax items	1,150,745	-	-	-	-	1,150,745
Charges for services	52,396	-	-	-	160,066	212,462
Use of money and property	5,422	-	-	-	-	5,422
Sale of property and compensation for gain (loss)	17,306	-	(1,079)	-	-	16,227
Miscellaneous	183,125	-	-	-	(1,000)	182,125
State sources	11,635,076	-	-	-	(262,625)	11,372,451
Federal sources	1,080,498	-	-	-	(1,045,554)	34,944
Surplus food	34,322	-	-	-	(34,322)	-
Sales-school lunch	160,066	-	-	-	(160,066)	-
Operating grants and contributions	-	-	-	-	1,164,718	1,164,718
Capital grants and contributions	-	-	-	-	178,783	178,783
Total Revenues	21,970,564	-	(1,079)	-	-	21,969,485
EXPENDITURES						
General support	2,467,531	-	623,229	-	487,370	3,578,130
Instruction	11,008,595	-	35,722	-	4,031,020	15,075,337
Pupil transportation	840,225	-	253,466	-	255,745	1,349,436
Community services	6,658	-	-	-	-	6,658
Employee benefits	4,703,393	-	-	174,180	(4,877,573)	-
Debt service - principal	1,093,268	-	-	(1,093,268)	-	-
Debt service - interest	228,820	-	-	(35,826)	-	192,994
Cost of sales	438,022	-	2,432	-	103,438	543,892
Capital outlay	4,492,937	-	(4,492,937)	-	-	-
Total Expenditures	25,279,449	-	(3,578,088)	(954,914)	-	20,746,447
Excess (Deficiency) of Revenues Over Expenditures	(3,308,885)	-	3,577,009	954,914	-	1,223,038
OTHER FINANCING SOURCES (USES)						
Proceeds from obligations	3,135,279	-	-	(3,135,279)	-	-
Operating transfers in	45,260	(45,260)	-	-	-	-
Operating transfers out	(45,260)	45,260	-	-	-	-
Total Other Financing Sources (Uses)	3,135,279	-	-	(3,135,279)	-	-
Change in Fund Balances/Net Position	\$ (173,606)	\$ -	\$ 3,577,009	\$ (2,180,365)		\$ 1,223,038

See Independent Auditor's Report and Notes

Statement #7

CORINTH CENTRAL SCHOOL DISTRICT

Statement of Fiduciary Net Position

For the Year Ended June 30, 2017

ASSETS	Private Purpose Trusts	Agency Funds
Cash and cash equivalents	\$ -	\$ 105,426
Restricted cash and cash equivalents	162,647	36,298
Due from other funds	-	12,815
Total Assets	162,647	154,539
LIABILITIES		
Due to other funds	-	52,031
Extraclassroom activity balances	-	36,298
Other liabilities	-	66,210
Total Liabilities	-	154,539
NET POSITION		
Held in Trust for Scholarships	\$ 162,647	\$ -

Statement #8

CORINTH CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2017

	Private Purpose Trusts
Additions:	
Interest	\$ 163
Private donations	3,778
Total Additions	3,941
Deductions:	
Scholarships awarded	8,450
Change in Net Position	(4,509)
Net Position at Beginning of Year	167,156
Net Position at End of Year	\$ 162,647

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies

The accompanying financial statements of the Corinth Central School District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A. Reporting Entity

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

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

The accompanying financial statements present the activities of the District and its component units and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity:

1. The Extraclassroom Activity Funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found on pages 67 through 71. The District accounts for assets held as an agent for various student organizations in an agency fund.

B. Joint Venture

The Corinth Central School District is one of 31 component districts in name in the Washington-Saratoga-Warren-Hamilton-Essex Counties Board of Cooperative Education Services (BOCES). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section 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 Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

B. Joint Venture – Continued

permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the New York General Municipal Law.

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

During the year ended June 30, 2017, the District was billed \$1,475,387 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$595,811.

Financial statements for Washington-Saratoga-Warren-Hamilton-Essex County BOCES are available from the BOCES administrative office.

C. Basis of Presentation

1. District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and 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 revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements:

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

C. Basis of Presentation - Continued

2. Fund financial statements - continued

The District reports the following governmental funds:

General Fund: This is a 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 that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and Federal grants that are restricted for specific educational programs.

School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.

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

The following funds are major funds at June 30, 2017:

General fund
Special revenue-special aid fund
Capital projects funds

The only non-major fund at June 30, 2017 was the special revenue-school lunch fund.

The District reports the following fiduciary funds:

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

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

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

D. Measurement Focus and Basis of Accounting

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

D. Measurement Focus and Basis of Accounting - Continued

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 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.

E. Property Taxes

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

Uncollected real property taxes are subsequently enforced by Saratoga and Warren County. The counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

G. Inter-fund Transactions

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

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

G. Inter-fund Transactions – Continued

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund 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. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

H. Use of Estimates

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

I. Cash and Cash Equivalents

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

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

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

J. Accounts Receivable

The District considers accounts receivable to be fully collectible at June 30, 2017; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to bad debt expense when that determination is made.

K. Inventories

Inventories of food, surplus food, and paper products 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.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

L. Capital Assets

Upon the implementation of GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, capital assets were reported based on appraisals conducted by independent third-party professionals. Subsequent to that date, capital assets are recorded at actual cost. 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
Infrastructure, buildings and improvements	\$ 500	Straight line	20-50 years
Furniture and equipment	\$ 500	Straight line	5-20 years

M. 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. Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, deferred charge on refunding and pension related items. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Pension Obligations below for a description of the pension related deferral.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. 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 that time. The District has one item that qualifies for reporting in this category, a pension related item. See Pension Obligations below for a description of the pension related deferral.

N. Unearned Revenue

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

O. Vested Employee Benefits

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

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

O. Vested Employee Benefits - Continued

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

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

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

P. Other Benefits

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The cost of plans is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditures.

Q. Short-Term Debt

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of 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. There were no RANs or TANs outstanding at June 30, 2017.

The 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 there is an insufficient or no provision 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. There were no budget notes outstanding at June 30, 2017.

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. There were no BANs outstanding at June 30, 2017.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies – Continued

Q. Short-Term Debt – Continued

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued. There were no deficiency notes outstanding at June 30, 2017.

R. Accrued Liabilities and Long-Term Obligations

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

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

S. Equity Classifications

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

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

Restricted net position – reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted net position at June 30, 2017 includes amounts restricted for capital projects, debt, tax certiorari proceedings, unemployment insurance, insurance and employee benefits.

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

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

Nonspendable – 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 at June 30, 2017 includes the inventory recorded in the School Lunch Fund of \$21,759.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies – Continued

S. Equity Classifications – Continued

Fund Statements – Continued

Restricted – Includes amounts with constraints placed on the use of the 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 District has established the following restricted fund balances:

Capital

According to Education Law Section 3651, a reserve must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. 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 Section 3651 of the Education Law. This reserve is accounted for in the General Fund.

Debt Service

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

Employee Benefits and Accrued Liability

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

Insurance

According to General Municipal Law Section 6-n, a reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, 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. This reserve is accounted for in the General Fund.

Retirement Contributions

According to General Municipal Law Section 6-r, a reserve must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies – Continued

S. Equity Classifications – Continued

Restricted Fund Balance – Continued

Retirement Contributions - Continued

other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund.

Tax Certiorari

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

Unemployment Insurance

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

Restricted fund balance at June 30, 2017 includes the following:

General Fund:	
Capital	\$ 420,000
Debt Service	375,782
Employee Benefit Accrued Liability	125,000
Insurance	10,000
Retirement Contributions	100,000
Tax Certiorari	872,585
Unemployment Insurance	<u>77,856</u>
Total restricted funds	<u>\$ 1,981,223</u>

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District has no committed fund balances as of June 30, 2017.

Assigned – Includes amounts that are constrained by the District with 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.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

S. Equity Classifications – Continued

Assigned Fund Balance – Continued

Encumbrances reported in the General Fund at June 30, 2017 amounted to \$325,231. The General Fund also has \$100,000 designated for the ensuing year's budget in the assigned fund balance.

The remaining assigned fund balance pertains to \$26,370 of the School Lunch Fund balance.

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. At June 30, 2017, the unassigned fund balance represents the residual of the General Fund that is available for any purpose in the amount of \$829,029 and \$1,178,398 negative Capital Projects Fund balance for a net unassigned deficit of \$349,369.

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

The Board of Education of the School District has not adopted any resolutions to commit fund balance. The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance. Assignments of fund balance cannot cause a negative unassigned fund balance.

T. Stewardship, Compliance and Accountability

Any violations of finance related legal and contractual provisions are discussed in a separate "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*."

U. Adoption of New Accounting Pronouncements

During the year ended June 30, 2017, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosures related to taxes abated by the government or any related government and the programs that resulted in the tax abatements.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies - Continued

V. Future Impacts of Accounting Pronouncements

The School District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*; GASB Statement No. 83, *Certain Asset Retirement Obligations*; GASB Statement No. 84, *Fiduciary Activities*; GASB Statement No. 85, *Omnibus 2017*; GASB Statement No. 86, *Certain Debt Extinguishment Issues*; and GASB Statement No. 87, *Leases* effective after the year ended June 30, 2017. Therefore, the District is unable to disclose the impact that adopting these pronouncements will have on its financial position and results of operations.

II Explanation of Certain Differences between Fund Statements and District-wide Statements

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions.

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

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

1. Long-term revenue differences:

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

2. Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

II Explanation of Certain Differences between Fund Statements and District-wide Statements - Continued

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

3. Long-term debt transaction differences – continued

liabilities in the Statement of Net Position.

4. Pension differences:

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

III Stewardship, Compliance and Accountability

Budgets

The District's budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund. Appropriations are adopted at the program line item level.
- b. The proposed 2016-2017 appropriation budget for the General Fund was approved by the voters within the District.
- c. Appropriations established by 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 ended June 30, 2017.
- d. Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.
- e. Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.
- f. Currently, New York State law limits the amount local governments can increase property taxes each year to the lower of 2% of the prior year's tax levy or the rate of inflation, unless they officially override the tax levy limitation by a 60% vote.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

III Stewardship, Compliance and Accountability - Continued

Encumbrances

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

The Capital Projects Fund had a deficit fund balance of \$1,178,398 at June 30, 2017. This will be funded when the District obtains permanent financing for its current construction projects.

IV Cash, Cash Equivalents and Investments

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

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

Uncollateralized	\$	-
Collateralized with securities held by M&T Investment Group		3,160,520

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$1,782,622 within the governmental funds and \$198,945 in the fiduciary funds. The restricted cash in the fiduciary funds represents \$162,647 for the private purpose trust and \$36,298 for extraclassroom activity funds.

The District uses any restricted assets available for a specific purpose before using unrestricted assets.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

V Interfund Transactions

During the course of normal operations, Corinth Central School has numerous transactions between funds including expenditures and transfers of resources to provide services. These transactions are recorded as interfund revenues, interfund transfers and expenditures in respective funds.

The following schedule summarizes interfund balances by fund at June 30, 2017 arising from these transactions:

	Interfund Receivable	Interfund Payable	Interfund Transfers In	Interfund Transfers Out
General Fund	\$ 2,201,683	\$ 17,960	\$ -	\$ 45,260
School Lunch Fund	-	19,340	20,101	-
Special Aid Fund	5,146	725,098	25,159	-
Capital Projects Fund	-	1,405,215	-	-
Trust and Agency	12,815	52,031	-	-
Total	<u>\$ 2,219,644</u>	<u>\$ 2,219,644</u>	<u>\$ 45,260</u>	<u>\$ 45,260</u>

The General Fund temporarily advances monies to other funds in anticipation of state and federal funding reimbursements. The General Fund transfers monies to the special aid fund to cover costs of summer school.

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

VI Capital Assets

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

<u>Category</u>	<u>Beginning Balance 07/01/16</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance 06/30/17</u>
Governmental Activities:				
Land	\$ 502,394	\$ 265,000	\$ -	\$ 767,394
Construction in progress	-	617,067	-	617,067
Buildings and improvements	21,531,726	319,849	(286,634)	21,564,941
Furniture and equipment	5,455,175	281,178	(223,538)	5,512,815
Totals in historical cost	27,489,295	1,483,094	(510,172)	28,462,217
Less accumulated depreciation for:				
Buildings and improvements	9,828,449	627,941	(4,483)	10,451,907
Furniture and equipment	4,089,641	317,931	(222,459)	4,185,113
Total accumulated depreciation	13,918,090	945,872	(226,942)	14,637,020
Governmental activities capital assets, net	<u>\$13,571,205</u>	<u>\$ 537,222</u>	<u>\$ (283,230)</u>	<u>\$13,825,197</u>

Depreciation was charged to government funds as follows:

General support	\$ 649,192
Instruction	40,782
Transportation	253,466
School Lunch	2,432
Total	<u>\$ 945,872</u>

VII Short-term Debt

The District had no short-term debt for the year ended June 30, 2017.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

VIII Long-term Debt

The debt limit for a central school district is 10% of the full value on the most recent tax roll. At June 30, 2017, the total outstanding indebtedness represented only 11.54% of the total debt limit.

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

	Balance 07/01/16	Additions	Reductions	Balance 06/30/17	Due In One Year
Serial Bonds	\$ 6,854,604	\$ 250,154	\$ (1,048,642)	\$ 6,056,116	\$ 925,508
Bond Premium	262,588	-	(34,554)	228,034	34,554
Installment Debt	-	2,885,125	(44,626)	2,840,499	255,000
Compensated					
Absences	729,872	-	(142,542)	587,330	-
OPEB Payable	1,606,550	265,729	(126,570)	1,745,709	-
Pension Liability	1,113,609	1,481,723	(1,373,646)	1,221,686	-
Total	\$10,567,223	\$ 4,882,731	\$ (2,770,580)	\$12,679,374	\$ 1,215,062

The General Fund has typically been used to liquidate long-term liabilities.

Outstanding serial bond obligations and installment debt at June 30, 2017 are summarized below:

Purpose	Date of Issue	Date of Maturity	Rate of Interest	Amount Outstanding
Serial Bonds:				
Oak Street				
Renovation	2003	2018	3.00-3.25%	\$ 180,000
Building Project	2008	2023	3.38-4.25%	840,000
Advanced Refunding	2012	2024	3.00-5.00%	1,445,000
Buses	2012	2017	3.30%	42,584
Buses	2015	2020	1.85%	489,226
Construction Project	2015	2030	2.00-2.88%	2,809,152
Buses	2016	2021	2.11%	250,154
Total Serial Bonds				6,056,116
Installment Loan:				
NYS Power Authority	2017	2032	1.00%	2,840,499
Totals				\$ 8,896,615

Interest expense on long-term debt for the year ended June 30, 2017 totaled \$192,994.

Interest of \$23,042 related to the District's energy performance capital project was capitalized during the year ended June 30, 2017, and is included in construction in progress in capital assets.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

VIII Long-term Debt – Continued

The following is a summary of maturing debt service requirements for general obligation bonds and installment debt for the next five years and thereafter until maturity:

Years ending June 30,	Principal	Interest	Total
2018	\$ 1,180,508	\$ 231,331	\$ 1,411,839
2019	900,109	188,722	1,088,831
2020	877,088	164,343	1,041,431
2021	831,298	139,159	970,457
2022	807,762	115,906	923,668
2023 – 2027	2,687,333	290,244	2,977,577
2028 – 2032	1,612,517	60,873	1,673,390
Total	\$ 8,896,615	\$ 1,190,578	\$ 10,087,193

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

IX Pension Obligations

General Information

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

Provisions and Administration

Teachers' Retirement System (TRS)

The System is governed by a 10 member Board of Trustees. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to the NYSTRS, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial Report which can be found on the System's website at www.nystrs.org.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

Provisions and Administration - Continued

Employees' Retirement System (ERS)

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

Funding Policies:

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. The District paid 100 percent of the required contributions as billed by the TRS and ERS for the current year and the preceding two years. The District chose to prepay its ERS required contribution by December 15, 2016, and received an overall discount of \$2,550.

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

<u>Years</u>	<u>ERS</u>	<u>TRS</u>
2017	\$ 375,110	\$ 964,598
2016	410,779	1,089,952
2015	309,012	1,454,375

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

At June 30, 2017, the District reported the following asset (liability) for its proportionate share of the net pension asset(liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2017 for ERS and June 30, 2016 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

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

members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	March 31, 2017	June 30, 2016
Net Pension asset/(liability)	\$ (659,829)	\$ (561,857)
District's portion of the Plan's total net Pension asset/(liability)	.0070223%	.052459%

For the year ended June 30, 2017, the District's recognized pension expense was \$404,771 for ERS and \$989,362 for TRS. At June 30, 2017, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 16,535	\$ -	\$ 100,199	\$ 182,522
Changes of assumptions	225,422	3,200,694	-	-
Net difference between projected and actual earnings on pension plan investments	131,795	1,263,349	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	81,333	106,396	-	29,808
Employer contributions subsequent to the measurement date	75,781	977,010	-	-
Total	<u>\$ 530,866</u>	<u>\$5,547,449</u>	<u>\$ 100,199</u>	<u>\$ 212,330</u>

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

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

District contribution of \$75,781 for ERS and \$977,010 for TRS 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 by the pension plans as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the District's pension expense as follows:

	ERS	TRS
Years ended:		
2018	\$ 151,128	\$ 403,861
2019	151,128	403,861
2020	135,961	1,385,013
2021	(83,331)	1,079,748
2022	-	502,283
Thereafter	-	583,343
Total	<u>\$ 354,886</u>	<u>\$ 4,358,109</u>

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2017	June 30, 2017
Actuarial valuation date	April 1, 2016	June 30, 2016
Interest rate	7.0%	7.5%
Salary scale	3.8%	1.90%-4.72%
Decrement tables	April 1, 2010 – March 31, 2015 System's experience	July 1, 2009 – June 30, 2014 System's experience
Inflation rate	2.5%	2.5%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustment for mortality improvements based on Society of Actuaries' Scale MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2014.

For ERS, the actuarial assumptions used in the April 1, 2016, valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

Actuarial Assumptions - Continued

	<u>ERS</u>	<u>TRS</u>
Measurement date	<u>March 31, 2017</u>	<u>June 30, 2016</u>
<u>Asset Type</u>		
Domestic equity	4.55%	6.10%
International equity	6.35	7.30
Private equity	7.75	9.20
Real estate	5.80	5.40
Domestic fixed income securities	0.00	1.00
Global fixed income securities	0.00	0.80
Bonds and mortgages	1.31	3.10
Absolute return strategies	4.00	0.00
Short-term fixed income	0.00	0.10
Opportunistic portfolio	5.89	0.00
Real assets	5.54	0.00
Cash	(0.25)	0.00
Inflation-indexed bonds	1.50	0.00

** The latest available estimate of the rate of return for TRS is June 30, 2016.

Discount Rate

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

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% for ERS and 7.50% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0% for ERS and 6.5% for TRS) or 1 percentage point higher (8.0% for ERS and 8.5% for TRS) than the current rate:

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension asset (liability)	\$2,107,362	\$ 659,829	\$ (564,058)
TRS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension asset (liability)	\$7,330,697	\$ 561,857	\$ (5,115,492)

Pension Plan Fiduciary Net Position

The components of the collective current year net position asset(liability) of the employers as of the respective valuation dates, obtained from plan reports, were as follows:

	ERS (in thousands)	TRS (in thousands)	Total (in thousands)
Valuation date	March 31, 2017	June 30, 2016	
Employers' total pension asset/(liability)	\$ (177,400,586)	\$ (108,577,184)	\$ (285,977,770)
Plan net position	(168,004,363)	(107,506,142)	(275,510,505)
Employers' net pension asset/(liability)	<u>\$ (9,396,223)</u>	<u>\$ (1,071,042)</u>	<u>\$ (10,467,265)</u>
Ratio of plan net position to the employers' total pension asset(liability)	94.70%	99.01%	96.34%

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

IX Pension Obligations – Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2017, represent the projected employer contribution for the period of April 1, 2017 through June 30, 2017, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2017, amounted to \$75,781.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2017, are paid to the System in September, October and November, 2017 through a state aid intercept. Accrued retirement contributions as of June 30, 2017, represent employee and employer contributions for the fiscal year ended June 30, 2017, based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2017, amounted to \$977,010 for the District's contribution and \$35,817 for the employees' contribution.

X Other Postemployment Benefits

The District provides postemployment (health insurance, life insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

The District implemented the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2009. This required the District to calculate and record a net other postemployment benefit obligation at year end. The net other postemployment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made. The District recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows. Recognition of the liability accumulated from prior years is recognized in a thirty-year amortization schedule, which commenced with the 2009 liability.

Plan Description

The Corinth Central School District (the "District") administers the Corinth Central School District Retiree Medical Plan (the "Plan") as a single-employer defined benefit Other Postemployment Benefit Plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Throughout the 2016-2017 fiscal year, 49 retired employees have elected to use accumulated sick pay to finance health insurance payments under the District's group plan. This plan pays for 80% of

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

X Other Postemployment Benefits – Continued

Plan Description – Continued

the cost of premiums for teachers as established as of the last day of employment, and any increases in rate after such date will be borne by the employee. When the accumulated sick pay amount is exhausted, the insurance payments become the responsibility of the retiree.

Funding Policy

The obligation of the plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2017, the District recognized \$325,257 for its share of insurance premiums for currently enrolled retirees. The costs of administering the Plan are paid by the District.

The District has obtained an actuarial valuation report as of July 1, 2016 which indicates that the total liability for other post-employment benefits is \$1,745,709, which is reflected in the Statement of Net Position as a non-current liability due in more than one year in the governmental activities column.

The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual Required Contribution (ARC)	\$ 300,423
Interest on net OPEB obligation	61,852
Adjustment to ARC	<u>(96,546)</u>
Annual OPEB cost (expense)	265,729
Contributions made	<u>(126,570)</u>
Increase in net OPEB obligation	139,159
Net OPEB obligation – beginning of year	<u>1,606,550</u>
Net OPEB obligation – end of year	<u>\$ 1,745,709</u>

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

X Other Postemployment Benefits – Continued

Funding Policy – Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 284,839	34.82%	\$ 1,402,078
6/30/2016	\$ 313,555	34.79%	\$ 1,606,550
6/30/2017	\$ 265,729	47.63%	\$ 1,745,709

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,106,405, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,106,405. The ratio of the UAAL to the covered payroll was 29%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Most included coverages are "community-rated" and annual premiums for community-rated coverages were used as a proxy for claims without age adjustment. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2016, the most recent interim actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 2.85% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 8.00% initially, reduced by decrements to an ultimate rate of 5.50% after 5 years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments of a 30 year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2017, was 22 years.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

XI Risk Management

General Information

The Corinth Central 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.

Risk Retention

The Corinth Central School District incurs costs related to a self-funded Workers' Compensation Insurance Plan which is accounted for in the General Fund and is coordinated by the Washington-Saratoga-Warren-Hamilton-Essex County BOCES. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members pursuant to Section 12 of the Municipal Cooperation Agreement to provide Workers' Compensation Benefits. Plan members include 30 districts, with the Corinth Central School District bearing a 3.41% share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on the insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risk reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expenses in periods in which they are made. During the year ended June 30, 2017, the Corinth Central School District incurred premiums or contribution expenditures totaling \$135,806.

The District has chosen to establish a self-insured plan for risks associated with unemployment insurance which is accounted for in the District's General Fund and includes provisions for unexpected and unusual claims. Unemployment costs for the year ended June 30, 2017 amounted to \$17.

XII Commitments and Contingencies

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

The District is an intervening party in four Real Property Tax Law Article 7 tax certiorari proceedings seeking to reduce the 2017 final assessment on the petitioners' property. Due to the uncertainty of outcomes of pending proceedings, an estimate of any potential financial effects cannot be made.

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

For the Year Ended June 30, 2017

XIII Tax Abatements

The District negotiates property tax abatement agreements on an individual basis. The District has a tax abatement agreement with one entity as of June 30, 2017, whereby the entity makes payments in lieu of taxes in the amount of \$26,343. This amount represents 100% of taxes abated. The agreement related to the Town of Corinth's housing development program and expires in 2034. Pursuant to New York Private Housing Finance Law, Section 577, the local legislative body of a municipality may exempt the real property of a housing project of a housing development fund company from local and municipal taxes, including school taxes, other than assessments for local improvements, to the extent of all or part of the value of the property.

The District has chosen to disclose its tax abatement agreements by purpose and has disclosed 100% of all agreements.

XIV Prior Period Adjustment

The prior period adjustment of \$(3,305,563), represents the following:

\$(3,323,017) in the District-wide statements represents the estimated cost of capital assets in prior years that were added without establishing a capital project. The capital project was established in the year ended June 30, 2017, when a repayment agreement was entered into, thereby recording the cost twice.

\$17,454 in the General Fund statement represents revenue that should have been recorded in a prior year.

XV Subsequent Events

The District has evaluated all events through October 5, 2017, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.

CORINTH CENTRAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

<u>Federal Grantor/Passthrough Organization and Program Title</u>	<u>CFDA Number*</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
Passed-through NYS Department of Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	0032-17-0812	\$ 323,844
Special Education - Preschool Grants	84.173	0033-17-0812	<u>12,265</u>
Total Special Education Cluster (IDEA):			336,109
Title I Grants to Local Educational Agencies-Basic Grant	84.010	0021-16-2680	15,510
Title I Grants to Local Educational Agencies-Basic Grant	84.010	0021-17-2680	327,282
Title I Grants to Local Educational Agencies-School Improvement	84.010	0011-17-2517	13,707
Improving Teacher Quality State Grants	84.367	0147-16-2680	12,911
Improving Teacher Quality State Grants	84.367	0147-17-2680	<u>48,941</u>
Total U.S. Department of Education			<u>754,460</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through NYS Department of Health:			
Medical Assistance Program	93.778	N/A	<u>34,944</u>
Total U.S. Department of Health and Human Services			<u>34,944</u>
<u>U.S. Department of Agriculture</u>			
Passed-through NYS Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (food distribution):			
National school lunch program	10.555	N/A	34,322
Cash Assistance:			
National school lunch program	10.555	N/A	215,679
School breakfast program	10.553	N/A	<u>75,414</u>
Total Child Nutrition Cluster			<u>325,415</u>
Total U.S. Department of Agriculture			<u>325,415</u>
Total Federal Awards Expended			<u>\$ 1,114,819</u>

*From catalog of federal domestic assistance

CORINTH CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2017

General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Corinth Central School District for the year ended June 30, 2017. The District's reporting entity is defined in the notes to the District's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, are included on the schedule. 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 Corinth Central School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of Corinth Central School District.

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in the notes to the District's financial statements. The non-federal share of expenditures, if any, is excluded from the schedule. The expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rates

The District has elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Sub-Recipients

Corinth Central School District did not provide federal awards to sub-recipients during the year ended June 30, 2017.

CORINTH CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Funding Progress for Other Postemployment Benefits

For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
July 01, 2016	\$ -	\$ 3,106,405	\$ 3,106,405	0%	\$ 10,702,243	29%
July 01, 2015	-	3,137,488	3,137,488	0%	10,536,511	30%
July 01, 2014	-	2,690,085	2,690,085	0%	10,632,602	25%

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund

For the Year Ended June 30, 2017

REVENUES	Budget (Original)	Budget (Final)	Actual	Final Budget Variance With Budgetary Actual Fav. (Unf.)
Local Sources				
Real property taxes	\$ 7,287,600	\$ 7,287,600	\$ 7,651,608	\$ 364,008
Other tax items	1,664,000	1,664,000	1,150,745	(513,255)
Charges for services	42,000	42,000	52,396	10,396
Use of money and property	7,000	7,000	5,384	(1,616)
Sale of property and compensation for gain	2,500	2,500	17,306	14,806
Miscellaneous	149,000	149,000	177,853	28,853
Total Local Sources	<u>9,152,100</u>	<u>9,152,100</u>	<u>9,055,292</u>	<u>(96,808)</u>
State sources	12,182,645	12,182,645	11,372,451	(810,194)
Federal sources	<u>50,000</u>	<u>50,000</u>	<u>34,944</u>	<u>(15,056)</u>
Total Revenues	<u>21,384,745</u>	<u>21,384,745</u>	<u>20,462,687</u>	<u>(922,058)</u>
OTHER FINANCING SOURCES				
Proceeds from obligations	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>(265,000)</u>
Total Other Financing Sources	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>(265,000)</u>
Total Revenues and Other Sources	<u>21,649,745</u>	<u>21,649,745</u>	<u>\$ 20,462,687</u>	<u>\$ (1,187,058)</u>
APPROPRIATED FUND BALANCE				
Prior year's encumbrances	<u>-</u>	<u>367,311</u>		
Total Appropriated Fund Balance	<u>-</u>	<u>367,311</u>		
Total Revenues, Other Sources and Appropriated Fund Balance	<u>\$ 21,649,745</u>	<u>\$ 22,017,056</u>		

Notes to Required Supplementary Information

Budget Basis of Accounting:

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

CORINTH CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund

For the Year Ended June 30, 2017

EXPENDITURES	Budget (Original)	Budget (Final)	Actual	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances Fav. (Unf.)
General support					
Board of education	\$ 20,430	\$ 23,730	\$ 17,560	\$ -	\$ 6,170
Central administration	480,210	487,305	456,204	1,846	29,255
Legal, personnel, public information	99,150	155,720	140,766	-	14,954
Other central services and special items	523,900	507,390	490,042	-	17,348
Maintenance and operation of plant	1,536,330	1,607,867	1,362,959	37,026	207,882
Total General Support	2,660,020	2,782,012	2,467,531	38,872	275,609
Instruction					
Curriculum development and supervision	766,910	753,130	649,369	-	103,761
Teaching - regular school	6,339,830	6,502,228	6,119,689	725	381,814
Programs for children with handicaps	2,084,890	2,255,751	1,735,121	-	520,630
Occupational education	446,060	446,060	409,892	-	36,168
Teaching-special school	27,000	18,300	4,007	-	14,293
Instructional media	764,108	729,548	496,564	3,206	229,778
Pupil services	919,616	942,775	861,093	-	81,682
Total Instruction	11,348,414	11,647,792	10,275,735	3,931	1,368,126
Pupil transportation	941,570	1,263,808	832,089	279,409	152,310
Community services	11,500	11,692	6,658	-	5,034
Employee benefits	5,192,920	4,816,631	4,509,637	3,019	303,975
Debt service - principal	1,208,642	1,208,642	1,093,268	-	115,374
Debt service - interest	271,679	266,578	228,820	-	37,758
Total Expenditures	21,634,745	21,997,155	19,413,738	325,231	2,258,186
OTHER FINANCING USES					
Operating transfers out	15,000	20,101	45,260	-	(25,159)
Total Other Financing Uses	15,000	20,101	45,260	-	(25,159)
Total Expenditures and Other Financing Uses	21,649,745	22,017,256	19,458,998	\$ 325,231	\$ 2,233,027
Net Change in Fund Balance	-	(367,511)	1,003,689		
Fund Balance at Beginning of Year	2,214,340	2,214,340	2,214,340		
Prior Period Adjustment	-	-	17,454		
Fund Balance at Beginning of Year, As Restated	2,214,340	2,214,340	2,231,794		
Fund Balance at End of Year	\$ 2,214,340	\$ 1,846,829	\$ 3,235,483		

See Independent Auditor's Report and Notes

Supplemental Schedule #3

CORINTH CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of District Pension Contributions

For the Year Ended June 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
NYSERS Pension Plan*			
Contractually required contribution	\$ 300,258	\$ 375,110	\$ 323,122
Contributions in relation to the contractually required contribution	<u>(300,258)</u>	<u>(375,110)</u>	<u>(323,122)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,016,778	\$ 1,975,797	\$ 2,001,925
Contributions as a percentage of covered-employee payroll	14.89%	18.99%	16.14%

*Contributions and covered payroll reflect amounts as of the March 31 year-end of NYSERS pension plan.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
NYSTRS Pension Plan			
Contractually required contribution	\$ 1,073,388	\$ 1,429,107	\$ 1,278,413
Contributions in relation to the contractually required contribution	<u>(1,073,388)</u>	<u>(1,429,107)</u>	<u>(1,278,413)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 8,094,932	\$ 8,296,493	\$ 8,018,971
Contributions as a percentage of covered-employee payroll	13.26%	17.23%	15.94%

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

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability

For the Year Ended June 30, 2017

	2017	2016	2015
ERS			
District's porportion of the net pension liability(asset)	0.0070%	0.0069%	0.0063%
District's proportionate share of the net pension liability(asset)	\$ 659,829	\$ 1,113,609	\$ 212,851
District's covered employee payroll	\$ 2,016,778	\$ 1,975,797	\$ 2,001,925
District's proprtionate share of the net pension liability(asset) as a percentage of its covered-employee payroll	32.72%	56.36%	10.63%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.68%	97.90%

The amounts presented were determined as of March 31, 2017 March 31, 2016 March 31, 2015

TRS			
District's porportion of the net pension liability(asset)	0.0525%	0.0543%	0.0533%
District's proportionate share of the net pension liability(asset)	\$ 561,857	\$ (5,637,104)	\$ (5,932,701)
District's covered employee payroll	\$ 8,094,932	\$ 8,296,493	\$ 8,018,971
District's proprtionate share of the net pension liability(asset) as a percentage of its covered-employee payroll	6.94%	67.95%	73.98%
Plan fiduciary net position as a percentage of the total pension liability	99.01%	110.46%	111.48%

The amounts presented were determined as of June 30, 2016 June 30, 2015 June 30, 2014

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

CORINTH CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Change From Adopted Budget to Final Budget
and the Real Property Tax Limit

For the Year Ended June 30, 2017

Change From Adopted Budget to Final Budget

Adopted budget	\$ 21,649,745
Additions:	
Encumbrances from prior year	<u>367,311</u>
Final Budget	<u><u>\$ 22,017,056</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2017-18 (voter-approved) expenditure budget	<u><u>\$ 21,100,460</u></u>
Maximum allowed (4% of 2017-18 budget)	<u><u>\$ 844,018</u></u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	\$ 425,231
Unassigned fund balance	829,029
Total unrestricted fund balance	<u>1,254,260</u>

Less:

Appropriated fund balance	(100,000)
Encumbrances included in committed and assigned fund balance	<u>(325,231)</u>
Total adjustments	<u>(425,231)</u>

General Fund Fund Balance Subject to Section 1318 Real Property Tax Law	<u><u>\$ 829,029</u></u>
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Actual percentage	3.9%
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* 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.

CORINTH CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Project Expenditures
Capital Projects Fund

For the Year Ended June 30, 2017

Project Title	Expenditures					Unexpended (Overexpended) Balance	Methods of Financing				Fund Balance June 30, 2017
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Storage Buildings, Concession Stand, additions, and reconstruction	\$ 3,575,000	\$ 3,575,000	\$ 4,072,732	\$ -	\$ 4,072,732	\$ (497,732)	\$ 3,961,895	\$ 46,979	\$ 64,197	\$ 4,073,071	\$ 339
Buses 2011-12: Proj B12	240,685	240,685	240,685	-	240,685	-	240,823	-	-	240,823	138
Buses 2016-17: Proj B17	257,299	250,154	-	250,154	250,154	-	250,154	-	-	250,154	-
Bus Garage Project	8,570,810	8,570,810	-	811,196	811,196	7,759,614	-	-	-	-	(811,196)
Middle/High School	1,123,780	1,123,780	-	204,170	204,170	919,610	-	-	-	-	(204,170)
Elementary School	980,620	980,620	-	76,747	76,747	903,873	-	-	-	-	(76,747)
Elementary School/HVAC	370,574	370,574	-	60,147	60,147	310,427	-	-	-	-	(60,147)
Smart Schools Bond Act	-	-	-	26,615	26,615	(26,615)	-	-	-	-	(26,615)
Energy Performance Contract	3,063,908	3,063,908	-	3,063,908	3,063,908	-	2,885,125	178,783	-	3,063,908	-
Total	\$ 18,182,676	\$ 18,175,531	\$ 4,313,417	\$ 4,492,937	\$ 8,806,354	\$ 9,369,177	\$ 7,337,997	\$ 225,762	\$ 64,197	\$ 7,627,956	\$ (1,178,398)

See Independent Auditor's Report and Notes

Supplemental Schedule #7

CORINTH CENTRAL SCHOOL DISTRICT

Supplementary Information
Net Investment in Capital Assets

For the Year Ended June 30, 2017

Capital Assets, Net		\$ 13,825,197
Deduct:		
Bond anticipation notes	-	
Short-term portion of bonds payable and installment debt	1,215,062	
Long-term portion of bonds payable and installment debt	<u>7,909,587</u>	
		<u>9,124,649</u>
Net Investment in Capital Assets		<u>\$ 4,700,548</u>

See Independent Auditor's Report and Notes

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

To The Board of Education
Corinth Central School District
Corinth, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Corinth Central School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 5, 2017.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corinth Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

October 5, 2017

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

To The Board of Education
Corinth Central School District
Corinth, New York

Report on Compliance for Each Major Federal Program

We have audited Corinth Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Corinth Central School District's major federal programs for the year ended June 30, 2017. Corinth Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Corinth 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, 2017.

Report on Internal Control over Compliance

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

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

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

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

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

October 5, 2017

CORINTH CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2017

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported
- Non-compliance material to financial statements noted? _____ Yes X No
- Instances of non-compliance not material to the financial statements _____ Yes X No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported

Types of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

Name of Federal Program or Cluster

CFDA Number

Other Programs:

Title I Grants to Local Educational Agencies

84.010

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

X Yes _____ No

CORINTH CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2017

Section II - Financial Statement Findings

None for the year ended June 30, 2017.

CORINTH CENTRAL SCHOOL DISTRICT

Schedule of Prior Year Findings and Questioned Costs

From 2016 Report

Section II - Financial Statement Findings

<u>Number</u>	<u>Finding/Non Compliance</u>	<u>Questioned Cost</u>
2016-001	Surplus fund balance of more than 4% in the amount of \$72,316 <u>Status:</u> The June 30, 2017, General Fund balance is under 4% of the 2017-2018 budget.	N/A

**INDEPENDENT AUDITOR'S REPORT
EXTRACLASSROOM ACTIVITY FUND**

To The Board of Education
Corinth Central School District
Corinth, New York

We have audited the accompanying statement of assets, liabilities and net position – cash basis of the Extraclassroom Activity Fund of Corinth Central School District as of June 30, 2017, and the related statement of cash receipts and disbursements – cash basis for the year then ended, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in the notes; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net position – cash basis of the Extraclassroom Activity Fund of Corinth Central School District as of June 30, 2017, and its statement of cash receipts and disbursements – cash basis for the year then ended, in accordance with the basis of accounting as described in the financial statement note.

Basis of Accounting

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

Whittemore, Downen & Ricciardelli, LLP

Whittemore, Downen & Ricciardelli, LLP
Queensbury, New York

October 5, 2017

CORINTH CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Fund

Statement of Assets, Liabilities and Net Position (Cash Basis)

June 30, 2017

ASSETS

Cash	\$ 36,298
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LIABILITIES AND NET POSITION

Net Position Held in Trust For Extraclassroom Activity Fund	\$ 36,298
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See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Fund

Statement of Cash Receipts and Disbursements

Year Ended June 30, 2017

<u>Activities</u>	Balance 7/1/2016	Receipts	Disbursements	Balance 6/30/2017
Class of 2016	\$ 726	\$ 98	\$ 824	\$ -
Class of 2017	10,165	23,625	33,790	-
Class of 2018	1,153	14,115	10,031	5,237
Class of 2019	2,214	5,267	3,775	3,706
Class of 2020	-	4,105	1,735	2,370
HS Drama Club	3,229	1,800	1,822	3,207
MS Drama Club	3,056	5,237	4,451	3,842
MS Student Council	727	31	-	758
Elem Student Council	729	1,142	1,079	792
Elem Yearbook Club	739	3,038	2,736	1,041
FCCLA	498	277	266	509
Foreign Language	5,523	2,988	3,286	5,225
Jr. Honor Society	663	1,459	1,098	1,024
Sr. Honor Society	837	31	100	768
HS Library Club	407	300	514	193
MS Library Club	234	855	855	234
Math Club	540	500	45	995
National Science HS	113	-	-	113
SADD	1,605	494	334	1,765
Sales Tax	352	819	1,062	109
Student Senate	116	274	-	390
Varsity Club	1,245	2,940	3,214	971
Yearbook Club	4,027	10,566	11,544	3,049
Total	<u>\$ 38,898</u>	<u>\$ 79,961</u>	<u>\$ 82,561</u>	<u>\$ 36,298</u>

See Independent Auditor's Report and Notes

CORINTH CENTRAL SCHOOL DISTRICT

Note to Financial Statements

For the Year Ended June 30, 2017

I Summary of Significant Accounting Policies

The transactions of the Extraclassroom Activity Fund are not considered part of the reporting entity of Corinth Central School District. As such, these transactions are not included in the combined financial statements of the District. However, the assets and net position are included in the Statement of Fiduciary Net Position.

The books and records of the Extraclassroom Activity Fund of Corinth Central School District are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized in accordance with accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statements.