PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds and Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and 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). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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

$12,812,000

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

RENSSELAER AND WASHINGTON COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$312,000 School District (Serial) Bonds, 2021

(the "Bonds")

Dated: August 15, 2021 **Due: August 15, 2022-2026**

MATURITIES

Year		Amount	Rate	Yield	CSP
2022	$	62,000	%	%	
2023		60,000			
2024		60,000			
2025		65,000			
2026		65,000			

&

$12,500,000 Bond Anticipation Notes, 2021

(the "Notes")

Dated: August 5, 2021 **Due: August 5, 2022**

The Bonds and Notes are general obligations of the Hoosick Falls Central School District, Rensselaer and Washington Counties, New York (the "School District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and 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 Bonds will be issued as registered bonds registered in the name of the purchaser, or, at the option of the purchaser, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $7,000. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on August 15 and February 15 in each year until maturity commencing August 15, 2022. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of $5,000 or any integral multiple thereof, and the District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

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

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Bonds and 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 Bonds and Notes of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about August 15, 2021 and that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about August 5, 2021

ELECTRONIC BIDS for the Bonds and Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on July 26, 2021 by no later than 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

July 21, 2021

THE SCHOOL 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 SCHOOL 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.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

JOSEPH PATIRE
President

RACHEL BOISVERT
Vice President

ANDREW BEATY
JOHN HELFT
JACKOLYN HOUGHTON
BRIDGET FOSTER
EMILY MARPE

*   *   *   *   *

PATRICK DAILEY
Superintendent of Schools

EMILY SANDERS
School Business Administrator

GABRIELLE PRUSO
District Treasurer

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisors

No person has been authorized by the Hoosick Falls 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 Hoosick Falls Central School District.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

RENSSELAER AND WASHINGTON COUNTIES, NEW YORK

Relating To

$312,000 School District (Serial) Bonds, 2021
&
$12,500,000 Bond Anticipation Notes, 2021

This Official Statement, which includes the cover page, has been prepared by the Hoosick Falls Central School District, Rensselaer and Washington Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $312,000 School District (Serial) Bonds, 2021 (the 'Bonds") and $12,500,000 principal amount of Bond Anticipation Notes, 2021 (the "Notes").

The factors affecting the District's financial condition and the Bonds and 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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "STATE AID" and "MARKET AND RISK FACTORS - COVID-19" herein.

NATURE OF THE OBLIGATION

Each Bond and 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 Bonds and 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 Bonds and 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 INFORMATION - Tax Levy Limitation Law" herein.

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

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

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

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

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

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

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

THE BONDS

Description of the Bonds

The Bonds 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 Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated August 15, 2021 and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption" hereunder. The "Record Date" of the Bonds will be the fifteenth business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of DTC, which, if so selected by the purchaser, will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. If the Bonds are issued in book-entry form, purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, principal and interest will be payable at the School District. The Bonds may not be converted into coupon bonds or be registered to bearer.

Interest on the Bonds will be payable semi-annually on August 15 and February 15 in each year until maturity commencing August 15, 2022.

Purpose of Issue - Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the School District dated May 18, 2021 authorizing the issuance of $312,000 bonds for the purchase of buses.

THE NOTES

Description of the Notes

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

The Notes will be dated August 5, 2021 and will mature August 5, 2022. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Purpose of Issue

The Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on March 21, 2019, authorizing the issuance of $22,045,820 bonds for the construction and reconstruction of improvements to various District facilities. The above mentioned bond resolution authorizes the issuance of serial bonds to pay the cost of 2 projects approved by the qualified voters on March 13, 2019. Proposition 1 authorized the District to construct various health, safety and welfare improvements to the school building at a maximum estimated cost of $16,758,941. Proposition 2 authorized the district to construct instructional related improvements to the school building at a maximum estimated cost of $5,286,879.

On September 10, 2020, the District issued $2,500,000 as the first borrowing for the abovementioned capital project. The proceeds of the Notes will renew in full the $2,500,000 bond anticipation notes maturing September 10, 2021 as well as provide $10,000,000 in new money for the abovementioned capital project. $9,000,000 of the $10,000,000 will be used for proposition 1 of the capital project and $1,000,000 of the $10,000,000 in new money will be used for Proposition 2 of the capital project.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds and Notes, if so requested. The Bonds and Noteswill 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 bond certificate will be issued for each maturity of the Bonds. 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 3.6 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 Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 Bonds and 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 Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and 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 the Bonds and 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 Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds and 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 in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond 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 BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS AND NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued or the purchaser elects to have the Bonds issued in Certificated form, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof, except for one necessary odd denomination which is or includes $7,000, for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on January 15 and July 15 in each year until maturity commencing January 15, 2022. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth business day of the calendar month preceding an interest payment date and such interest payment date.

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The School District was created in 1957 and encompasses approximately 92.8 square miles primarily located in the northeastern portion of Rensselaer County (approximately 94% of the District) with a small portion situated in the southern edge of Washington County. The School District provides educational services to families in the Towns of Hoosick, Grafton, Pittstown, Petersburgh and White Creek and the Village of Hoosick Falls.

The character of the School District is predominantly rural and agricultural. Commercial and professional services are primarily located in the Village of Hoosick Falls. Many services are also available in the Cities of Troy and Bennington, Vermont which are in close proximity to the School District.

The School District is served by all major forms of transportation. Highway facilities include State highways 7, 22 and 67. Interstate highways are in close proximity to the School District. Commercial air transportation is available at Albany Airport which is approximately 40 miles from the School District.

National Grid and Verizon are the primary providers of basic utilities to residents of the School District. Water and sewer systems are a mix of municipal districts, private wells and private septic systems.

Source: School District officials

District Population

The current estimated population of the District is 7,989. (Source: 2019 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	1990	2006-10	2015-2019	1990	2006-10	2015-2019
Towns of:						
Grafton	$ 14,753	$ 21,312	$ 34,474	$ 40,855	$ 53,810	$ 94,625
Hoosick	11,562	20,614	29,751	30,603	46,442	72,944
Petersburgh	N/A	21,249	33,955	N/A	49,125	76,250
Pittstown	12,831	18,578	36,610	36,469	52,194	84,306
White Creek	11,576	16,439	31,398	31,305	40,402	66,106
Counties of:						
Rensselaer	14,031	21,095	35,903	38,899	52,864	87,508
Washington	12,221	17,958	28,530	32,473	43,500	68,813
State of:						
New York	16,501	23,389	39,326	39,741	51,691	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Five Larger Employers

The larger employers located within the area in and around the District include:

Name	Type
National Grid	Utility
Saint Gobain Performance	Manufacturer
William E. Dailey, Inc.	Industrial/Mining
Danforth Properties LLC	Nursing Home
Pan Am Southern LLC	Commercial

Source: District officials.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Unemployment Rate Statistics

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

Annual Average

	2014	2015	2016	2017	2018	2019	2020
Rensselaer County	5.4%	4.7%	4.4%	4.4%	3.9%	3.6%	7.0%
Washington County	6.1%	5.1%	4.7%	4.6%	4.2%	3.9%	7.2%
New York State	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	10.0%

2021 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul
Rensselaer County	5.9%	6.4%	5.7%	4.9%	4.3%	N/A	N/A
Washington County	6.3%	6.9%	6.3%	5.2%	4.4%	N/A	N/A
New York State	4.1%	3.9%	4.2%	15.1%	14.2%	N/A	N/A

Note: Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. See “COVID-19” herein.

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

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

Form of School Government

The Board of Education which is the policy-making body of the School District consists of seven members with overlapping five-year terms and the number of terms that may be served is unrestricted. Each Board member must be a qualified voter of the School District and no Board member may hold certain other School District offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which includes debt service.

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 District to exceed the School District Tax Cap to be exceeded also must receive at least 60% voter approval.

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

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

Recent Budget Vote Results

The budget for the 2020-21 fiscal year was approved by the qualified voters on June 16, 2020 by a vote of 563 to 200.The adopted budget included a total tax levy increase of .98%, which was below the District's Tax Cap of 1.98%.

The budget for the 2021-22 fiscal year was approved by the qualified voters on May 18, 2021 by a vote of 223 to 41. The adopted budget included a total tax levy increase of 0%, which was below the District's Tax Cap of 1.45%.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of New York State; and (5) obligations of the United States Government (U.S. Treasury Bills and Notes).

The District does not invest in so-called "derivatives" including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2021-22 fiscal year, approximately 54.92% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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.

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

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken and continues to take steps designed to mitigate the spread and impacts of COVID-19. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. It was anticipated that the State would be required to take certain gap-closing actions, including, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. However, based on published reports of the State 2021-22 Enacted Budget, it appears that the State will not delay or reduce payments of State aid to school districts, including the School District.

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

On October 30, 2020, the New York State Division of the Budget ("DOB") released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a $14.9 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of $63 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

As of February 1, 2021, the State Education Department has advised school districts that DOB will, at some point, be providing approval for State Education Department to make the payments for State aid and other pre-K – 12 grant programs that had been subject to the above-referenced 20% withholding. As of the date of this Official Statement the District has received all previously withheld State aid.

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

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

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

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

Federal aid received by the State.

President Biden has signed into law the American Rescue Plan, a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. The District has been allocated and expects to receive $3,580,862 of American Rescue Plan funding. As of the date of this Official Statement it is not possible to predict the long-term impacts that the American Rescue Plan will have on the finances of the State.

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-22 preliminary building aid ratios, the District State Building aid of approximately 85.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State is expected to release all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

State Aid Litigation

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

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

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, unaudited results for the 2021-22 fiscal year and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2015-16	$ 20,976,082	$ 11,165,778	53.23%
2016-17	21,206,240	11,243,853	53.02
2017-18	21,822,841	11,749,913	53.84
2018-19	21,677,962	11,664,162	53.81
2019-20	21,826,894	11,844,949	54.27
2020-21 (Unaudited)	21,941,873	11,638,714	53.04
2021-22 (Budgeted)	22,410,091	12,307,899	54.92

Source: Audited financial statements for the 2015-2016 fiscal year through and including the 2019-2020 fiscal year, Unaudited results of the District for the 2020-2021 fiscal year, and the adopted budget for the 2021-2022 fiscal year. The 2020-2021 unaudited figures are projected estimates and audited results may vary therefrom. This table is not audited.

School Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Hoosick Falls Central School	K-12	1,500	1960, '65, '75, '99

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-17	1,154	2021-22	1,058
2017-18	1,128	2022-23	1,050
2018-19	1,117	2023-24	1,050
2019-20	1,100	2024-25	1,050
2020-21	1,046	2025-26	1,050

Source: District officials.

Employees

The District employs approximately 190 full-time and 9 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Employees Represented	Union Representation	Contract Expiration Date
115	Hoosick Falls Teachers' Association	June 30, 2023
84	School Support Staff	June 30, 2025

Status and Financing of Employee Pension Benefits

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

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, unaudited amounts for 2020-2021 and budgeted figures for the 2021-22 are as follows:

Fiscal Year	ERS	TRS
2015-16	$ 321,719	$ 1,061,548
2016-17	300,325	974,804
2017-18	313,497	796,833
2018-19	363,403	961,637
2019-20	363,078	816,961
2020-21 (Unaudited)	383,996	916,326
2021-22 (Budgeted)	438,897	937,494

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2018 to 2022) is shown below:

Year	ERS	TRS
2017-2018	15.3%	9.80%
2018-2019	14.9	10.62
2019-2020	14.6	8.86
2020-2021	14.6	9.53
2021-2022	16.2	9.80 (Estimated)

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has established such reserve fund and funded it with $100,000.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

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

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

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

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.

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2019 and 2020.

The following table outlines the changes to the Total OPEB Liability during the 2019 and 2020 fiscal years, by source.

Balance beginning at:	July 1, 2018	July 1, 2019
	$ 55,391,076	$ 53,535,783
Changes for the year:		
Service cost	2,487,786	2,438,543
Interest on total OPEB liability	1,718,767	1,931,476
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	4,555,261
Changes in Assumptions or other inputs	(4,879,851)	16,689,408
Benefit payments	(1,181,995)	(1,592,247)
Net Changes	$ (1,855,293)	$ 24,022,441
Balance ending at:	June 30, 2019	June 30, 2020
	$ 53,535,783	**$ 77,558,224**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX - E" attached hereto.

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.

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.

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 Bonds and Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

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

Financial Statements

The School District retains independent certified public accountants. The last audit report covers the period ending June 30, 2020 and may be found attached hereto as "APPENDIX-E" to this Official Statement. Certain summary financial information of the School District can also be found attached as Appendices to this Official Statement.

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

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

New York State Comptroller Reports of Examination

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

The State Comptroller's office released its most recent audit report of the District on December 6, 2019. The purpose of the audit was to determine whether District officials effectively managed the District's financial condition. Key findings and recommendations of the audit report are summarized on the following page.

<u>Key Findings</u>

- The Board authorized fiscal year-end interfund transfers totaling $1.2 million to be used for a capital project which had not yet been approved by District voters.
- District officials overestimated appropriations from 2015-16 through 2018-19. We project appropriations were estimated more reasonably in 2019-20 but certain account lines continued to be overestimated.
- Unrestricted fund balance ranged between 5.9 and 9.8 percent of ensuing years' appropriations, exceeding the 4 percent statutory limit.

<u>Key Recommendations</u>

- Discontinue the practice of reducing unrestricted fund balance by making un-budgeted year-end interfund transfers.
- Develop realistic estimates of appropriations.
- Adopt a written plan to use excess fund balance to benefit District taxpayers.

There are no State Comptrollers audits of the District currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The classification of the District for the three most recent available fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	6.7
2019	No Designation	13.3
2018	No Designation	6.7

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

Note: Reference to website implies no warranty of accuracy of information therein. Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

TAX INFORMATION

Valuations

Taxable Assessed Valuation

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
Towns of:					
Grafton	$ 1,653,812	$ 1,654,020	$ 1,666,511	$ 19,981,566 (1)	$ 19,980,132
Hoosick	103,359,217	103,391,823	379,839,142 (1)	381,453,441	381,571,207
Petersburgh	14,725,490	14,596,093	14,399,414	14,506,979	14,561,668
Pittstown	18,527,000	18,605,371	18,713,907	18,861,379	19,082,793
White Creek	24,256,256	24,594,190	24,965,748	25,455,941	25,590,773
Totals	$ 162,521,775	$ 162,841,497	$ 439,584,722	$460,259,306	$ 460,786,573
State Equalization Rate					
Towns of:					
Grafton	9.00%	8.56%	8.90%	100.00% (1)	100.00%
Hoosick	27.50%	27.5%	100.00% (1)	100.00%	100.00%
Petersburgh	58.25%	60.35%	63.75%	63.45%	60.40%
Pittstown	64.50%	61.2%	67.50%	64.40%	61.40%
White Creek	64.37%	66%	63.00%	63.00%	65.00%
Taxable Full Valuation	$ 485,913,777	$ 487,143,524	$ 488,503,779	$ 493,992,757	$ 496,109,948

(1) Significant change from prior year due to town-wide revaluation.

Tax Rate Per $1,000 (Assessed)

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
Towns of:					
Grafton	$ 216.74	$ 229.81	$ 220.09	$ 19.62 (1)	$ 19.73
Hoosick	70.87	71.47	19.57 (1)	19.62	19.72
Petersburgh	33.46	32.57	30.70	30.92	32.66
Pittstown	30.21	32.11	28.99	30.46	32.12
White Creek	30.28	29.78	31.07	31.24	30.35

(1) Significant change from prior year due to town-wide 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 1st to October 31st. On or before November 15th, uncollected taxes are returnable to the Counties for collection. The School District receives this amount from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
Total Tax Levy	$ 9,470,390	$ 9,574,996	$ 9,560,716	$ 9,690,742	$ 9,785,711
Amt. Returned to the County [(1)]	911,868	919,543	1,027,653	885,880	794,401
% Uncollected	11.2%	11.2%	12.5%	10.5%	8.1%

[(1)] The District is reimbursed by the counties for all unpaid taxes. See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the School District for each of the below completed fiscal years, unaudited results for the 2020-2021 fiscal year and budgeted figures for the 2021-2022 fiscal year comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2015-16	$ 20,976,082	$ 9,507,554	45.33%
2016-17	21,206,240	9,483,623	44.72
2017-18	21,822,841	9,608,155	44.03
2018-19	21,677,962	9,585,483	44.22
2019-20	21,826,894	9,698,110	44.43
2020-21 (Unaudited)	21,941,873	9,790,287	44.62
2021-22 (Budgeted)	22,410,091	9,785,711	43.66

Source: Audited financial statements for the 2015-2016 fiscal year through and including the 2019-2020 fiscal year, Unaudited results of the District for the 2020-2021 fiscal year, and the adopted budget for the 2021-2022 fiscal year. The 2020-2021 unaudited figures are projected estimates and audited results may vary therefrom. This table is not audited.

Larger Taxpayers 2020 Assessment Roll for 2020-21 Tax Roll

Name	Type/Industry	Taxable Assessed Valuation
National Grid	Utility	$ 14,382,556
Saint Gobain Performance	Commercial	3,750,000
Danforth Properties LLC	Nursing Home	3,401,000
Jay Scott Curtis LLC	Commercial	2,150,000
Hoosick Falls Associates	Commercial	1,600,000
Time Warner of Albany	Commercial	1,544,074
Eton Centers Co	Commercial	1,500,000
Broadstone DG Northeast LLC	Commercial	1,500,000
Uncle Sam Holding Com, LLC	Commercial	1,387,000 [(1)]
Pan Am Southern LLC	Commercial	1,328,895

[(1)] Has filed a tax certiorari seeking a $806,200 reduction in assessment.

The ten larger taxpayers listed have a total estimated assessed valuation of $32,543,525, which represents 7.06% of the tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings are within acceptable norms and are not anticipated or believed to have a material impact on the District's finances. The District has established a tax certiorari reserve which currently has a balance of $15,777.89.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and undisclosed retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less for 2020 benefits and $90,550 or less for 2021 benefits, 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 $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a "basic" exemption on their primary residence.

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

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

The 2020-21 Enacted State Budget requires that STAR benefits be withheld from taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the 2020-21 District tax roll for the municipalities applicable to the District:

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

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Grafton	$ 70,700	$ 30,000	4/9/2021
Hoosick	70,700	30,000	4/9/2021
Petersburgh	42,700	18,120	4/9/2021
Pittstown	43,410	18,420	4/9/2021
White Creek	45,960	19,500	4/9/2021

$1,215,329 of the District's $9,785,711 school tax levy for 2020-21 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2021.

$1,188,735 of the District's $9,785,711 school tax levy for 2021-22 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January, 2022.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

The estimated total annual school tax bill of a $120,000 market value residential property located in the School District is approximately $1,785.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

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

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

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

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

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

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending:	2017	2018	2019	2020	2021
Bonds	$ 5,224,000	$ 3,960,000	$ 3,445,000	$ 2,795,000	$ 2,093,000
Bond Anticipation Notes	0	0	0	0	2,500,000
Total Debt Outstanding	$ 5,224,000	$ 3,960,000	$ 3,445,000	$ 2,795,000	$ 4,593,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of July 21, 2021:

	Maturity		Amount
Bonds	2021-2026		$ 2,093,000
Bond Anticipation Notes	--		2,500,000
		Total Indebtedness	$ 4,593,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 21, 2021:

Full Valuation of Taxable Real Property			$ 496,109,948
Debt Limit 10% thereof			49,610,995
Inclusions:			
Bonds	$ 2,093,000		
Bond Anticipation Notes	0		
Principal of This Issue	12,812,000		
Total Inclusions		$ 14,905,000	
Exclusions:			
Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 14,905,000
Net Debt-Contracting Margin			$ 34,705,995
The percent of debt contracting power exhausted is			30.04%

(1) Based on preliminary 2021-22 building aid estimates, the District anticipates State Building aid of 85.2% 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. (See , :THE SCHOOL DISTRICT – State Aid " herein.)

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

Bonded Debt Service

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

Capital Project Plans

The District issues serial bonds annually for the purchase of buses. On June 17, 2020 the District's Board of Education duly adopted a bond resolution authorizing the issuance of $178,000 serial bonds for the purchase of buses. The District issued $178,000 serial bonds on August 18, 2020 against the above-mentioned authorization. On May 18, 2021 the District's Board of Education duly adopted a bond resolution authorizing the issuance of $312,000 serial bonds for the purchases of buses. The proceeds of the Bonds will provide new monies for the purchase of buses.

On March 13, 2019, the qualified voters of the District approved two propositions. Proposition 1, approved by a vote of 647 to 343, is a $16,758,941 capital project consisting of various health safety and welfare improvements to the school building. Proposition 2, approved by a vote of 614 to 372, is a $5,286,879 capital project consisting of instructional related improvements to the school building. On March 21, 2019 the District's Board of Education duly authorized a bond resolution authorizing the issuance of $22,045,820 serial bonds for the above mentioned capital projects. On September 10, 2020, the District issued $2,500,000 bond anticipation notes, which were the first borrowing against the above mentioned bond resolution and provided $2,500,000 new monies for the above mentioned projects. A $2,500,000 portion of the Notes will fully redeem and renew the $2,500,000 bond anticipation notes maturing September 10, 2021. A $10,000,000 portion of the Notes will provide new monies for the above mentioned project.

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

Cash Flow Borrowing

The District, historically, does not issue tax anticipation notes or revenue anticipation notes, and does not reasonably expect to issue such notes in the current fiscal year.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Rensselaer	12/31/2019	$ 172,729,355	$ 52,058,322	$ 120,671,033	3.84%	$ 4,633,768
Washington	12/31/2019	28,419,192	11,213,819	17,205,373	0.51%	87,747
Town of:						
Grafton	12/31/2019	-	-	-	8.96%	-
Hoosick	12/31/2019	471,380	-	471,380	94.00%	443,097
Petersburgh	12/31/2019	53,293	19,960	33,333	21.06%	7,020
Pittstown	12/31/2019	294,000	-	294,000	7.60%	22,344
White Creek	12/31/2019	-	-	-	18.16%	-
Village of:						
Hoosick Falls	5/31/2020	-	-	-	100.00%	-
					Total:	$ 5,193,976

Notes:

(1) Bonds and bond anticipation notes are as of the close of the respective fiscal years, and are not adjusted to include subsequent bond or note 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 2019 for the Counties and Towns and 2020 for the Village.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 21, 2021:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 14,905,000	$ 1,865.69	3.00%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	20,098,976	2,515.83	4.05%

(a) The 2019 estimated population of the District is 7,989. (See “THE SCHOOL DISTRICT – Population” herein.)

(b) The District's full value of taxable real estate for the 2020-21 fiscal year is $496,109,948. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)

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

(d) Estimated net overlapping indebtedness is $5,193,976. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept For School Districts. In the event of a default in the payment of the principal of and/or interest on the Bonds or 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 Bonds or Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

The financial condition of the District as well as the market for the Bonds and 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 Bonds and 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.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and non-essential businesses have been allowed to reopen under guidelines issues by the State. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and intends to take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid", "State Aid History" and "State Aid – School District Fiscal Year (2020-2021)" herein).

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 Bonds and Notes. See "TAX LEVY LIMITATION LAW" herein.

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

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

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed forms of opinions of Bond Counsel are set forth in "APPENDIX – F" and "APPENDIX – G".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and Notes. The District has covenanted to comply with certain restrictions designed to insure that interest on the Bonds and Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds and Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds and Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds and Notes.

Certain requirements and procedures contained or referred to the in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. Legislative proposals have been made which would limit the exclusion from gross income of interest on obligations like the Bonds and Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds and Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and Notes are subject to the approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinions at the time of issuance of the Bonds and Notes substantially in the form set forth in "APPENDIX – F" and "APPENDIX – G" hereto.

LITIGATION

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

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 bonds or notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the bonds or notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of bonds 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 a Continuing Disclosure Undertaking, a description of which is attached hereto as "APPENDIX – C, MATERIAL EVENT NOTICES".

Historical Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and Notes. The advice on the plan of financing and the structuring of the Bonds and 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 the Municipal Advisor are partially contingent on the successful closing of the Bonds and 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 Bonds and Notes. All expenses in relation to the printing of CUSIP numbers on the Bonds and Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Bonds are not rated.

The Notes are not rated. Subject to the approval of the District, 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 may result in a material event notification to be posted to EMMA which is required by the District's continuing disclosure undertakings. and supplementing the final Official Statement depending on the timing of the rating release (See "APPENDIX – C, MATERIAL EVENT NOTICES" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their 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 outstanding bonds and 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 Bonds and Notes.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes; changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not 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 Bonds and Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the District, express 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 Bonds or 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 Bonds and 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Bonds and 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 School 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 School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the School District also assumes 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. Emily Sanders, Business Administrator, Hoosick Falls Central School District, 21187 NY 22, P.O. Box 192, Hoosick Falls, New York 12090, Phone (518) 686-7012 x1604, Fax (518) 686-9060, Email: sanderse@hoosickfallscsd.org

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

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

Dated: July 21, 2021

JOSEPH PATIRE
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
ASSETS					
Cash - Unrestricted	$ 4,371,533	$ 4,690,480	$ 4,723,379	$ 2,444,281	$ 2,982,156
Cash - Restricted	1,350,076	1,262,235	1,280,937	1,685,694	1,452,478
Due from Other Funds	596,687	314,597	511,198	1,219,439	1,022,487
State and Federal Aid Receivable	250,212	242,883	283,764	289,118	363,944
Due from Other Governments	74,277	31,644	27,107	37,241	97,030
Other	1,403	1,025	2,958	3,307	3,089
TOTAL ASSETS	$ 6,644,188	$ 6,542,864	$ 6,829,343	$ 5,679,080	$ 5,921,184
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 123,184	$ 175,667	$ 224,101	$ 173,074	$ 111,611
Accrued Liabilities	46,618	58,026	50,844	70,166	65,129
Compensated Absences	130,845	39,747	34,988	142,242	147,828
Due to Other Funds	240,000	659,931	988,100	182,877	30,620
Due to other governments	-	-	-	-	23,396
Deferred Inflows	-	-	-	-	167,853
Due to Teachers' Retirement System	1,189,282	1,076,853	911,964	1,019,890	873,201
Due to Employees' Retirement System	81,676	85,762	90,564	91,711	95,242
TOTAL LIABILITIES	1,811,605	2,095,986	2,300,561	1,679,960	1,514,880
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	1,350,076	1,262,235	1,280,937	1,685,694	1,452,478
Assigned	2,542,703	2,266,060	2,320,905	1,381,768	1,479,101
Unassigned	939,804	918,583	926,940	931,658	1,474,725
TOTAL FUND EQUITY	4,832,583	4,446,878	4,528,782	3,999,120	4,406,304
TOTAL LIABILITIES and FUND EQUITY	$ 6,644,188	$ 6,542,864	$ 6,829,343	$ 5,679,080	$ 5,921,184

Source: Audited financial reports of the School District. Summary itself not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2016	2017	2018	2019	2020
REVENUES					
Real Property Taxes	$ 8,076,058	$ 8,069,844	$ 8,201,636	$ 8,201,772	$ 8,372,272
Other Tax Items	1,431,496	1,413,779	1,406,519	1,383,711	1,325,838
Charges for Services	95,620	75,154	35,935	35,667	95,565
Use of Money & Property	13,043	22,869	56,654	92,117	42,617
Sale of Property and Compensation for Loss	1,111	8,422	145,404	2,351	1,263
Miscellaneous	130,481	304,456	148,857	231,196	121,830
Revenues from State Sources	11,165,778	11,243,853	11,749,913	11,664,162	11,844,949
Revenues from Federal Sources	43,560	67,525	76,646	62,830	22,560
Total Revenues	$ 20,957,147	$ 21,205,902	$ 21,821,564	$ 21,673,806	$ 21,826,894
Other Sources:					
Interfund Transfers	18,935	338	1,277	4,156	-
Total Revenues and Other Sources	20,976,082	21,206,240	21,822,841	21,677,962	21,826,894
EXPENDITURES					
General Support	$ 2,189,534	$ 2,332,395	$ 2,528,181	$ 2,872,236	$ 2,306,562
Instruction	10,194,235	10,296,752	10,491,275	11,026,861	11,012,346
Pupil Transportation	913,514	1,013,096	1,129,549	1,190,185	1,046,589
Community Services	-	-	90	90	200
Employee Benefits	5,653,186	5,623,310	5,618,849	6,112,691	6,155,257
Debt Service	1,666,789	1,647,356	970,523	-	-
Total Expenditures	$ 20,617,258	$ 20,912,909	$ 20,738,467	$ 21,202,063	$ 20,520,954
Other Uses:					
Interfund Transfers	253,405	679,036	1,002,470	1,005,561	898,756
Total Expenditures and Other Uses	20,870,663	21,591,945	21,740,937	22,207,624	21,419,710
Excess (Deficit) Revenues Over Expenditures	105,419	(385,705)	81,904	(529,662)	407,184
FUND BALANCE					
Fund Balance - Beginning of Year	4,727,164	4,832,583	4,446,878	4,528,782	3,999,120
Prior Period Adjustments (net)		-	-	-	-
Fund Balance - End of Year	$ 4,832,583	$ 4,446,878	$ 4,528,782	$ 3,999,120	$ 4,406,304

Source: Audited financial reports of the School District. Summary itself not audited.

GENERAL FUND

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

Fiscal Years Ending June 30:	2020 Adopted Budget	2020 Revised Budget	2020 Actual	2021 Adopted Budget	2022 Adopted Budget
REVENUES					
Real Property Taxes	$ 9,690,742	$ 8,440,742	$ 8,372,272	$ 9,785,711	$ 9,785,711
Other Tax Items	25,000	1,275,000	1,325,838	-	33,370
Charges for Services	18,500	18,500	95,565	-	30,000
Use of Money & Property	52,000	52,000	42,617	-	2,000
Sale of Property and Compensation for Loss	-	-	1,263	-	-
Miscellaneous	88,065	88,065	121,830	248,338	251,111
Revenues from State Sources	12,125,653	12,125,653	11,844,949	11,593,854	12,307,899
Revenues from Federal Sources	106,214	106,214	22,560	335,110	-
Total Revenues	$ 22,106,174	$ 22,106,174	$ 21,826,894	$ 21,963,013	$ 22,410,091
Other Sources:					
Interfund Transfers (in)	-	-	-	64,932	32,986
Total Revenues and Other Sources	22,106,174	22,106,174	21,826,894	22,027,945	22,443,077
EXPENDITURES					
General Support	$ 2,343,607	$ 2,617,195	$ 2,306,562	$ 2,349,768	$ 2,354,069
Instruction	12,070,183	12,241,731	11,012,346	11,827,073	12,250,689
Pupil Transportation	1,203,936	1,223,557	1,046,589	1,200,694	1,193,555
Community Services	600	600	200	100	100
Employee Benefits	6,782,103	6,569,274	6,155,257	7,031,760	7,347,171
Debt Service	-	-	-	-	-
Total Expenditures	$ 22,400,429	$ 22,652,357	$ 20,520,954	$ 22,409,395	$ 23,145,584
Other Uses:					
Interfund Transfers (out)	904,999	904,999	898,756	896,033	916,221
Total Expenditures and Other Uses	23,305,428	23,557,356	21,419,710	23,305,428	24,061,805
Excess (Deficit) Revenues Over Expenditures	(1,199,254)	(1,451,182)	407,184	(1,277,483)	(1,618,728)
FUND BALANCE					
Fund Balance - Beginning of Year	3,999,120	3,999,120	3,999,120	1,277,483	1,618,728
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 2,799,866	$ 2,547,938	$ 4,406,304	$ -	$ -

Source: Audited financial report and budgets of the School District. Summary itself not audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Excluding the Bonds Principal	Excluding the Bonds Interest	Excluding the Bonds Total	Principal of the Bonds	Total Prinicipal All Bonds
2022	$ 913,000	$ 59,345	$ 972,345	$ 62,000	$ 975,000
2023	900,000	32,092	932,092	60,000	960,000
2024	155,000	3,823	158,823	60,000	215,000
2025	85,000	1,315	86,315	65,000	150,000
2026	40,000	240	40,240	65,000	105,000
TOTALS	$ 2,093,000	$ 96,815	$ 2,189,815	$ 312,000	$ 2,405,000

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 School District Improvements Principal	Interest	Total	2016 Buses Principal	Interest	Total	2017 Buses Principal	Interest	Total
2022	$ 680,000	$ 46,775	$ 726,775	$ 45,000	$ 422	$ 45,422	$ 45,000	$ 1,434	$ 46,434
2023	705,000	24,675	729,675	-	-	-	45,000	478	45,478
TOTALS	$ 1,385,000	$ 71,450	$ 1,456,450	$ 45,000	$ 422	$ 45,422	$ 90,000	$ 1,913	$ 91,913

Fiscal Year Ending June 30th	2018 Buses Principal	Interest	Total	2019 Buses Principal	Interest	Total
2022	$ 65,000	$ 4,598	$ 69,598	$ 45,000	$ 3,128	$ 48,128
2023	70,000	2,844	72,844	45,000	2,565	47,565
2024	70,000	963	70,963	50,000	1,750	51,750
2025	-	-	-	50,000	625	50,625
TOTALS	$ 205,000	$ 8,404	$ 213,404	$ 190,000	$ 8,068	$ 198,068

Fiscal Year Ending June 30th	2020 Buses Principal	Interest	Total
2022	$ 33,000	$ 2,988	$ 870
2023	35,000	1,530.00	660
2024	35,000	1,110.00	450
2025	35,000	690.00	240
2026	40,000	240.00	-
TOTALS	$ 178,000	$ 6,558	$ 2,220

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided,

(i) In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("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, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Official Statement dated August 5, 2021 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C, D, F & G and other than any Appendix related to bond insurance), and (ii) a copy of the audited financial statements, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2022; such information, data, and audit will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if the audited financial statements are not available at that time, within sixty days following receipt by the District of its audited financial statements for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year;

(ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, 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 Bonds, or other material events affecting the tax status of the Bonds

(g) modifications to rights of bondholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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 Bonds.

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 Bonds.

For the purposes of the event identified in (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 an obligated person 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 obligated person, 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 obligated person.

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

The 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 Bonds; 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.

(iii) in a timely manner to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The District reserves the right to terminate its obligations to provide the aforedescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds 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 Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its continuing disclosure undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds 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, in consultation with nationally recognized bond counsel.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

With respect to event (d) the 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.

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

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

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

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

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

HOOSICK FALLS CENTRAL SCHOOL DISTRICT
RENSSELAER AND WASHINGTON COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2020

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

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

Financial Statements and Required Reports
Under Uniform Guidance as of and for the year ended
June 30, 2020
Together with
Independent Auditors' Report

Bonadio & Co., LLP
Certified Public Accountants

CONTENTS

C O N T E N T S (Continued)

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

September 21, 2020

The Board of Education of
Hoosick Falls Central School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hoosick Falls Central School District (School District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

www.bonadio.com

(Continued)

Other Matters

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

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's financial statements as a whole. The supplementary information required by the New York State Education Department is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated September _21, 2020, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

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

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the year ended June 30, 2020:

- On May 21, 2019, the Hoosick Falls Central School District voting community approved the 2019-2020 budget in the amount of $23,305,428. This was a .1% budget-to-budget decrease and a 1.36% tax levy decrease.
- School District expenditures and encumbrances for the 2019-20 fiscal year in the General Fund concluded with a favorable variance from budget of $1,936,028 or about 8.22% of the revised $23,557,356 budget.
- The School District has maintained unassigned fund balance in order to strengthen its financial position for the future. The School District was able to continue to offer all programs, without reducing services, while maintaining fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)
Figure A-1

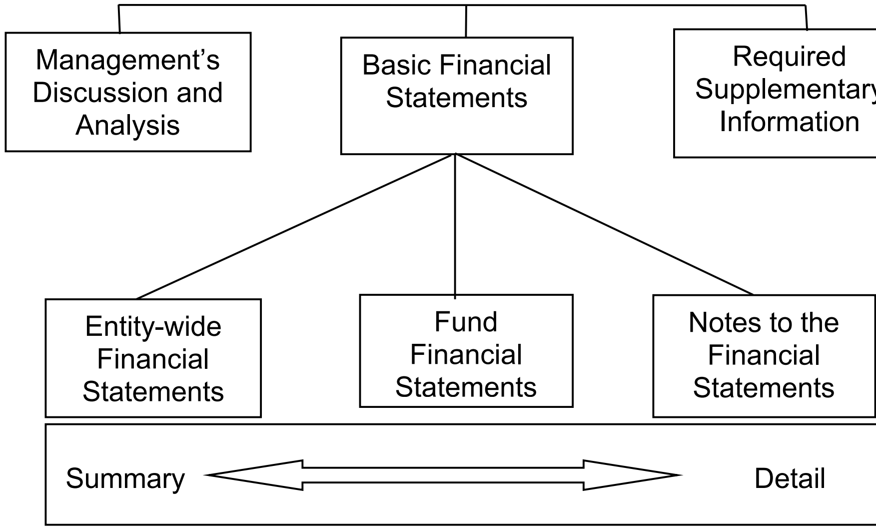


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information they contain. The remainder of this overview section highlights the structure and contents of each statement.

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

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	• Statement of net position • Statement of activities and changes in net position	• Balance sheet • Statement of revenue, expenditures, and changes in fund balance	• 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, liabilities, and deferred inflows of resources 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 the 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

School District-Wide Statements

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

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

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

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

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or major funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has two kinds of funds:

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-3

Condensed Statement of Net Position

	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Current and other assets	$ 9,193,933	$ 9,647,783	-4.70%
Capital assets and other noncurrent assets	16,846,262	15,874,957	6.12%
Total assets	26,040,195	25,522,740	2.03%
Deferred outflows of resources	24,667,887	4,999,601	393.40%
Total assets and deferred outflow of resources	$ 50,708,082	$ 30,522,341	66.13%
Current liabilities	$ 2,548,876	$ 2,427,056	5.02%
Long-term liabilities	83,339,133	58,315,781	42.91%
Total liabilities	85,888,009	60,742,837	41.40%
Deferred inflows of resources	5,427,028	5,603,189	-3.14%
Total assets and deferred inflow of resources	$ 91,315,037	$ 66,346,026	37.63%
Net position:			
Investment in capital assets, net of related debt	$ 12,649,809	$ 11,453,369	10.45%
Restricted	4,538,009	4,833,659	-6.12%
Unrestricted	(57,794,773)	(52,110,713)	10.91%
Total net position	$ (40,606,955)	$ (35,823,685)	13.35%

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

Changes in Net Position

The School District's 2020 revenue was $23,734,458, an increase of $443,581 (1.90%) over the previous year (See Figure A-4). Property taxes (including STAR reimbursement) and State Aid accounted for most of the School District's revenue by together contributing approximately 92% of all revenues (See Figure A-5).

The total cost of all programs and services totaled $28,517,728 for fiscal year 2020, an increase of $1,451,936 (5.36%) from Fiscal 2019. Approximately 86% of all costs went directly to instruct, transport and feed students, 14% of expenditures went to General Support, which includes custodial services, maintenance costs, Board of Education and administrative expenses, and business activities. The remaining percentage of expenditures (less than 1%) went to debt service (See Figure A-6).

Figure A-4

Changes in Net Position from Operating Results

	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Revenue:			
Charges for services	$ 270,129	$ 276,923	-2.45%
Operating grants	1,519,545	1,304,926	16.45%
General revenue:			
Real property taxes	8,372,272	8,201,772	2.08%
Other tax items	1,325,838	1,383,711	-4.18%
Use of money and property	87,824	162,524	-45.96%
Sale of property and compensation for loss	1,263	2,436	-48.15%
Miscellaneous	122,225	231,593	-47.22%
State sources	12,012,802	11,664,162	2.99%
Medicaid reimbursement	22,560	62,830	-64.09%
Total revenue	23,734,458	23,290,877	1.90%
Expenses:			
General support	3,915,610	4,412,900	-11.27%
Instruction	21,445,964	19,591,520	9.47%
Community service	200	90	122.22%
Pupil transportation	2,141,436	2,123,301	0.85%
Debt service - Interest	97,716	103,798	-5.86%
Cost of sales - Food	916,802	834,183	9.90%
Total expenses	28,517,728	27,065,792	5.36%
Decrease in net position	$ (4,783,270)	$ (3,774,915)	26.71%

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

Figure A-5: Revenue Sources for 2020

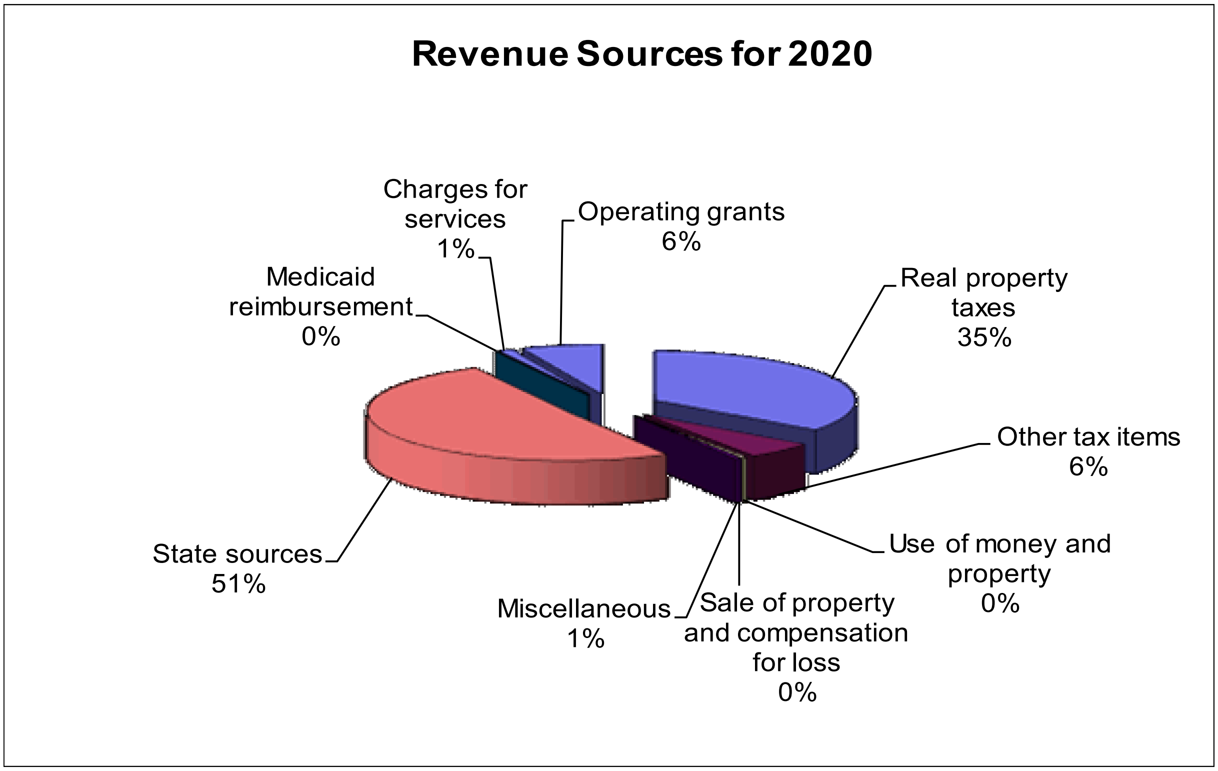
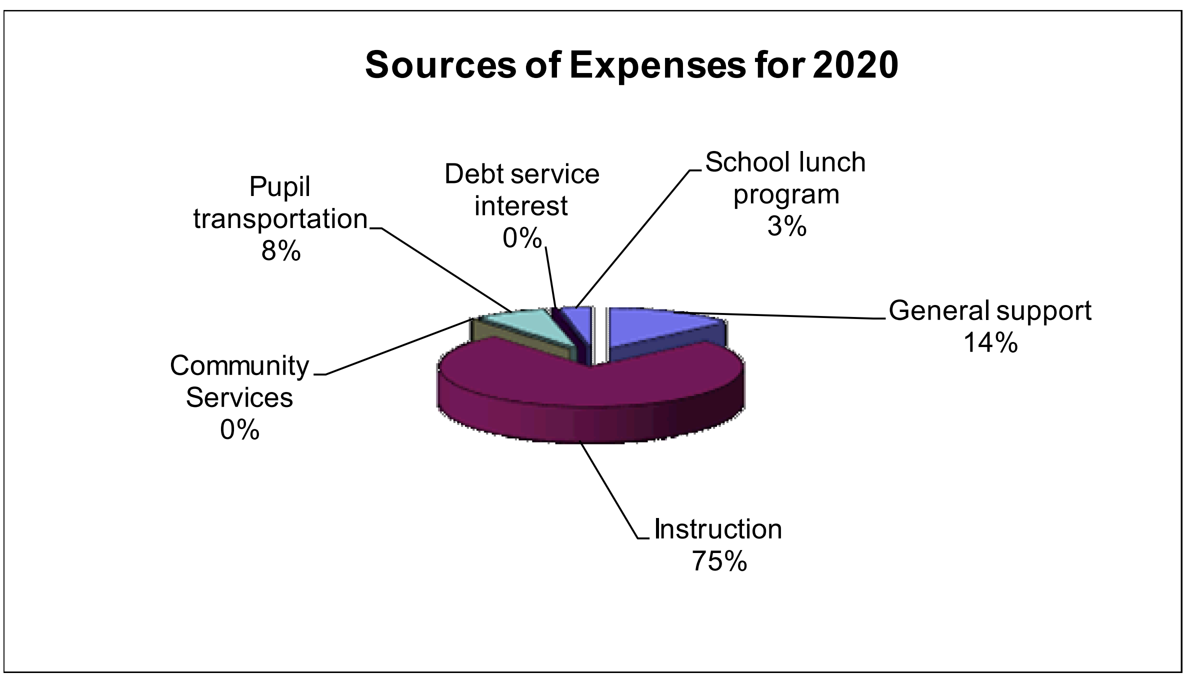


Figure A-6: Sources of Expenses for 2020



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

Governmental Activities

Revenue for the School District's governmental activities totaled $23,734,458 while total expenses were $28,517,728. Accordingly, net position decreased to $4,783,270. These results can be attributed to several factors:

- Recording other postemployment benefits expense.
- Recording depreciation expense.
- Recording net pension asset, net pension liability, and deferred outflows and inflows related to pensions.

Figure A-7 presents the costs for major School District activities and the net costs of those activities (total costs less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
General support	$ 3,915,610	$ 3,915,610	$ 4,412,900	$ 4,412,900
Instruction	21,445,964	20,396,728	19,591,520	18,621,935
Community service	200	200	90	90
Pupil transportation	2,141,436	2,141,436	2,123,301	2,123,301
Debt service - Interest	97,716	97,716	103,798	103,798
Cost of sales - Food	916,802	176,364	834,183	221,919
	$ 28,517,728	$ 26,728,054	$ 27,065,792	$ 25,483,943

The cost of all governmental activities for the year was $28,517,728.

- The users of the School District's programs financed $270,129 of the costs.
- The federal and state government financed $1,519,545 of the costs.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

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

The School District's governmental fund financial statements have a significant variance from the School District-wide financial statements due to transactions in the capital projects fund during fiscal year 2020. During the year, the School District spent funds available in the capital projects fund of $1,035,214 on design and phase 1 construction costs for a district-wide improvement project approved in March 2019 and bus purchases. These costs are reported as expenditures in the governmental funds and reported as capital assets in the statement of net position. In addition, the School District issued a serial bond and other debt. $230,000 was reported as bond proceeds in the governmental funds and as an increase in bonds payable in the statement of net position.

Another significant variance between the governmental fund financial statements and the School District-wide financial statements is the recording of debt service principal payments. In fiscal year 2020, the School District paid $880,000 in debt service principal payments which are recorded as expenditures in the governmental fund financial statements and as a reduction in bonds payable in the statement of net position.

A third significant variance between the governmental fund financial statements and the School District-wide financial statements is the recording of the OPEB liability. In fiscal year 2020, $4,891,066 in additional employee benefits expense was recorded in the School District-wide financial statements, but not in the governmental fund financial statements.

A fourth significant variance between the governmental fund financial statements and the School District-wide financial statements is the recording of depreciation expense. In fiscal year 2020, the School District expensed $830,206 in the statement of activities and changes in net position but not in the governmental fund financial statements.

A fifth significant variance between the governmental fund financial statements and the School District-wide financial statements is the recording of net pension assets and liabilities and deferred outflows and inflows related to pensions. In fiscal year 2020, $455,858 net pension expense was recorded in the School District-wide financial statements as an increase to employee benefits expense, but not in the governmental fund financial statements.

No other significant variances are reflected in the governmental fund financial statements for 2020.

General Fund Budgetary Highlights

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

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

Significant variances between budgeted revenue and expenditures and actual results will be explained in this narrative (See Figure A-8).

Revenues

- Charges for services had a positive variance of $77,065 because of additional non-resident students moving into the School District after the budget was prepared.
- Miscellaneous revenue had a positive variance of $33,765 due to unexpected prior year revenue.
- State aid had a negative variance of $280,704 because of changes in out of district special education needs and an increase in deferred state revenue.

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

Expenditures

- The original budget was amended for encumbrances brought forward July 1 and supplemental appropriations of $251,928 for use of reserves.
- The positive variance in general support and pupil transportation was because of the transition to remote learning and the closing of the building on March 18, 2020 due to COVID-19. Less was spent on materials and supplies while the building and bus fleet was not in use.
- The positive variance for instruction is from conservative budgeting for special education costs.
- The positive variance for employee benefits is from conservative budgeting for all salaried benefits including budgeting health coverage for a family plan for those having an individual plan.

Figure A-8 - Results vs. Budget

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Real property taxes	$ 9,690,742	$ 8,440,742	$ 8,372,272	$ -	$ (68,470)
Other tax items	25,000	1,275,000	1,325,838	-	50,838
Charges for services	18,500	18,500	95,565	-	77,065
Use of money and property	52,000	52,000	42,617	-	(9,383)
Sale of property and compensation for loss	-	-	1,263	-	1,263
Miscellaneous	88,065	88,065	121,830	-	33,765
State sources	12,125,653	12,125,653	11,844,949	-	(280,704)
Medicaid reimbursement	106,214	106,214	22,560	-	(83,654)
Total revenues	22,106,174	22,106,174	21,826,894	-	(279,280)
Expenses:					
General support	2,343,607	2,617,195	2,306,562	28,684	281,949
Instruction	12,070,183	12,241,731	11,012,346	155,547	1,073,838
Pupil transportation	1,203,936	1,223,557	1,046,589	-	176,968
Community services	600	600	200	-	400
Employee benefits	6,782,103	6,569,274	6,155,257	17,387	396,630
Transfers out	904,999	904,999	898,756	-	6,243
Total expenses	23,305,428	23,557,356	21,419,710	201,618	1,936,028
Net change in fund balance	(1,199,254)	(1,451,182)	407,184		
Fund balance - beginning of year	3,999,120	3,999,120	3,999,120		
Fund balance - end of year	$ 2,799,866	$ 2,547,938	$ 4,406,304		

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2020, the School District had $15,436,925 invested in a broad range of capital assets, including land, buildings, buses, athletic facilities, computers and furniture and equipment. During 2019-20 the School District incurred design and construction expenses for a capital project on the main school building approved in March 2019 and purchased two buses and a suburban.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Figure A-9

Capital Assets (Net of Depreciation)

Category	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Land	$ 27,582	$ 27,582	0.00%
Work in progress	1,360,334	325,120	318.41%
Land improvements	29,746	32,847	-9.44%
Buildings	12,207,418	12,649,214	-3.49%
Vehicles	974,437	922,243	5.66%
Furniture and equipment	837,408	941,051	-11.01%
Total	$ 15,436,925	$ 14,898,057	3.62%

Long-Term Debt

As of June 30, 2020, the School District had $84,219,133 in long-term debt. More detailed information about the School District's long-term debt is included in the notes to the financial statements.

Figure A-10

Outstanding Long-Term Debt

Category	Fiscal Year 2020	Fiscal Year 2019	Percent Change
General obligation bonds	$ 2,795,000	$ 3,445,000	-18.87%
Other long-term debt	81,424,133	55,750,781	46.05%
Total	$ 84,219,133	$ 59,195,781	42.27%

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the School District was aware of several potential issues that could significantly affect its financial position in the future.

- The School District has planned a $23,305,428 budget for the 2020-21 school year. This represents a 0% budget-to-budget increase over the 2019-20 school year budget of $23,305,428, resulting in a .98% tax levy increase.
- In addition, students' needs must be met and school performance must increase as mandated by ESSA.
- On March 13, 2019, the voters of the School District approved two propositions totaling $22,045,820 to construct various health, safety and welfare improvements to the school building. Phase 1 of the project commenced at the end of the 2019-2020 school year.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE (Continued)

- Due to a global pandemic caused by COVID-19, the School District was mandated to close the school building and conduct remote learning for students starting March 18, 2020 through the end of the 2019-2020 school year. The School District is starting with a hybrid model of in person and remote learning in the fall of 2020-2021. NYS is facing significant revenue shortfalls expecting to extend through 2024. The NYS Division of Budget has been authorized to temporarily withhold a minimum of 20% of State Aid payments starting in August 2020. In planning for these reductions, the School District is carrying over $542,508 in excess of the 4% of allowable unappropriated fund balance. These funds will be used to pay for reopening costs and to offset a portion of the reduced state aid payments if not made whole by the end of 2020-2021. The School District will monitor the situation to ensure the needs of students are met and maintain fiscal stability.

PFOA Issue:

The Village of Hoosick Falls municipal water system has been found to be contaminated by PFOA (perfluorooctanoic acid). Although the School District Is not connected to the municipal water supply, because of the health concerns regarding PFOA, the School District has taken the following proactive measures:

Filtration System:

The Hoosick Falls Central School District has taken a proactive, preemptive action to protect the water on the school campus and installed a carbon filtration system at the end of March 2016. The well is tested monthly and testing continues to indicate that there is no detectable level of PFOA in the school water supply.

The installation of this filter was a preventative measure that the Hoosick Falls Central School District took to protect the safety of our students and staff. The installation of this filter system is in response to PFOA contamination being detected in many private wells throughout the Town of Hoosick.

These actions insure that the School District will always have clean, healthy, safe drinking water for our students and staff. The School District will continue to test the raw water going into the filter, as well as filtered water heading out of the filter into our school water system. This testing will be on a regular basis and we will be transparent and swift in sharing those results.

Again, this was a preventative measure to keep our water supply safe. Testing continues to indicate that there is no detectable level of PFOA in the school water supply.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Emily M. Sanders, School Business Administrator
Hoosick Falls Central School District
P.O. Box 192
Hoosick Falls, NY 12090
(518) 686-7012

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	
Current Assets:	
Cash - Unrestricted	$ 3,373,442
Cash - Restricted	4,533,187
Other receivables	3,437
State and Federal Aid Receivable	1,142,202
Due From Other Governments	97,030
Due From Fiduciary Funds	9,105
Inventory	35,530
Total Current Assets	9,193,933
Non-Current Assets	
Capital Assets, net	15,436,925
Net Pension Asset - Proportionate Share	1,409,337
Total Non-Current Assets	16,846,262
Total Assets	26,040,195
DEFERRED OUTFLOWS OF RESOURCES	
Other Post Employment Benefits	18,595,296
Pensions	6,072,591
Total Deferred Outflows of Resources	24,667,887
LIABILITIES	
Current Liabilities:	
Accounts Payable	426,645
Accrued Liabilities	78,184
Compensated Absences	147,828
Bond Interest Accrued	24,380
Due to Other Governments	23,396
Due to Teachers' Retirement System	873,201
Due to Employees' Retirement System	95,242
Long-Term Liabilities - Due and Payable Within One Year	
Bonds	880,000
Total Current Liabilities	2,548,876
Non-Current Liabilities:	
Bonds	1,915,000
Compensated Absences	1,708,202
Total Other Postemployment Benefits	77,558,224
Net Pension Liability - Proportionate Share	2,157,707
Total Non-Current Liabilities	83,339,133
Total Liabilities	85,888,009
DEFERRED INFLOWS OF RESOURCES	
Other Post Employment Benefits	3,465,401
Pensions	1,961,627
Total Deferred Inflows of Resources	5,427,028
NET POSITION	
Net Investment in Capital Assets	12,649,809
Restricted	4,538,009
Unrestricted	(57,794,773)
Total Net Position	$ (40,606,955)

The accompanying notes are an integral part of these statements.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Change in Net Assets
FUNCTIONS/PROGRAMS				
General support	$ 3,915,610	$ -	$ -	$ (3,915,610)
Instruction	21,445,964	95,565	953,671	(20,396,728)
Community service	200	-	-	(200)
Pupil transportation	2,141,436	-	-	(2,141,436)
Debt service - interest	97,716	-	-	(97,716)
School lunch program	916,802	174,564	565,874	(176,364)
Total Functions and Programs	$ 28,517,728	$ 270,129	$ 1,519,545	(26,728,054)
GENERAL REVENUES				
Real property taxes				8,372,272
Other tax items				1,325,838
Use of money and property				87,824
Sale of property and compensation for loss				1,263
State sources				12,012,802
Federal sources				22,560
Miscellaneous				122,225
Total General Revenues				21,944,784
Change in Net Position				(4,783,270)
Total Net Position - Beginning of Year				(35,823,685)
Total Net Position - End of Year				$ (40,606,955)

The accompanying notes are an integral part of these statements.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Cash - Unrestricted	$ 2,982,156	$ 80,967	$ 162,084	$ -	$ 148,235	$ 3,373,442
Cash - Restricted	1,452,478	-	-	3,080,709	-	4,533,187
Due from other funds	1,022,487	24,217	6,403	4,822	-	1,057,929
Due from State and Federal	363,944	693,951	84,307	-	-	1,142,202
Due from other governments	97,030	-	-	-	-	97,030
Other receivables	3,089	-	348	-	-	3,437
Inventory	-	-	35,530	-	-	35,530
TOTAL ASSETS	$ 5,921,184	$ 799,135	$ 288,672	$ 3,085,531	$ 148,235	$ 10,242,757
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	$ 111,611	$ 5,806	$ 3,515	$ -	$ 305,713	$ 426,645
Accrued liabilities	65,129	-	13,055	-	-	78,184
Compensated absences	147,828	-	-	-	-	147,828
Due to other funds	30,620	793,329	220,053	-	4,822	1,048,824
Due to other governments	23,396	-	-	-	-	23,396
Due to Teachers' Retirement System	873,201	-	-	-	-	873,201
Due to Employees' Retirement System	95,242	-	-	-	-	95,242
TOTAL LIABILITIES	1,347,027	799,135	236,623	-	310,535	2,693,320
DEFERRED INFLOWS	167,853	-	-	-	-	167,853
FUND BALANCES:						
Nonspendable						
Inventory	-	-	35,530	-	-	35,530
Total nonspendable fund balance	-	-	35,530	-	-	35,530
Restricted for:						
Capital	607,078	-	-	-	-	607,078
Unemployment	104,561	-	-	-	-	104,561
Tax Certiorari	32,401	-	-	-	-	32,401
Employee Benefit and Accrued Liability	398,585	-	-	-	-	398,585
Repairs	309,853	-	-	-	-	309,853
Debt	-	-	-	3,085,531	-	3,085,531
Total restricted fund balance	1,452,478	-	-	3,085,531	-	4,538,009
Assigned						
Assigned Appropriated Fund Balance	1,277,483	-	-	-	-	1,277,483
Assigned Unappropriated Fund Balance	201,618	-	16,519	-	-	218,137
Total assigned fund balance	1,479,101	-	16,519	-	-	1,495,620
Unassigned						
Unassigned Fund Balance	1,474,725	-	-	-	(162,300)	1,312,425
TOTAL FUND BALANCES	4,406,304	-	52,049	3,085,531	(162,300)	7,381,584
TOTAL LIABILITIES AND FUND BALANCES	$ 5,921,184	$ 799,135	$ 288,672	$ 3,085,531	$ 148,235	$ 10,242,757

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances per above.	$ 7,381,584
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,436,925
Long-term liabilities, including bonds payable, net of prepaid interest with fiscal agent and premiums are not due and payable in the current period and, therefore, are not reported in the funds.	(2,795,000)
Deferred inflow is recognized as income at government wide level	167,853
Other postemployment benefits liability and deferred outflows and inflows for other postemployment benefits at June 30, 2020 are recorded in the government-wide statements under full accrual accounting.	(62,428,329)
Net pension asset and liability and deferred outflows and inflows of resources for pensions at June 30, 2020 are recorded in the government-wide statements under full accrual accounting.	3,362,594
Compensated absences at June 30, 2020, are recorded in the government-wide statements under full accrual accounting.	(1,708,202)
Interest payable at June 30, 2020 is recorded in the government-wide statements under full accrual accounting.	(24,380)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ (40,606,955)

The accompanying notes are an integral part of these statements.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Total Governmental Funds
Revenues						
Real property taxes	$ 8,372,272	$ -	$ -	$ -	$ -	$ 8,372,272
Other tax items	1,325,838	-	-	-	-	1,325,838
Charges for services	95,565	-	-	-	-	95,565
Use of money and property	42,617	-	899	44,308	-	87,824
Sale of property and compensation for loss	1,263	-	-	-	-	1,263
State sources	11,844,949	236,156	17,499	-	-	12,098,604
Federal sources	22,560	717,515	500,849	-	-	1,240,924
Surplus food	-	-	47,526	-	-	47,526
Sales - school lunch	-	-	174,564	-	-	174,564
Miscellaneous	121,830	-	395	-	-	122,225
Total Revenues	21,826,894	953,671	741,732	44,308	-	23,566,605
Expenditures						
General support	2,306,562	-	-	-	-	2,306,562
Instruction	11,012,346	940,152	-	-	-	11,952,498
Pupil transportation	1,046,589	37,276	-	-	-	1,083,865
Community services	200	-	-	-	-	200
Employee benefits	6,155,257	-	141,601	-	-	6,296,858
Debt service						
Interest	-	-	-	101,741	-	101,741
Principal	-	-	-	880,000	-	880,000
Cost of sales	-	-	664,787	-	-	664,787
Capital outlay	-	-	-	-	1,257,642	1,257,642
Total Expenditures	20,520,954	977,428	806,388	981,741	1,257,642	24,544,153
Excess (Deficiency) of Revenues Over Expenditures	1,305,940	(23,757)	(64,656)	(937,433)	(1,257,642)	(977,548)
Other Financing Sources and (Uses)						
Proceeds from serial bonds	-	-	-	-	230,000	230,000
Operating transfers in	-	23,757	-	874,999	-	898,756
Operating transfers (out)	(898,756)	-	-	-	-	(898,756)
Total Other Sources (Uses)	(898,756)	23,757	-	874,999	230,000	230,000
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	407,184	-	(64,656)	(62,434)	(1,027,642)	(747,548)
Fund Balance - Beginning of year	3,999,120	-	116,705	3,147,965	865,342	8,129,132
Fund Balance - End of year	$ 4,406,304	$ -	$ 52,049	$ 3,085,531	$ (162,300)	$ 7,381,584

The accompanying notes are an integral part of these statements.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

Net changes in fund balance - total governmental funds	$ (747,548)
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position	1,369,074
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities and changes in net position	(830,206)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	880,000
Proceeds from issuance of debt are not recognized as income in the statement of net position	(230,000)
Deferred inflow is recognized as revenue	167,853
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(4,891,066)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(49,544)
Pension expenses do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(455,858)
Certain expenses in the statement of activities and changes in net position do not require the expenditures of current resources and are, therefore, not reported as expenditures in the governmental funds	4,025
Change in net position of governmental activities	$ (4,783,270)

The accompanying notes are an integral part of these statements.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	Agency	Private Purpose Trusts
ASSETS		
Cash - unrestricted	$ 32,909	$ -
Cash - restricted	88,144	20,980
Due from other funds	-	210
Total Assets	$ 121,053	$ 21,190
LIABILITIES		
Extraclassroom activity balances	$ 88,144	$ -
Due to other funds	9,315	-
Other liabilities	23,594	-
Total Liabilities	$ 121,053	-
NET POSITION		
Restricted for scholarships		$ 21,190

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

	Private Purpose Trusts
ADDITIONS	
Gifts and contributions	$ 2,443
Interest earnings	249
Total Additions	2,692
DEDUCTIONS	
Scholarships and awards	6,292
Change in Net Position	(3,600)
Net Position - Beginning of Year	24,790
Net Position - End of Year	$ 21,190

1. NATURE OF OPERATIONS

Hoosick Falls Central School District provides K-12 public education to students living within its geographic borders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture
The School District is a non-component district that participates with the Rensselaer-Columbia-Greene Board of Cooperative Educational Services. A Board of Cooperative Educational Services (BOCES) is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the School District was billed $493,904 for BOCES administrative and program costs. Because the School District is not a component district of the BOCES, it does not receive any BOCES aid.

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

Basis of Presentation

<u>School District-Wide Statements</u>
The statement of net position and the statement of activities and changes in net position present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities and changes in net position presents a comparison between direct expenses and revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

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

The School District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes and child nutrition. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The special revenue funds classified as major are:

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State and Local grants.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The School District reports the following fiduciary funds:

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

Private purpose trust funds: These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. A scholarship is an example of a Private-Purpose Trust Fund. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)
Fiduciary Fund Types (Continued)

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

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

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

The School 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 School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, 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 state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year as it matches the liquidation of related obligation.

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

Cash and Cash Equivalents
The School District's cash consists of cash on hand and demand deposits.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

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.

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2020, the District held $6,711,263 in investments consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid and the amount held represents the cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYCLASS, including the annual report, can be found on its website at **www.newyorkclass.org**.

Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

Other assets/restricted assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the School District-wide financial statements and their use is limited by applicable bond covenants.

In the School District-wide financial statements, bond discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

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

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

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

See Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

Capital Assets

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

Land and construction in process are not depreciated. 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 School District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 500	N/A	N/A
Land improvements	500	SL	40
Buildings and improvements	500	SL	40
Furniture and equipment	500	SL	5-20
Buses	500	SL	20

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Debt

The School District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), 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. The School District did not issue any RANs or TANs during the year ended June 30, 2020.

The School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which 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. The School District did not issue any budget notes during the 2020 fiscal year.

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

Vested Employee Benefits

Compensated Absences

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

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

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

Vested Employee Benefits (Continued)

<u>Compensated Absences (Continued)</u>
In the funds statements only the amount of matured liabilities is accrued based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

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

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

In addition to providing the pension benefits, the School District provides postemployment health insurance coverage and survivor benefits to 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 School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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 are collected during the period September 1 to October 31.

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

Unearned Credits
The School District reports unearned credits 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 School 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 School District has legal claim to resources, the liability for unearned credits is removed and revenue is recognized.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred change on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the School District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and difference during the measurement period between the School District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the School District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth item relates to OPEB reporting in the School District-wide statement of net position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has four items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the School District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension liability (TRS and ERS Systems) and difference during the measurement periods between the School District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item relates to OPEB reporting in the School District-wide statement of net position. This represents the effect of the net changes in assumptions or other inputs.

Restricted Resources

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

Equity Classifications

<u>District-Wide Statements</u>

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

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

Restricted fund balance includes the following:

Capital	$ 607,078
Unemployment	104,561
Tax certiorari	32,401
Employee benefits and accrued liabilities	398,585
Repairs	309,853
Debt Service Fund	3,085,531
Total	$ 4,538,009

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

Governmental Fund Statements
In the fund basis statements there are five classifications of fund balance.

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes inventory recorded in the School Lunch Fund of $35,530.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances:

Capital
According to Education Law §3651, expenditures made from the capital 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 §3651 of the Education Law. This reserve is accounted for in the General Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Repair

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

Workers' Compensation

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

Unemployment Insurance

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund 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 School District elects to convert to tax, (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Debt Service

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

Liability Claims and Property Loss

According to Education Law §1709(8) (c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)
Governmental Fund Statements (Continued)

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

Tax Certiorari
According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount 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. The reserve is accounted for in the General Fund.

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

Retirement Contribution
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to $201,618. Appropriated fund balance in the general fund amounted to $1,277,483. Any remaining fund balance in other funds is considered assigned. The school lunch fund also reports assigned fund balance of $16,519. As of June 30, 2020, the School District's general fund encumbrances were classified as follows:

General support	$ 28,684
Instruction	155,547
Employee Benefits	17,387
Total encumbrances	$ 201,618

Unassigned fund balance - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from the overspending for specific purposes for which amounts had been restricted or assigned.

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

Net Position/Fund Balance

Net position flow assumption: Sometimes the School District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the School District-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund balance flow assumptions: Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Fund Balance Spending Policy

The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as assigned fund balance. In the general fund, committed fund balance is determined next and then assigned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)
Governmental Fund Statements (Continued)

Order of Fund Balance Spending Policy (Continued)
The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

New Accounting Standards
The School District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. No new standards were adopted by the School District.

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

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities
Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This 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 and other postemployment benefits.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities
Differences between the governmental funds statement of revenues, expenditures, and changes in fund balance and the statement of activities fall into one of five broad categories. The amounts shown below represent:

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

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

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL DISTRICT-WIDE STATEMENTS (Continued)

Long-Term Debt Transaction Differences

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

Pension Differences

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

OPEB Differences

OPEB differences occur as a result of changes in the School District's total OPEB liability and differences between the School District's contributions and OPEB expense.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures, (and encumbrances), that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget, (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

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

4. 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 portion of the School District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the School District's budget for the upcoming school year. Actions the School District plans to pursue to address this issue include paying for health and safety expenses related to reopening school under hybrid learning model and offsetting COVID-19 related state aid reductions.

The Capital Projects Fund had a deficit fund balance of $162,300. This will be funded when the School District obtains permanent financing for its current construction project.

5. CUSTODIAL CREDIT, CONCENTRATION OF CREDIT RISK

Cash and Investments

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

Uncollateralized	$	(220,866)
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	$	7,544,776

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

Restricted cash consists of the following:

General fund:		
Cash on deposit for capital reserves	$	607,078
Cash on deposit for unemployment insurance		104,561
Cash on deposit for employee benefit and accrued liability reserve		398,585
Cash on deposit for repairs reserve		309,853
Cash on deposit for tax certiorari		32,401
Total general fund	$	1,452,478
Debt Service fund:		
Cash on deposit for debt service reserves	$	3,080,709
Trust and agency fund:		
Cash on deposit for extraclassroom activity funds	$	88,144
Private purpose trusts fund:		
Cash on deposit for scholarship reserve	$	20,980

5. CUSTODIAL CREDIT, CONCENTRATION OF CREDIT RISK (Continued)

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the School District's agent in the School District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the School District's name, or (3) uncollateralized. At June 30, 2020 all deposits were not fully insured and collateralized by the School District's agent in the School District's name.

Investment and Deposit Policy

The School District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the School District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The School District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The School District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The School District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the School District's investment and deposit policy, all deposits of the School District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The School District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

6. CAPITAL ASSETS

Capital asset balances for the year ended June 30, 2020, are as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 27,582	$ -	$ -	$ 27,582
Work in progress	325,120	1,035,214	-	1,360,334
Total non-depreciable cost	352,702	1,035,214	-	1,387,916
Capital assets that are depreciated:				
Buildings	22,411,466	-	-	22,411,466
Land improvements	496,729	-	-	496,729
Vehicles	2,420,900	287,899	128,161	2,580,638
Furniture and equipment	2,289,106	47,219	5,824	2,330,501
Total depreciable historical cost	27,618,201	335,118	133,985	27,819,334
Less accumulated depreciation:				
Buildings	9,762,252	441,796	-	10,204,048
Land improvements	463,882	3,101	-	466,983
Vehicles	1,479,849	254,514	128,162	1,606,201
Furniture and equipment	1,366,863	130,795	4,565	1,493,093
Total accumulated depreciation	13,072,846	830,206	132,727	13,770,325
Total depreciable cost, net	$ 14,898,057	$ 540,126	$ 1,258	$ 15,436,925

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

General support	$ 487,400
Instruction	69,168
Pupil transportation	256,403
School lunch program	17,235
Total	$ 830,206

7. LONG-TERM DEBT

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds
The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the general fund's future budgets for capital indebtedness.

Noncurrent liability balances and activity are as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year	Long-Term Portion
Long-term liabilities						
Bonds payable						
General obligation debt:						
Serial bonds	$ 3,445,000	$ 230,000	$ 880,000	$ 2,795,000	$ 880,000	$ 1,915,000
Other long-term liabilities:						
Compensated absences	1,658,658	49,544 (A)	-	1,708,202	-	1,708,202
Total other postemployment benefits obligation	53,535,783	25,614,688	1,592,247	77,558,224	-	77,558,224
Net pension liability - proportionate share	556,340	2,157,707	556,340	2,157,707	-	2,157,707
Total long-term liabilities	$ 59,195,781	$ 28,051,939	$ 3,028,587	$ 84,219,133	$ 880,000	$ 83,339,133

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

Bonds payable are comprised of the following:

Bond Issue	Issued Date	Maturity	Interest Rate	June 30, 2020 Balance
Buses	2015	2020	1.50%-3.30%	$ 25,000
Buses	2016	2021	1.75%-1.875%	90,000
Buses	2017	2022	2.125%	135,000
Buses	2018	2023	2.37%-2.75%	270,000
Buses	2019	2024	1.00%-2.50%	230,000
Renovations	2010	2023	1.75%-3.50%	2,045,000
				$ 2,795,000

7. LONG-TERM DEBT (Continued)

The following is a summary of the debt service requirements for bonds payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 880,000	$ 83,177	$ 963,177
2022	880,000	56,357	936,357
2023	865,000	30,562	895,562
2024	120,000	2,712	122,712
2025	50,000	625	50,625
Totals	$ 2,795,000	$ 173,433	$ 2,968,433

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

Interest paid	$ 101,741
Less interest accrued in the prior year	(28,405)
Plus interest accrued in the current year	24,380
Total interest	$ 97,716

8. INTERFUND BALANCE ACTIVITY

Interfund transactions and balances are as follows:

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

	Interfund		Interfund	
Fund:	Receivable	Payable	Revenue	Expenditures
General fund	$ 1,022,487	$ 30,620	$ -	$ 898,756
Special aid funds	24,217	793,329	23,757	-
School lunch fund	6,403	220,053	-	-
Debt service fund	4,822	-	874,999	-
Capital Projects fund	-	4,822	-	-
Total Governmental Funds	1,057,929	1,048,824	$ 898,756	$ 898,756
Fiduciary funds	210	9,315		
Total	$ 1,058,139	$ 1,058,139		

The School District typically transfers from the general fund to the special aid fund for cash flow purposes, the general fund to the debt service fund for payment of debt, school lunch to the general fund for benefits, and general fund to the capital projects fund for capital projects expenditures.

9. PENSION OBLIGATIONS

General information
The School District participates in the New York State Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). 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.

Plan descriptions and benefits provided

Teachers' Retirement System (NYSTRS)
The system is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in NYSTRS. 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 Statute. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report and additional information may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (NYSERS)
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 (NYSRSSL). 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 be enactment of a State statute. The system is included in the State's financial report as a pension trust fund. That report including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php, or obtained by writing to New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

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% of their salary for their entire length of service. In addition, employee contribution rates under NYSERS tier VI vary based on a sliding salary scale.

For NYSTRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The School District paid 100% of the required contributions as billed by the NYSTRS and NYSERS for the current year and each of the two preceding years. The School District chose to prepay the required contributions by December 15, 2019 and received an overall discount of $3,102.

9. PENSION OBLIGATIONS (Continued)

Funding policies (Continued)
Contributions for the current year and two preceding years were as follows:

	NYSTRS	NYSERS
2019-2020	$ 816,961	$ 363,078
2018-2019	961,637	363,403
2017-2018	843,381	351,316

Pension Liabilities, Pension Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2020, the School 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 June 30, 2019 for NYSTRS and March 31, 2020 for NYSERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The School District's proportion of the net pension asset/(liability) was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSTRS and NYSERS Systems in reports provided to the School District.

	NYSTRS	NYSERS
Actuarial valuation date	June 30, 2018	March 31, 2019
District's proportionate share of the net pension asset/(liability)	$ 1,409,337	$ (2,157,707)
District's portion of the Plan's total net pension asset/(liability)	0.054247%	0.008148%
Change in proportion since the prior measurement date	0.000223%	0.000296%

For the year ended June 30, 2020, the School District recognized its proportionate share of pension expense of $363,078 for NYSERS and the actuarial value $816,961 for NYSTRS.

9. PENSION PLANS (Continued)

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

As of June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	NYSERS	NYSTRS	Total
Differences between expected and actual experience	$ 126,990	$ 955,072	$ 1,082,062
Changes of assumptions	43,446	2,662,426	2,705,872
Net differences between projected and actual earnings on pension plan investments	1,106,145	-	1,106,145
Changes in proportion and differences between District contributions and proportionate share of contributions	113,300	103,605	216,905
District contributions subsequent to measurement date	-	961,607	961,607
Total	$ 1,389,881	$ 4,682,710	$ 6,072,591

	Deferred Inflows of Resources		
	NYSERS	NYSTRS	Total
Differences between expected and actual experience	$ -	$ 104,801	$ 104,801
Changes of assumptions	37,515	649,175	686,690
Net differences between projected and actual earnings on pension plan investments	-	1,130,216	1,130,216
Changes in proportion and differences between District contributions and proportionate share of contributions	6,369	33,551	39,920
District contributions subsequent to measurement date	-	-	-
Total	$ 43,884	$ 1,917,743	$ 1,961,627

School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	NYSTRS	NYSERS
2020	$ 656,495	$ -
2021	59,348	244,280
2022	654,183	342,055
2023	431,746	425,119
2024	50,121	334,544
Thereafter	(48,533)	-
	$ 1,803,360	$ 1,345,998

Actuarial Assumptions

The total pension asset/(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 asset/(liability) to the measurement date.

9. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The actuarial valuations used the following actuarial assumptions:

	NYSERS	NYSTRS	
Measurement date	March 31, 2020	June 30, 2019	
Actuarial valuation date	April 1, 2019	June 30, 2018	
Interest rate	6.8%	7.25%	
Salary scale	4.2% indexed by service	Service	Rate
		5	4.72%
		15	3.46%
		25	2.37%
		35	1.90%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience	
Projected cost of living adjustment	1.3%	1.3%	
Inflation rate	2.5%	2.2%	

For NYSERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. The actuarial assumptions used in the April 1, 2019 NYSERS valuation are based on the results of actuarial experience study for the period April 1, 2010 – March 31, 2015.

For NYSTRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2018, applied on a generational basis. Active member mortality rates are based on plan member experience. The actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation.

9. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rate of return for each major asset class included in the target asset allocation are summarized below.

	Target Allocation		Long Term Expected Real Rate of Return*	
Measurement date	March 31, 2020	June 30, 2019	March 31, 2020	June 30, 2019
Asset Type	NYSERS	NYSTRS	NYSERS	NYSTRS
Domestic equity	36.00%	33.00%	4.05%	6.30%
International equity	14.00%	16.00%	6.15%	7.80%
Global equity	N/A	4.00%	N/A	7.20%
Private equity	10.00%	8.00%	6.75%	9.90%
Real estate	10.00%	11.00%	4.95%	4.60%
Absolute return (1)	2.00%	N/A	3.25%	N/A
Opportunistic portfolio	3.00%	N/A	4.65%	N/A
Real asset	3.00%	N/A	5.95%	N/A
Bonds & mortgages	17.00%	7.00%	0.75%	2.90%
Cash	1.00%	1.00%	0.00%	0.30%
Inflation indexed bonds	4.00%	N/A	0.50%	N/A
Domestic fixed income securities	N/A	16.00%	N/A	1.30%
Global fixed income securities	N/A	2.00%	N/A	0.90%
High-yield fixed income securities	N/A	1.00%	N/A	3.60%
Private debt	N/A	1.00%	N/A	6.50%
	100.00%	100.00%		

* Real rates of return are net of the long-term inflation assumption of 2.5% for NYSERS and 2.2% for NYSTRS

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 6.8% for NYSERS and 7.10% for NYSTRS. 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 determined. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

9. PENSION PLANS (Continued)

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

The following presents the School District's proportionate share of the net pension asset/(liability) as of June 30, 2020 calculated using the assumed discount rate, as well as what the School 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 or 1 percentage point higher than the current rate:

NYSERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
District's proportionate share of the net pension liability (asset)	$ 3,960,001	$ 2,157,707	$ 497,786

NYSTRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
District's proportionate share of the net pension liability (asset)	$ 6,361,600	$ (1,409,337)	$ (7,928,276)

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2020 is $412,982 for NYSERS and $42,876 for NYSTRS.

Pension Plan Fiduciary Net Position

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

	NYSERS	NYSTRS	Total
Employers' total pension liability (asset)	$ 194,596,261	$ 119,879,473,882	$ 120,074,070,143
Plan net position	(168,115,682)	(122,477,480,654)	(122,645,596,336)
Employers' net pension liability (asset)	$ 26,480,579	$ (2,598,006,772)	$ (2,571,526,193)
Ratio of plan net position to the employer's total pension liability (asset)	86.39%	102.17%	102.14%

Payables to the Pension Plan

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid NYSTRS covered wages multiplied by the employer's contribution rate by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued retirement contributions as of June 30, 2020 amounted to $873,201.

9. PENSION PLANS (Continued)

Payables to the Pension Plan (Continued)

For NYSERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid NYSERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $95,242.

10. POSTEMPLOYMENT BENEFITS OBLIGATION

General Information About the Other Postemployment Benefits (OPEB) Plan

Plan Description

The School District's administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the School District. The plan is a single-employer defined benefit OPEB plan administered by Article 11 of the State Compiled Statues which grants the authority to establish and amend the benefit terms and financing requirements to the School District Board of Education, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy

The obligations of the plan members and employers are established by action of the School District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 0 to 10 years of service to qualify for other post-employment benefits. The School District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2020 approximately $1,431,145 was paid on behalf of 118 retirees.

Benefits Provided

The School District provides for contribution of medical and/or Medicare Part B for retirees and their spouses/dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms – At July 1, 2019, the following employees were covered by the benefit terms:

Inactive plan employee or beneficiaries currently receiving benefit payments	186
Inactive plan employees entitled to but not yet receiving benefit payment	0
Active plan employees	200
Total plan members	386

Total OPEB Liability

The School District's total OPEB liability was measured as of June 30, 2020; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019 with a measurement date of June 30, 2020.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.5%
Salary Increases	2.6%
Discount Rate	2.2%
Healthcare Cost Trend Rates	
Medical	6.6% for 2019, decreasing to an ultimate rate of 4.1% over 56 years
Part B Reimbursement	3.0%

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on RP-2014 adjusted to 2006 Total Dataset Mortality Table generationally projected using scale MP-Ultimate. This assumption includes a margin for future improvements in longevity.

Retirement participation rate assumed that 100% of future eligible retirees are assumed to elect coverage at retirement. Also, 40% of eligible spouses are assumed to elect coverage at retirement and 100% of spouses are assumed to continue medical coverage after the death of the retiree (and be eligible for Medicare Part B reimbursement). 100% of future retirees and spouses are assumed to continue coverage past age 65. 80% of future retirees are assumed to be married, with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used.

Changes in the Total OPEB Liability

Changes in the School District's OPEB liability were as follows:

Balance at June 30, 2019	$ 53,535,783
Changes for the Year -	
Service cost	2,438,543
Interest	1,931,476
Differences between expected and actual experience	4,555,261
Changes in assumptions or other inputs	16,689,408
Benefit payments	(1,592,247)
Net Changes	24,022,441
Balance at June 30, 2020	$ 77,558,224

Changes of benefit terms reflect

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% in 2019 to 2.21% in 2020 and a change in inflation rate from 3.0% in 2019 to 2.6% in 2020.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	$ 93,673,631	$ 77,558,224	$ 65,026,613

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.6%) or 1 percentage point higher (7.6%) than the current healthcare cost trend rate:

	1% Decrease (5.6% Decreasing to 3.1%)	Healthcare Cost Trend Rates (6.6% Decreasing to 4.1%)	1% Increase (7.6% Decreasing to 5.1%)
Total OPEB Liability	$ 64,691,722	$ 77,558,224	$ 94,921,370

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

For the year ended June 30, 2020, the School District recognized negative OPEB expense of $4,891,066. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,101,863	$ -
Changes of assumptions or other inputs	14,493,433	3,465,401
Contributions subsequent to measurement date	-	-
Total	$ 18,595,296	$ 3,465,401

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

Fiscal Year Ending June 30,	Amount
2021	$ 2,113,294
2022	2,113,294
2023	2,113,294
2024	2,113,294
2025	2,184,018
Thereafter	4,492,701
	$ 15,129,895

11. RISK MANAGEMENT

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

12. CONTINGENCIES AND COMMITMENTS

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

Several tax certiorari actions are pending against the School District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The School District plans on funding any settlements from the Tax Certiorari Reserve, and/or future appropriations.

13. TAX ABATEMENTS

The County of Rensselaer enters various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by $3,723 for the year ended June 30, 2020. The School District received payment in Lieu of Tax (PILOT) payment totaling $7,262.

14. SUBSEQUENT EVENTS

The School District has signed contracts for phase 1 of the School District-wide renovations. The total anticipated cost of this project is $22,045,820, of which $1,360,334, has been expended through the end of the fiscal year.

On August 18, 2020 the School District issued a serial bond in the amount of $178,000, bearing interest at a rate of 1.20%, maturing August 15, 2025.

On September 10, 2020 the School District issued a $2,500,000 bond anticipation note at 1% maturing September 10, 2021.

15. COVID-19 PANDEMIC

As of the date of this report, the United States is in the midst of a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). The School District was closed effective March 18, 2020 and did not re-open during the 2020 academic year. The School District has developed a re-opening plan for the 2020-2021 school year and will resume educating students in September. Instruction will be a mix of in-person and virtual education.

Businesses throughout NYS remain closed or are operating significantly below their capacity. New York State has publicly stated that COVID-19 will have a significant negative impact on its revenues and its 2020-21 budget. In August 2020 the New York State Department of Education notified all school districts that effective immediately all future payments of state aid will be reduced by a 20% withholding and that this withholding may become a permanent reduction in aid. As a result, at June 30, 2020, the School District has recorded a deferred inflow of resources in the amount of $167,853 in the General fund.

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

	Original Budget	Revised Budget	Actual	Over (Under) Revised Budget
Revenues				
Local Sources				
Real property taxes	$ 9,690,742	$ 8,440,742	$ 8,372,272	$ (68,470)
Other tax items	25,000	1,275,000	1,325,838	50,838
Charges for services	18,500	18,500	95,565	77,065
Use of money and property	52,000	52,000	42,617	(9,383)
Sale of property and compensation for loss	-	-	1,263	1,263
Miscellaneous	88,065	88,065	121,830	33,765
Interfund revenues	-	-	-	-
Total Local Sources	9,874,307	9,874,307	9,959,385	85,078
State sources	12,125,653	12,125,653	11,844,949	(280,704)
Federal sources	106,214	106,214	22,560	(83,654)
Total Revenues	22,106,174	22,106,174	21,826,894	(279,280)
Other Financing Sources				
Transfers from other funds	-	-	-	-
Total Revenues and Other Sources	$ 22,106,174	$ 22,106,174	$ 21,826,894	$ (279,280)
Appropriated Fund Balance				
Prior years' surplus	1,129,840	1,129,840		
Prior years' encumbrances	-	251,928		
Appropriated reserves	69,414	69,414		
Total Appropriated Fund Balance	1,199,254	1,451,182		
Total Revenues, Other Sources and Appropriated Fund Balance	$ 23,305,428	$ 23,557,356		

The accompanying notes are an integral part of these schedules.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Revised Budget	Actual	Year-end Encumbrances	Revised Budget Variance With Actual and Encumbrances
Expenditures					
General Support					
Board of education	$ 22,725	$ 19,425	$ 14,069	$ 440	$ 4,916
Central administration	230,635	236,835	228,538	-	8,297
Finance	430,775	479,881	448,991	13,047	17,843
Staff	108,958	75,130	23,255	-	51,875
Central services	1,441,115	1,687,802	1,500,661	15,197	171,944
Special items	109,399	118,122	91,048	-	27,074
Total General Support	2,343,607	2,617,195	2,306,562	28,684	281,949
Instruction					
Instruction, administration and improvement	705,079	727,226	652,209	4,852	70,165
Teaching - regular school	6,521,068	6,622,093	6,230,632	80,911	310,550
Programs for students with disabilities	2,423,355	2,353,981	1,986,959	4,956	362,066
Occupational education	311,122	314,506	310,267	-	4,239
Teaching - special school	99,500	103,113	100,809	-	2,304
Instructional media	512,767	574,970	440,177	60,449	74,344
Pupil services	1,497,292	1,545,842	1,291,293	4,379	250,170
Total Instruction	12,070,183	12,241,731	11,012,346	155,547	1,073,838
Other					
Pupil Transportation	1,203,936	1,223,557	1,046,589	-	176,968
Community Services	600	600	200	-	400
Employee Benefits	6,782,103	6,569,274	6,155,257	17,387	396,630
Total Other	7,986,639	7,793,431	7,202,046	17,387	573,998
Total Expenditures	22,400,429	22,652,357	20,520,954	201,618	1,929,785
Other Financing Uses					
Transfers to other funds	904,999	904,999	898,756	-	6,243
Total Expenditures and Other Financing Uses	23,305,428	23,557,356	21,419,710	201,618	1,936,028
NET CHANGE IN FUND BALANCES	(1,199,254)	(1,451,182)	407,184	(201,618)	1,656,748
FUND BALANCE - beginning of year	3,999,120	3,999,120	3,999,120	-	-
FUND BALANCE - end of year	$ 2,799,866	$ 2,547,938	$ 4,406,304	$ (201,618)	$ 1,656,748

The accompanying notes are an integral part of these schedules.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
LAST 3 FISCAL YEARS

	2020	2019	2018
Measurement date	June 30, 2020	July 1, 2017	July 1, 2017
Total other postemployment benefits (OPEB) liability			
Service cost	$ 2,438,543	$ 2,487,786	$ 2,415,326
Interest	1,931,476	1,718,767	1,626,790
Changes in benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	4,555,261	-	221,482
Changes of assumptions or other inputs	16,689,408	(4,879,851)	-
Benefit payments	(1,592,247)	(1,181,995)	(1,357,011)
Net change in in total OPEB liability	24,022,441	(1,855,293)	2,906,587
Total OPEB liability - beginning	53,535,783	55,391,076	52,484,489
Total OPEB liability - ending	$ 77,558,224	$ 53,535,783	$ 55,391,076
Covered payroll	$ 10,980,032	$ 10,732,352	$ 10,732,352
Total OPEB liability as a percentage of covered payroll	706.36%	498.83%	516.11%

Notes to schedule:

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

	2020	2019	2018
Discount rate	2.21%	3.50%	3.00%
Inflation rate	2.60%	3.00%	3.00%

Plan Assets . No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

- Contributions from the employer and any non-employer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

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

The accompanying notes are an integral part of these schedules.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS (UNAUDITED)
LAST 6 FISCAL YEARS

Teachers' Retirement System

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contributions	961,607	862,394	1,009,072	1,135,720	1,495,081	1,333,930
Contributions in relation to the contractually required contribution	961,607	862,394	1,009,072	1,135,720	1,495,081	1,333,930
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	9,156,233	9,054,683	8,799,416	8,565,008	8,667,008	8,362,901
Contribution as a percentage of covered-employee payroll	11%	10%	11%	13%	17%	16%

Employees' Retirement System

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contributions	365,264	362,254	346,514	334,181	377,139	376,497
Contributions in relation to the contractually required contribution	365,265	362,255	346,514	334,181	377,139	376,498
Contribution deficiency (excess)	$ (1)	$ (1)	$ -	$ -	$ -	$ (1)
District's covered-employee payroll	2,787,089	2,692,435	2,663,801	2,425,975	2,305,062	2,131,404
Contribution as a percentage of covered-employee payroll	13%	13%	13%	14%	16%	18%

The accompanying notes are an integral part of these schedules.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY (UNAUDITED)
LAST 6 FISCAL YEARS

Teachers' Retirement System

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)	0.054247%	0.054024%	0.054332%	0.055505%	0.056777%	0.055572%
District's proportionate share of the net pension liability (asset)	$ (1,409,337)	$ (976,900)	$ (412,977)	$ 594,484	$ (5,897,338)	$ (6,190,335)
District's covered-employee payroll	$ 9,156,233	$ 9,054,683	$ 8,799,416	$ 8,565,008	$ 8,667,008	$ 8,362,901
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15%	-11%	-5%	7%	-68%	-74%
Plan fiduciary net position as a percentage of the total pension liability	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Employees' Retirement System

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)	0.0081483%	0.0078520%	0.0076832%	0.0079727%	0.0078289%	0.0074794%
District's proportionate share of the net pension liability (asset)	$ 2,157,707	$ 556,340	$ 247,972	$ 749,132	$ 1,256,565	$ 252,673
District's covered-employee payroll	$ 2,787,089	$ 2,692,435	$ 2,663,801	$ 2,425,975	$ 2,305,062	$ 2,131,404
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77%	21%	9%	31%	55%	12%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%

The accompanying notes are an integral part of these schedules.

OTHER INFORMATION (UNAUDITED)

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted Budget	$ 23,305,428
Add: Prior year's encumbrances	251,928
Original Budget	23,557,356
Budget revisions	-
Final Budget	$ 23,557,356

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-21 voter-approved expenditure budget	$ 23,305,428
Maximum allowed (4% of the 2020-2021 budget)	932,217
General Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	1,479,101
Unassigned fund balance	1,474,725
Total unrestricted fund balance	2,953,826
Less:	
Appropriated fund balance	1,277,483
Encumbrances included in assigned fund balance	201,618
Total adjustments	1,479,101
General Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 1,474,725
Actual percentage	6.33%

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

PROJECT TITLE / NUMBER	Original Appropriation	Revised Appropriation	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance	Methods of Financing Proceeds of Obligations	Methods of Financing State Aid	Methods of Financing Local Sources	Methods of Financing Total	Fund Balance June 30, 2020
District-wide renovations	$ 22,045,820	$ 22,045,820	$ 325,120	$ 1,035,214	$ 1,360,334	$ 20,685,486	$ -	$ -	$ 1,190,150	$ 1,190,150	$ (170,184)
Buses - 2018-2019	335,000	335,000	334,688	-	334,688	312	335,000	-	-	335,000	312
Buses - 2019-2020	230,000	230,000	-	222,428	222,428	7,572	230,000	-	-	230,000	7,572
Totals	$ 22,610,820	$ 22,610,820	$ 659,808	$ 1,257,642	$ 1,917,450	$ 20,693,370	$ 565,000	$ -	$ 1,190,150	$ 1,755,150	$ (162,300)

The accompanying notes are an integral part of these schedules.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2020

Capital Assets, Net		$ 15,436,925
Deduct:		
Short-term portion of bonds payable	880,000	
Long-term portion of bonds payable	1,915,000	
Less: unspent bond proceeds	(7,884)	
Total Deductions		2,787,116
Net Investment in Capital Assets		$ 12,649,809

The accompanying notes are an integral part of these schedules.

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

Bonadio & Co., LLP
Certified Public Accountants

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

September 21, 2020

To the Board of Education of
Hoosick Falls Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hoosick Falls Central School District (School District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 21, 2020.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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

www.bonadio.com

(Continued)

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 2020-001.

District's Response to Finding
The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned responses. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

.

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

September 21, 2020

Board of Education
Hoosick Falls Central School District

Report on Compliance for Each Major Federal Program

We have audited Hoosick Falls 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 Hoosick Falls Central School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hoosick Falls 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 Hoosick Falls 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 Hoosick Falls Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Hoosick Falls 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, 2020.

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

www.bonadio.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE
(Continued)

Report on Internal Control over Compliance
Management of Hoosick Falls 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 Hoosick Falls 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 Hoosick Falls 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 a 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.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grant Number	Total Federal Expenditures	
U.S. Department of Agriculture				
Passed through New York State Education Department				
Non-cash assistance (food distribution)				
National School Lunch program	10.555	n/a	$ 47,526	^
Cash assistance				
National School Lunch program	10.555	n/a	349,259	^
School Breakfast program	10.553	n/a	151,590	^
Total U.S. Department of Agriculture			548,375	
U.S. Department of Education				
Passed through New York State Education Department				
IDEA - Part B, Section 611	84.027	0032-20-0750	332,091	
IDEA - Part B, Section 619	84.173	0033-20-0750	17,953	
Special education cluster (IDEA)			350,044	
Title I grants to local educational agencies	84.010	0021-20-2490	308,691	
Title I, Part A			308,691	
ESEA Title II Part A, Improving Teacher Quality grant	84.367	0147-20-2490	46,252	
ESEA Title II, Part A			46,252	
Student Support and Academic Enrichment Grant	84.424	0204-20-2490	12,528	
Student Support and Academic Enrichment Grant			12,528	
Total U.S. Department of Education			717,515	
Total federal awards expended			$ 1,265,890	

^ Child Nutrition Cluster

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

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

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

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the School District, which is described in Note 1 to the School District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the School District financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the 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).

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the School District's financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

The School District is an independent municipal corporation. All federal grant operations of the School District are included in the scope of the single audit.

4. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal awards. Any equipment purchased with federal funds has only a nominal value and is covered by the School District's insurance policies.

There were no loans or loan guarantees outstanding at year-end.

5. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2020, the School District received food commodities totaling $47,526.

6. INDIRECT COST RATE

The School District did not elect to use the 10% de minimis cost rate.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The School District's policy is not to charge federal award programs with indirect costs.

HOOSICK FALLS CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I—Summary of Auditors' Results

Financial Statements

Type of independent auditor's report issued on whether the Financial statements are prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes _x_ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes _x_ None reported
Noncompliance material to financial statements noted?	_x_ Yes ____ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ Yes _x_ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes _x_ None reported

Type of independent auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR §200.516(a)?	____ Yes _x_ No

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number(s)
School Lunch Cluster	10.553, 10.555

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

Section II—Financial Statement Findings

Finding 2020-001 – Stewardship and Compliance

Criteria – The School District's unreserved, unrestricted fund balance was outside the NYS Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming year.

Condition – General Fund unrestricted, unreserved fund balance exceeded the 4% limitation

Questioned Costs – None

Cause and Effect – The current year surplus resulted in the fund balance exceeding limits.

Recommendation – We recommend that management take the excess fund balance into consideration when preparing future budgets.

Management Response – Management will ensure excess fund balance is taken into effect when preparing future budgets.

Section III—Federal Award Findings and Questioned Costs

None.

FORM OF BOND COUNSEL'S OPINION – THE BONDS

August 15, 2021

Hoosick Falls Central School District
Counties of Rensselaer and Washington
State of New York

Re: Hoosick Falls Central School District School District, Counties of Rensselaer and Washington, New York
$312,000 School District (Serial) Bonds, 2021

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $312,000 School District (Serial) Bonds, 2021 (the "Obligations"), of the Hoosick Falls Central School District, New York , Rensselaer and Washington Counties, New York (the "Obligor"), dated August 15, 2021, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (_____%) per annum as to bonds maturing in _____, payable on August 15, 2022 and semi-annually thereafter on February and August 15, and maturing in the amount of $_________ on August 15, 2023,$_________ on August 15, 2024, $_________ on August 15, 2025, and $_________ on August 15, 2026.

The Obligations shall not be subject to redemption prior to maturity.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

FORM OF BOND COUNSEL'S OPINION - NOTES

August 5, 2021

Hoosick Falls Central School District
Counties of Rensselaer and Washington
State of New York

Re: Hoosick Falls Central School District School District, Counties of Rensselaer and Washington, New York
$12,500,000 Bond Anticipation Notes, 2021

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of $12,500,000 Bond Anticipation Notes, 2021 (the "Obligation"), of the Hoosick Falls Central School District, Rensselaer and Washington Counties, New York (the "Obligor"), dated August 5, 2021, numbered 1, of the denomination of $12,500,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing on August 5, 2022.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP