NEW ISSUE

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

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

\$8,000,000

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT SCHENECTADY, MONTGOMERY AND SARATOGA COUNTIES, NEW YORK



GENERAL OBLIGATIONS CUSIP BASE #: 809265

\$8,000,000 Bond Anticipation Notes, 2022

(the "Notes")

Dated: July 27, 2022 Due: June 30, 2023

The Notes will constitute general obligations of the Scotia Glenville Central School District, Schenectady, Montgomery, and Saratoga Counties, (the "School District" or the "District") and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount.

The Notes are not subject to redemption prior to maturity.

The Notes will be issued as registered notes and at the option of the purchaser(s), may be registered in the name of the purchaser(s) or may be registered to the Depository Trust Company ("DTC"). If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser(s) in denominations of \$5,000 or multiples thereof as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon, LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser, or about July 27, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 12, 2022 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Notes Sale.

June ___, 2022

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE "APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

SCHENECTADY, MONTGOMERY, AND SARANAC COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

DAVID J. BUCCIFERRO President



HAROLD M. TALBOT Vice President

KIMBERLY C. TALBOT PAMELA S. CARBONE DAVID M. MASSARO RICHARD J. FREDERICK

ADMINISTRATION

SUSAN M. SWARTZ
Superintendent

<u>KAREN SWAIN</u>
Assistant Superintendent of Curriculum and Instruction

ANDREW M. GIAQUINTO
Business Manager

SHERI TYRELL
School District Treasurer

ROBERTA DELONG School District Clerk

BARCLAY DAMON^{LIP}

BARCLAY DAMON LLP Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the Scotia-Glenville 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 Scotia-Glenville Central School District.

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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

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT SCHENECTADY, MONTGOMERY AND SARATOGA COUNTIES, NEW YORK

Relating To

\$8,000,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Scotia-Glenville Central School District, Schenectady, Montgomery and Saratoga Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$8,000,000 principal amount of Bond Anticipation Notes, 2022 (the "Notes").

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

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

NATURE OF OBLIGATION

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

Holders of any series of notes or Notes 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 Notes.

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

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

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

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in <u>Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976)</u>, 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 <u>Flushing National Bank</u> (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 <u>Quirk v. Municipal Assistance Corp.</u>, the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

THE NOTES

Description of the Notes

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

The Notes will be dated July 27, 2022, and mature, without option of prior redemption, on June 30, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) registered form registered in the name of the purchaser(s), with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate, and the School District will act as paying agent; or (ii) at the option of the purchaser(s), as book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are 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 adopted by the Board of Education on May 24, 2021 authorizing a capital project consisting of certain reconstruction, renovation, and improvement projects to various district buildings and the sites thereof, and the acquisition of original furnishings, equipment, machinery and apparatus at an estimated maximum cost of \$12,800,000.

The Notes are being issued to provide \$8,000,000 of new money for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located north of, and adjacent to, the City of Schenectady in the eastern central portion of upstate New York, encompasses approximately 40 square miles and includes the Village of Scotia and various portions of the Towns of Glenville, Amsterdam and Charlton. The District is situated in the Capital District, which is comprised of Schenectady, Albany and Rensselaer Counties.

The hub of the District is the Village of Scotia (the "Village"). The Village's main arteries of travel include State routes #5, 7, 50, 88 and 90 (the New York State Thruway), which are supplemented by a network of county and town roads. Rail service is provided by Amtrak for passenger travel and Conrail for freight shipment. Located on the Mohawk River, the Village is connected to the New York State Barge Canal system. Bus service is available through Trailways and Greyhound for all major cities in the United States and Canada. Major air transport facilities are located at the Albany International Airport, ten miles southeast of the District.

There are many opportunities for higher education within 30 minutes of the District: Union College and Schenectady County Community College in Schenectady, Skidmore College in Saratoga Springs, The State University of New York at Albany, Albany Law School, Albany Medical College, Albany College of Pharmacy, and The College of St. Rose in Albany, Siena College in Loudonville, and Rensselaer Polytechnic Institute, Russell Sage College, and Hudson Valley Community College in Troy.

The area is also rich in cultural activities. The Saratoga Performing Arts Center (summer home of the New York City ballet), Proctors Theater, Schenectady Symphony Orchestra, Schenectady Light Opera, Schenectady Civic Players, New York State Museum, Times Union Center and Empire State Performing Arts Center are within short drives.

Many residents find employment in technical and clerical professions, small businesses and as service employees. Most residents travel to nearby Schenectady, Albany or Saratoga Springs for employment. The principal industry in the immediate area is General Electric with its turbine and motor production facility located two miles south of the District in the City of Schenectady. The facility currently employs approximately 4,000 persons and employment levels are projected to be stable in the near future. The State of New York and Lockheed Martin are two other major employers in the area. The character of the District is primarily residential in nature, with some commercial development.

Mohawk Harbor is a new development in the City of Schenectady. This is a \$480 million project on a 60-acre waterfront site that hosts a casino/resort, two new hotels, apartments, condos, retail and tech office space along with greenspace, bike trails, a new harbor with 50 boat slips and other amenities. Schenectady was one of only three communities in the State selected for the new casino. The casino operator is Rush Street Gaming headquartered in Chicago. The Mohawk Harbor developer is the Galesi Group. Galesi is one of the largest developers in the State with more than 12 million square feet of space.

In the business park adjacent to the District, an \$11 million technology repair facility which is under a payment in lieu of taxes (PILOT) agreement has recently been constructed and a trucking company has expanded operations.

A retail/office building was recently constructed in the Village of Scotia, which is currently assessed at \$2.4 million, and a 10-year PILOT agreement has commenced.

During the 2018-19 fiscal year, CDTI expanded its operations in the Technology Park and has built a second building. A PILOT agreement is in place for 2021-22, an agreement for the 2022-2023 fiscal year has not been made. A cheese manufacturing company has acquired a previously government-owned building in the Technology Park and is relocating operations from Wisconsin. The company has entered into a PILOT agreement for the construction in progress phase, and the facility will be revalued for purposes of the PILOT agreement when construction is completed approximately two years from now.

Construction is underway adjacent to the High School in the Town of Scotia for a commercial retail building and apartments. The District had pursued acquiring the vacant land two years ago, but the proposition was voted down.

Source: District officials.

Population

The current estimated population of the District is 19,236. (Source: 2020 U.S. Census Bureau estimate)

Banking Facilities

The following commercial banks are located in the District and/or in the City of Schenectady:

First National Bank of Scotia Bank of America, N.A. KeyBank, N.A. Manufacturers & Traders Trust Company Trustco Bank JPMorgan Chase Bank, N.A.

Source: District officials.

Larger Employers

Some of the larger employers within or in close proximity to the District and the estimated number of persons employed by each are as follows:

<u>Employer</u>	Approximate Number of Employees	<u>Type</u>
Global Foundries	5,500	Chip Fabrication
General Electric Power Systems	4,000	Manufacturing
Ellis Medicine	3,300	Health Care
NY Air National Guard	1,400	Military
County of Schenectady	1,300	Local Government
Mohawk Valley Physicians Health Plan	1,100	Health Insurance
Union College	718	Education
Golub Corporation	700	Corporate Headquarters
Lockheed Martin, Knoll Atomic Power Lab	300	Defense Industry

Source: City of Schenectady Community Profile.

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

]	Per Capita Income			edian Family Inco	<u>ome</u>
	<u>2000</u>	2006-2010	2016-2020	<u>2000</u>	2006-2010	2016-2020
Towns of:						
Glenville	\$ 24,795	\$ 31,363	\$ 37,436	\$ 62,599	\$ 84,760	\$100,013
Amsterdam	19,099	25,950	38,245	46,667	63,705	100,912
Charlton	27,924	36,862	44,172	66,250	86,094	112,941
Counties of:						
Schenectady	21,992	27,500	33,379	53,670	70,712	86,124
Montgomery	17,005	22,347	27,346	40,688	53,476	63,989
Saratoga	23,945	32,186	45,624	58,213	81,251	106,258
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2027 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2000 U.S. Census Bureau, and 2006-2010 and 2016-2020 5-Year American Community Survey estimates.

Unemployment Rate Statistics

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

			Annual A	verages			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Schenectady County	4.7%	4.3%	4.5%	4.0%	3.7%	7.7%	4.9%
Montgomery County	6.6	5.7	5.7	5.1	4.9	8.4	5.7
Saratoga County	4.1	3.8	4.0	3.5	3.2	6.4	3.8
New York State	5.3	4.9	4.7	4.1	3.8	9.9	6.9

				2022	2 Monthl	<u>y Figures</u>
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	May	<u>Jun</u>
Schenectady County	3.8%	4.0%	3.8%	3.2%	N/A	N/A
Montgomery County	4.9	5.3	4.8	3.9	N/A	N/A
Saratoga County	3.0	3.2	3.0	2.3	N/A	N/A
New York State	5.3	5.1	4.7	4.2	N/A	N/A

Note: Unemployment rates for May and June 2022 are not available 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 District, consists of seven members with overlapping three-year terms so that, as nearly as possible, an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other district offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Investment Policy

Pursuant to the statutes of the State, the District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the District; (6) obligations of a State public benefit corporation which are made lawful investments for the 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 District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

Budgetary Procedures

Pursuant to law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least seven days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, seven 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 School 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 School 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, in a like manner as if the same had been voted by the qualified voters.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, a simple majority vote is needed to approve the proposed budget that does not exceed the tax levy limit. The maximum allowable tax levy is an eight-step formula that each school district must use to calculate its individual "tax levy limit." In particular, the calculation adjusts a school district's tax levy to reflect growth in the local tax base (if any) and the lower of the rate of inflation or 2 percent (the "Tax Cap"). If the Board of Education adopts a proposed budget which requires a tax levy that is higher than the tax levy limit, then a supermajority (60 percent or more) of the votes will be necessary to pass the budget.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The budget for the 2021-22 fiscal year was adopted by the qualified voters on May 18, 2021 by a vote of 741 to 203. The District's adopted budget for the 2021-22 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 0.13%, which was is equal to the District tax levy limit of 0.13%.

The budget for the 2022-23 fiscal year was approved by the qualified voters on May 17, 2022 by a vote of 933 to 338. The District's adopted budget for the 2022-23 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a tax levy increase of 1.61%, which was below the District tax levy limit of 1.62%.

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

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 39.80% 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.

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.

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 State receives a substantial amount of federal aid for other 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. The District expects to receive a total of approximately \$2,529,664 in funds from the American Rescue Plan and Coronavirus Response and Relief Supplemental Appropriations Act.

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 2022-2023 preliminary building aid ratios, the District expects to receive State building aid of approximately 76.4% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then \$10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately \$14,379,230. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-2018 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-2018 Enacted Budget allowed the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately \$859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at \$26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. \$50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-2019. The State 2018-2019 Enacted Budget continued to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

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

School district fiscal year (2020-2021): Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately \$27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). 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. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 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. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. 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, with the State releasing the withheld funds on or about 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.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

State Aid Litigation

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

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures for the 2021-2022 and 2022-2023 fiscal years comprised of State aid.

Percentage of

	(1)	(1)	Total Revenues
Fiscal Year	Total Revenues (1)	Total State Aid (1)	Consisting of State Aid
2016-2017	\$ 49,020,133	\$ 19,525,442	39.83%
2017-2018	51,180,086	20,294,520	39.65
2018-2019	53,345,751	21,551,647	40.40
2019-2020	53,953,987	21,277,952	39.44
2020-2021	54,511,797	20,523,524	37.65
2021-2022 (Budgeted)	54,757,921	21,650,557	39.54
2022-2023 (Budgeted)	55,755,445	22,192,020	39.80

⁽¹⁾ General Fund only.

Source: Audited Financial Statement for the 2016-2017 fiscal year through and including the 2020-2021 fiscal year and the adopted budgets for the 2021-2022 and 2022-2023 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

			Original
<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	Construction
Glen-Worden	K-5	456	1953, '63, '02
Glendaal	K-5	456	1953, '67, '02
Lincoln	K-5	414	1953, '63, '02
Sacandaga	K-5	487	1931, '52, '02
Middle School	6-8	708	1974, '02
Senior High	9-12	1,478	1958, '63, '02

Enrollment Trends

School Year	Actual <u>Enrollment</u>	School Year	Projected Enrollment
2017-2018	2,560	2022-2023	2,400
2018-2019	2,530	2023-2024	2,400
2019-2020	2,430	2024-2025	2,400
2020-2021	2,404	2025-2026	2,400
2021-2022	2,450	2026-2027	2,400

Source: District officials.

Employees

The District employs approximately 494 full and part-time employees. Union representation is as follows:

Employees	<u>Union</u>	Expiration Date
235	Scotia-Glenville Teachers Association	June 30, 2024
88	Scotia-Glenville Teachers Association (Aides and Monitors)	June 30, 2024
74	AFSCME-AFL-CIO	June 30, 2023
40	Scotia-Glenville Teachers Association (Teaching Assistants)	June 30, 2022 (2)
26	NYSUT (Secretarial Association)	June 30, 2026
16	Scotia-Glenville Administrators Association	June 30, 2023
8	Management Confidential	Individual contracts
7	Professional Registered Nurses Association (1)	

⁽¹⁾ New York State Nurses were accreted into the Scotia-Glenville Teachers Association on July 1, 2015.

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.

⁽²⁾ Currently under negotiation.

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2021-22 and 2022-23 fiscal years are as follows:

Fiscal Year	<u>ERS</u>	<u>TRS</u>
2016-2017	\$ 587,405	\$ 2,171,952
2017-2018	588,638	1,945,065
2018-2019	600,000	2,111,000
2019-2020	728,000	1,981,000
2020-2021	575,663	1,959,495
2021-2022 (Budgeted)	740,000	2,965,000
2022-2023 (Budgeted)	787,000	2,271,839

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

<u>Historical Trends and Contribution Rates.</u> 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 (2019 to 2023) is shown below:

Fiscal Year	<u>ERS</u>	<u>TRS</u>
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* 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.

<u>Stable Rate Pension Contribution Option.</u> 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 subfund 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. The District has established such a fund and has fully funded the TRS reserve at \$1,200,000.

Other Post-Employment Benefits

<u>Healthcare Benefits.</u> 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.

<u>OPEB</u>. 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. The District implemented GASB 75 for the fiscal year ended June 30, 2018. The implementation of this statement requires school districts 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, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

The District contracted with Capital Region BOCES, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2020 and 2021.

The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

Balance beginning at June 30:	2019	 2020
Changes for the year:	\$ 117,342,257	\$ 157,550,969
Service cost	4,692,248	7,281,184
Interest	4,232,062	3,610,839
Differences between expected and actual experience	287,227	(13,184,360)
Changes in assumptions or other inputs	33,948,488	(19,367,445)
Changes of benefit terms	-	(178,570)
Benefit payments	 (2,951,313)	 (2,907,392)
Net Changes	\$ 40,208,712	\$ (24,745,744)
Polonge anding at June 20t	2020	2021
Balance ending at June 30:	 2020	 2021
	\$ 157,550,969	\$ 132,805,225

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

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on June 1, 2018. The purpose of the audit was to determine whether District officials effectively managed the District's financial condition and to determine whether the central and student treasurers properly accounted for extra-classroom activity (ECA) fund collections and disbursements for the period July 1, 2015 through August 31, 2017. The audit period was extended back to July 1, 2014.

Key Findings:

- Appropriations were unrealistic and appropriated fund balance was not used. Appropriations exceeded expenditures by \$11.1 million or 7.8 percent from 2014-15 through 2016-17.
- Recalculated unrestricted fund balance ranged between 10 and 11 percent of ensuing years' appropriations, exceeding the 4 percent statutory limit.
- Student treasurers did not issue duplicate press-numbered receipts or prepare adequate accountabilities for all ECA collections.

Key Recommendations:

- Adopt realistic annual budgets based on historical trends or other known trends and use appropriated fund balance to fund operations.
- Use surplus funds as a financing source to fund one-time expenditures and needed reserves or to reduce District property taxes.
- Ensure that student treasurers maintain adequate supporting documentation for all ECA fund collections.

The District provided a complete response to the State Comptroller's office on March 30, 2018. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller's audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included by reference. herein.

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	0.0%
2020	No Designation	0.0%
2019	No Designation	0.0%

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Towns of:					
Glenville	\$ 1,282,903,862	\$ 1,292,592,693	\$ 1,290,213,449	\$ 1,301,476,553	\$ 1,308,999,558
Amsterdam	90,412	87,572	90,250	94,199	100,532
Charlton	1,735,075	1,727,823	1,727,460	1,727,704	1,728,896
Total Assessed Values	\$ 1,284,729,349	\$ 1,294,408,088	\$ 1,292,031,159	\$ 1,303,298,456	\$ 1,310,828,986
State Equalization Rates					
Towns of:					
Glenville	92.00%	89.00%	84.00%	84.00%	75.00%
Amsterdam	8.68%	9.60%	8.84%	9.00%	8.00%
Charlton	70.00%	67.00%	66.00%	68.00%	63.00%
Total Taxable Full Valuation	\$ 1,397,981,011	\$ 1,455,842,389	\$ 1,539,606,683	\$ 1,552,964,246	\$ 1,749,333,673

Tax Rate Per \$1,000 (Assessed)

Fiscal Year Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Towns of:					
Glenville	\$ 22.16	\$ 22.73	\$ 23.36	\$ 23.77	\$ 23.66
Amsterdam	212.34	210.74	189.76	207.87	210.38
Charlton	29.12	30.20	29.73	29.36	29.58

Tax Collection Procedure

Tax payments are due September 1st of each year. 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 November 1st, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Tax Levy	\$ 28,425,239	\$ 29,453,376	\$ 30,134,435	\$ 31,007,380	\$ 31,047,688
Amount Uncollected (1)	1,205,864	1,219,060	1,164,784	1,544,048	1,337,624
% Uncollected	4.24%	4.14%	3.87%	4.98%	4.31%

⁽¹⁾ See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years and budgeted figures for the 2021-2022 and 2022-2023 fiscal years comprised of Real Property Taxes.

	40	Total Real Property	Percentage of Total Revenues Consisting of
Fiscal Year	Total Revenues (1)	Taxes & Tax Items	Real Property Tax
2016-2017	\$ 49,020,133	\$ 27,493,799	56.09%
2017-2018	51,180,086	29,393,370	57.43
2018-2019	53,345,751	30,217,267	56.64
2019-2020	53,953,987	31,316,635	58.04
2020-2021	54,511,797	32,276,619	59.21
2021-2022 (Budgeted)	54,757,921	32,429,688	59.22
2022-2023 (Budgeted)	55,755,445	32,885,749	58.98

⁽¹⁾ General Fund only.

Source: Audited Financial Statement for the 2016-2017 fiscal year through and including the 2020-2021 fiscal year and the adopted budgets for the 2021-2022 and 2022-2023 fiscal years. This table is not audited.

Larger Taxpayers 2021 Tax Roll for 2021-22

		Estimated
<u>Name</u>	<u>Type</u>	Assessed Valuation
National Grid	Utility	\$ 44,344,402
Shady Lane Realty, Incorporated	Real Estate	22,897,925
Wal-Mart (1)	Real Estate/Retail	12,021,636
Reserve DHM, LLC	Real Estate	11,500,000
Patriot Square, LLC	Commercial	11,104,400
Lowe's Home Center	Retail	8,520,000
P & J Hospitality, LLC	Hotel	8,400,000
Glen Esk Apartments LLC	Real Estate	7,960,600
Old Dominion Freight Line, Inc.	Transportation	6,760,000
Maalwyck Mohawk Holdings	Commercial	5,900,000

⁽¹⁾ Currently has outstanding tax certiorari claim. The District does not anticipate this to have a material impact on the finances of the District. The District maintains a reserve to mitigate the impact of the tax certioraris

The ten larger taxpayers listed have a total estimated assessed valuation of \$139,408,963, which represents 10.63% of the tax base of the District.

Source: District tax rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$88,050 or less in 2020-21 and \$90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$68,700 for the 2020-21 school year and \$70,700 for the 2021-22 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 "full value" exemption on their primary residence.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Glenville	\$ 63,670	\$ 25,500	4/7/2022
Amsterdam	6,740	2,700	4/7/2022
Charlton	60,860	24,280	4/7/2022

\$2,799,292 of the District's 31,047,688 2021-22 school tax levy was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2022.

A similar amount of the District's school tax levy for 2022-2023 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January, 2023.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential - 64%, Commercial - 28% and Industrial - 8%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is between \$4,000 and \$5,300 including County, Town, School District, Village and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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.

The District has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed five per centum of the average full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining average full valuation is by dividing the assessed valuation of taxable real estate for the last completed and the four preceding assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State law.

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

As of the date of this Official Statement, the School District has complied with this estoppel procedure in connection with the Notes.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30 th :	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Bonds	\$ 15,220,000	\$ 26,270,000	\$ 23,165,000	\$ 19,860,000	\$ 31,065,000
Bond Anticipation Notes	4,500,000	0	0	14,000,000	0
Energy Performance Contracts (1)	1,790,000	3,002,271	2,814,000	2,605,000	2,415,343
Total Debt Outstanding	\$ 21,510,000	\$ 29,272,271	\$ 25,979,000	\$ 36,465,000	\$ 33,480,343

⁽¹⁾ Represents Energy Performance Contracts. See "Capital Leases" herein.

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Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 22, 2022.

Type of Indebtedness	<u>Maturity</u>		<u>Amount</u>
<u>Bonds</u>	2022-2035		\$ 28,158,000
Bond Anticipation Notes	-		0
		Total Indebtedness	\$ 31,118,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as shown on a Debt Statement prepared as of June 22, 2022:

Full Valuation of Taxable Real Property Debt Limit – 10% thereof	
Inclusions: 8 28,158,000 Bond Anticipation Notes 0	
Principal of this Issue	<u>3,000</u>
Exclusions: Building Aid (1) \$	0
Total Net Indebtedness	\$ 36,158,000
Net Debt-Contracting Margin	<u>\$ 118,207,000</u>
The percent of debt contracting power exhausted is	23.42%

Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 76.4% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Cash Flow Borrowings

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.

Capital Project Plans

The District annually issues serial bonds for the purchase of buses. On May 17, 2022 the District voters approved \$385,000 for the purchase of school buses. The District expects to issue serial bonds in fall 2022 to permanently finance the bus purchase.

On May 18, 2021 the District voters approved a \$12.8 million capital project for the construction of improvements to and reconstruction of District buildings, facilities and sites at an estimated maximum cost of \$12,800,000. The Notes are being issued as the first borrowing for the aforementioned project. Future borrowings will be pursuant to State approval and construction cash flow needs.

The Notes are being issued to provide \$8,000,000 of new money for the aforementioned purpose.

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

Capital Leases

The following is a schedule of future minimum lease payments under capital leases, including principal and interest as of June 30, 2021.

Fiscal Year	<u>Total</u>
2022	\$ 281,705
2023	282,496
2024	282,220
2025	281,889
2026	282,491
Thereafter	 1,286,373
Minimum lease payments – Capital Lease	\$ 2,697,174

Note: The above table is not audited.

Estimated Overlapping Indebtedness

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

	Status of		Gross				Net	District	App	licable
<u>Municipality</u>	Debt as of	Indebtedness (1)		Exclusions (2)		<u>Indebtedness</u>		<u>Share</u>	Indebtedness	
County of:										
Schenectady	12/31/2020	\$	72,765,000	\$	-	\$	72,765,000	14.35%	\$ 10,	,441,778
Montgomery	12/31/2020		39,854,000		-		39,854,000	0.05%		19,927
Saratoga	12/31/2020		68,310,000		-		68,310,000	0.01%		6,831
Town of:										
Glenville	12/31/2020		11,979,777		5,288,600		6,691,177	61.15%	4,	,091,655
Amsterdam	12/31/2020		2,885,000		2,875,000		10,000	0.12%		12
Charlton	12/31/2020		405,000		-		405,000	0.52%		2,106
Village of:										
Scotia	5/31/2021		3,637,985		2,309,094		1,328,891	100.00%	1,	,328,891
								Total:	\$ 15,	,891,199

⁽¹⁾ Bonds and bond anticipation notes as of close of the fiscal year. Not adjusted to include subsequent bond sales, if any.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2020 2021.

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

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 22, 2022:

		Per	Percentage of
	<u>Amount</u>	Capita (a)	Full Value (b)
Net Indebtedness (c) \$	36,158,000	\$ 1,879.70	2.07%
Net Indebtedness Plus Net Overlapping Indebtedness (d)	58,049,199	2,705.82	3.32

- (a) The current estimated population of the District is 19,236. (See "THE SCHOOL DISTRICT Population" herein.)
- (b) The District's full value of taxable real estate for the 2021-2022 fiscal year is \$1,749,333,673. (See "TAX INFORMATION Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$15,891,199. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

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

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

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and non-essential businesses have been allowed to reopen under guidelines issues by the State and efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been relaxed. Nevertheless, 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).

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.

TAX MATTERS

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

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

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

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

Certain maturities of the Notes (the "Discount Bonds") may be sold to the initial purchasers at prices less than the stated principal amounts thereof. The difference between the stated principal amount of the Discount Bonds and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity were sold constitutes original issue discount that is excluded from gross income for federal income tax purposes to the same extent as interest on the Notes. Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.

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

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

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

LEGAL MATTERS

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

LITIGATION

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

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

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".

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

BOND RATING

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA-" with a stable outlook to the Districts outstanding Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on Bonds. A rating reflects only the view of the rating agency assigning such rating 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) 553-0038, Fax: (212) 553-1390.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The School District's contact information is as follows: Andrew M. Giaquinto, School Business Manager, Scotia-Glenville Central School District, 900 Preddice Parkway, Scotia, New York 12302, Phone: (518) 347-3600 ext. 73101, Email: agiaquinto@sgcsd.net.

Additional copies of the Notice of Bond 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

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

Dated: June 22, 2022

PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
ASSETS						
Unrestricted Cash	\$ 6,444,838	\$ 10,696,136	\$ 4,650,750	\$ 9,099,996	\$ 6,849,411	
Restricted Cash	4,476,633	4,448,429	4,182,093	3,850,349	4,875,084	
Investments	-	-	-	-	-	
Accounts Receivable	-	-	-	-	-	
State and Federal Aid Receivable	784,386	1,514,577	1,739,374	1,916,268	2,511,415	
Due from Other Governments	599,280	17,992	17,992	17,992	39,717	
Due from Other Funds	642,238	2,670,375	12,484,429	1,586,139	5,543,233	
Due from Fiduciary Funds	403,682	987,461	1,961,857	13,871	321,162	
Other Receivables	311,207	540,457	260,683	449,057	459,015	
TOTAL ASSETS	\$ 13,662,264	\$ 20,875,427	\$ 25,297,178	\$ 16,933,672	\$ 20,599,037	
LIABILITIES AND FUND EQUITY						
Accounts Payable	\$ 646,200	\$ 873,010	\$ 479,230	\$ 275,182	\$ 472,291	
Accrued Liabilities	147,969	226,982	213,386	116,811	226,432	
Due to Other Funds	8,516	6,383,927	9,810,058	2,176,279	5,185,632	
Due to Other Governments	18,866	20,385	19,325	19,197	19,277	
Due to Teachers' Retirement System	2,266,914	1,969,190	2,164,392	1,906,688	2,110,152	
Due to Employees' Retirement System	157,718	152,753	151,175	174,323	175,293	
Due to Fiduciary Funds	-	212,589	1,232,872	118,248	277,291	
Refundable Advances and Deposits	-	, -	-	, <u> </u>	-	
Deferred Revenues	17,992	29,226	17,992	21,555	24,528	
TOTAL LIABILITIES	\$ 3,264,175	\$ 9,868,062	\$ 14,088,430	\$ 4,808,283	\$ 8,490,896	
FUND EQUITY						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	
Restricted	4,476,633	4,448,429	4,182,093	3,850,349	4,875,084	
Assigned	3,936,418	4,534,997	4,800,334	5,586,037	5,015,632	
Unassigned	1,985,038	2,023,939	2,226,321	2,689,003	2,217,425	
Chassigned	1,505,050	2,023,737	2,220,321	2,000,000	2,217,123	
TOTAL FUND EQUITY	\$ 10,398,089	\$ 11,007,365	\$ 11,208,748	\$ 12,125,389	\$ 12,108,141	
TOTAL LIABILITIES and FUND EQUITY	\$ 13,662,264	\$ 20,875,427	\$ 25,297,178	\$ 16,933,672	\$ 20,599,037	

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 27,400,670	\$ 27,493,799	\$ 24,939,066	\$ 25,798,415	\$ 26,941,958
Non-Property Taxes	895,722	819,214	4,454,304	4,418,852	4,374,677
Charges for Services	415,156	449,997	439,360	506,517	377,781
Use of Money & Property	64,510	95,881	154,498	389,117	262,103
Sale of Property and					
Compensation for Loss	79,051	128,518	201,012	112,095	24,259
Miscellaneous	352,842	337,160	481,497	343,873	488,132
Revenues from State Sources	18,770,481	19,525,442	20,294,520	21,551,647	21,277,952
Revenues from Federal Sources	216,629	170,122	215,829	225,235	207,125
Total Revenues	\$ 48,195,061	\$ 49,020,133	\$ 51,180,086	\$ 53,345,751	\$ 53,953,987
Other Sources:					
Interfund Transfers	_	_	50,715	_	_
11.011.01.01.01.01.01.01.01.01.01.01.01.					
Total Revenues and Other Sources	\$ 48,195,061	\$ 49,020,133	\$ 51,230,801	\$ 53,345,751	\$ 53,953,987
EXPENDITURES					
General Support	\$ 4,743,700	\$ 4,847,268	\$ 4,981,912	\$ 5,128,926	\$ 4,831,918
Instruction	26,504,867	26,543,555	27,355,389	28,307,783	28,634,616
Pupil Transportation	1,739,366	1,764,470	2,143,425	2,118,702	1,991,369
Community Services	8,306	9,893	13,577	12,007	10,965
Employee Benefits	11,448,020	11,724,957	11,953,214	12,352,128	12,335,151
Debt Service	3,377,139	3,409,359	3,987,283	5,036,716	5,027,279
Total Expenditures	\$ 47,821,398	\$ 48,299,502	\$ 50,434,800	\$ 52,956,262	\$ 52,831,298
Odran Harri					
Other Uses: Interfund Transfers	132,808	78,750	186,725	188,106	206,048
interrund Transfers	132,808	76,730	160,723	100,100	200,048
Total Expenditures and Other Uses	\$ 47,954,206	\$ 48,378,252	\$ 50,621,525	\$ 53,144,368	\$ 53,037,346
Excess (Deficit) Revenues Over					
Expenditures	240,855	641,881	609,276	201,383	916,641
FUND BALANCE					
Fund Balance - Beginning of Year	\$ 9,515,306	\$ 9,756,208	\$ 10,398,089	\$ 11,007,365	\$ 11,208,748
Prior Period Adjustments (net)	47	-	-	-	-
Fund Balance - End of Year	\$ 9,756,208	\$ 10,398,089	\$ 11,007,365	\$ 11,208,748	\$ 12,125,389
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Source: Audited financial reports of the District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:		2021	2022	2023	
	Original	Final		Adopted	Adopted
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 28,015,381	\$ 28,015,381	\$ 28,014,516	\$ 31,047,688	\$ 31,547,351
Real Property Tax Items	4,011,999	4,011,999	4,262,103	1,382,000	1,338,398
Charges for Services	247,676	247,676	350,807	247,676	247,676
Use of Money & Property	175,000	175,000	80,244	100,000	-
Sale of Property and					
Compensation for Loss	-	-	54,726	-	-
Miscellaneous	100,000	171,465	768,205	150,000	190,000
Revenues from State Sources	21,205,827	21,061,322	20,523,524	21,650,557	22,192,020
Revenues from Federal Sources	180,000	180,000	457,672	180,000	240,000
Total Revenues	\$ 53,935,883	\$ 53,862,843	\$ 54,511,797	\$ 54,757,921	\$ 55,755,445
Other Sources:					
Interfund Transfers					
Total Revenues and Other Sources	\$ 53,935,883	\$ 53,862,843	\$ 54,511,797	\$ 54,757,921	\$ 55,755,445
EXPENDITURES					
General Support	\$ 5,451,460	\$ 6,447,614	\$ 5,530,761	\$ 5,558,748	\$ 5,660,353
Instruction	30,910,946	31,472,537	29,378,092	31,618,305	32,518,376
Pupil Transportation	2,440,710	2,500,577	2,086,154	2,451,593	2,445,946
Community Services	12,859	12,859	2,000,134	12,859	12,859
Employee Benefits	14,194,929	13,865,315	12,694,239	14,443,901	15,021,160
Debt Service	4,942,979	4,942,979	4,699,374	4,835,019	4,417,255
Total Expenditures	\$ 57,953,883	\$ 59,241,881	\$ 54,388,620	\$ 58,920,425	\$ 60,075,949
Other Uses:					
Interfund Transfers	207,000	207,000	140,425	207,000	199,000
interfund Transfers	207,000	207,000	140,423	207,000	177,000
Total Expenditures and Other Uses	\$ 58,160,883	\$ 59,448,881	\$ 54,529,045	\$ 59,127,425	\$ 60,274,949
Excess (Deficit) Revenues Over					
Expenditures	(4,225,000)	(5,586,038)	(17,248)	(4,369,504)	(4,519,504)
FUND BALANCE					
Fund Balance - Beginning of Year Prior Period Adjustments (net)	\$ 4,225,000	\$ 5,586,038	\$ 12,125,389	\$ 4,369,504	\$ 4,519,504 -
Fund Balance - End of Year	\$ -	\$ -	\$ 12,108,141	\$ -	\$ -

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

BONDED INDEBTEDNESS

Fiscal Year Ending			
June 30th	Principal	 Interest	Total
2022	\$ 3,400,000	\$ 1,006,126.33	\$ 4,406,126.33
2023	2,933,000	912,358.13	3,845,358.13
2024	2,900,000	822,750.00	3,722,750.00
2025	2,925,000	734,706.25	3,659,706.25
2026	2,925,000	644,675.00	3,569,675.00
2027	1,940,000	552,550.00	2,492,550.00
2028	1,905,000	487,350.00	2,392,350.00
2029	1,980,000	420,000.00	2,400,000.00
2030	2,045,000	349,500.00	2,394,500.00
2031	2,110,000	276,350.00	2,386,350.00
2032	2,185,000	200,400.00	2,385,400.00
2033	2,195,000	121,300.00	2,316,300.00
2034	1,045,000	42,300.00	1,087,300.00
2035	1,070,000	21,400.00	1,091,400.00
TOTALS	\$ 31,558,000	\$ 6,591,765.71	\$ 38,149,765.71

CURRENT BONDS OUTSTANDING

Fiscal Year Ending		R	efun	2011 ading of 2002	SB					2016 Buses	
June 30th	F	Principal		Interest		Total	P	rincipal	I	nterest	Total
2022	\$	555,000	\$	23,587.50	\$	578,587.50	\$	90,000	\$	738.00	\$ 90,738.00
TOTALS	\$	555,000	\$	23,587.50	\$	578,587.50	\$	90,000	\$	738.00	\$ 90,738.00
Fiscal Year Ending		Reco		015 Series A ruction of Bui	ildir	าฮร				2017 Buses	
June 30th	F	Principal		Interest	IIGII	Total	P	rincipal	I	nterest	Total
2022	\$	845,000	\$	134,100.00	\$	979,100.00	\$	120,000	\$	3,600.00	\$ 123,600.00
2023		865,000		108,750.00		973,750.00		120,000		1,200.00	121,200.00
2024		890,000		82,800.00		972,800.00		-		-	-
2025		920,000		56,100.00		976,100.00		-		-	-
2026		950,000		28,500.00		978,500.00		-		-	-
TOTALS	\$	4.470.000	\$	410.250.00	\$	4.880,250.00	\$	240.000	\$	4,800.00	\$ 244.800.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending				2018 Buses				2019 Buses	
June 30th	F	rincipal]	Interest	Total	P	Principal	Interest	Total
2022 2023 2024 2025	\$	60,000 65,000 65,000	\$	4,150.00 2,356.25 731.25	\$ 64,150.00 67,356.25 65,731.25	\$	85,000 85,000 90,000 90,000	\$ 4,986.25 3,615.63 2,193.75 731.25	\$ 89,986.25 88,615.63 92,193.75 90,731.25
TOTALS	\$	190,000	\$	7,237.50	\$ 197,237.50	\$	350,000	\$ 11,526.88	\$ 361,526.88
Fiscal Year Ending			Ca	018 Series A pital Project				2020 Buses	
June 30th	F	rincipal		Interest	Total	P	Principal	Interest	Total
2022 2023 2024 2025 2026 2027	\$	725,000 765,000 800,000 845,000 885,000	\$	575,250.00 539,000.00 500,750.00 460,750.00 418,500.00 374,250.00	\$ 1,300,250.00 1,304,000.00 1,300,750.00 1,305,750.00 1,303,500.00	\$	85,000 95,000 95,000 95,000 95,000	\$ 5,981.25 3,206.25 2,375.00 1,425.00 475.00	\$ 90,981.25 98,206.25 97,375.00 96,425.00 95,475.00
2028 2029		930,000 975,000 1,030,000		327,750.00 279,000.00	1,304,250.00 1,302,750.00 1,309,000.00		- - -	- - -	- - -
2030 2031 2032		1,075,000 1,125,000 1,180,000		227,500.00 173,750.00 117,500.00	1,302,500.00 1,298,750.00 1,297,500.00		- - -	- - -	- - -
2033		1,170,000		58,500.00	1,228,500.00		-	-	-
TOTALS	\$	11,505,000	\$4.	,052,500.00	\$ 15,557,500.00	\$	465,000	\$ 13,462.50	\$ 478,462.50
Fiscal Year Ending			Ca	2021 pital Project				2021 Buses	
June 30th	F	rincipal		Interest	Total	P	Principal	Interest	Total
2022 2023 2024 2025 2026 2027 2028 2029 2030	\$	835,000 845,000 860,000 875,000 895,000 910,000 930,000 950,000 970,000	\$	253,733.33 247,300.00 230,400.00 213,200.00 195,700.00 177,800.00 159,600.00 141,000.00 122,000.00	\$ 1,088,733.33 1,092,300.00 1,090,400.00 1,088,200.00 1,090,700.00 1,087,800.00 1,089,600.00 1,091,000.00 1,092,000.00	\$	93,000 100,000 100,000 100,000 100,000	\$ 6,930.00 3,500.00 2,500.00 1,500.00 500.00	\$ 99,930.00 103,500.00 102,500.00 101,500.00 100,500.00
2031 2032 2033 2034		985,000 1,005,000 1,025,000 1,045,000		102,600.00 82,900.00 62,800.00 42,300.00	1,087,600.00 1,087,900.00 1,087,800.00 1,087,300.00		- - -	- - -	- - -
2035		1,070,000		21,400.00	1,091,400.00		_	_	_
TOTALS	\$	13,200,000	\$2	,052,733.33	\$ 15,252,733.33	\$	493,000	\$ 14,930.00	\$ 507,930.00

MATERIAL EVENT NOTICES

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

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

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

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

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

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

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

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

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

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

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT SCHENECTADY, MONTGOMERY AND SARATOGA COUNTIES, NEW YORK

FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

JUNE 30, 2021

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.

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INDEPENDENT AUDITORS' REPORT

To the President and the Other Members of the Board of Education of the Scotia-Glenville Central School District Scotia, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Scotia-Glenville Central School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Scotia-Glenville Central School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress — changes in total other post-employment benefits liability and related ratios and schedules of local government's proportionate share of the net pension liability and contributions on pages 3 through 13 and pages 51 through 55 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 District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are 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 supplementary information on pages 56 through 58 as described in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAS PC

Gloversville, New York September 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's basic financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Following is a summary of the District's most significant and meaningful financial aspects for the fiscal year ended June 30, 2021:

- The government-wide assets of the School District were \$79,788,909.
- The government-wide net position (deficit) was \$(105,120,529) at June 30, 2021.
- The District maintained existing district programs for Special Education and Academic Enrichment while maintaining fund balance.
- The District received slightly less (1.25%) State Aid (including CARES Act funding) than was budgeted with overall revenue being slightly favorable (1.2%) due to refunds from prior year expenditures, charges for services, federal CARES funding and insurance recoveries.
- Expenditures (including encumbrances) were favorable (7.2%) as employee benefits, energy costs, and certain special
 education and regular instructional costs were less than anticipated (federal grant subsidies, contractual, staff turnover).
 The hybrid instructional format along with COVID-19 restrictions (deferment of extracurricular activities and athletics)
 contributed to savings in energy, substitute teachers' costs, coaches' and advisor salaries, and buildings and grounds
 overtime. The above-mentioned conditions also generated significant savings in transportation contractual runs, driver
 overtime, and fuel.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: 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 *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 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 custodian for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 summarizes the major features of the School District's basic financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Table A-1 Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements				
	District-Wide	Governmental Funds	Fiduciary Funds			
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as instruction, 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	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of fiduciary net position Statement of changes in fiduciary net position			
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus			
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term; funds do not currently contain capital assets, although they can			
Type of inflow/outflow information	All revenues and expenses during 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			

District-Wide Statements

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

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

Net position of the governmental activities differ from the governmental fund balance 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 balance.

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

- · Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of
 accounting.
- Allocate net position balances as follows:
 - · Net position invested in capital assets, net of debt.
 - · Restricted net position are those with constraints placed on use by external sources or imposed by law.
 - Unrestricted net position are net position that do 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 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).

The District has two kinds of funds:

Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally
focus on (1) how cash and other financial assets can be readily 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 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 and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balances.

Fiduciary Fund: The School District is the custodian 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 District-wide financial statements because it cannot use these assets to finance its operations.
Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

Condensed Statement of Net Position

	Fiscal Year 2021	Fiscal Year 2020	% Change (Increase, - Decrease)
Assets			
Current and other assets	\$ 16,372,059	\$ 21,198,791	-22.8%
Capital assets - net	63,416,850	62,182,390	2.0%
Total Assets	79,788,909	83,381,181	-4.3%
Deferred Outflows of Resources			
Other post-employment benefits	24,454,083	29,344,899	-16.7%
Pensions	13,922,001	12,137,463	14.7%
Total Deferred Outflows of Resources	38,376,084	41,482,362	-7.5%
Liabilities			
Current liabilities	1,428,246	15,592,854	-90.8%
Long-term liabilities	172,833,230	186,371,505	-7.3%
Total Liabilities	174,261,476	201,964,359	-13.7%
Deferred Inflows of Resources			
Deferred bond premium	228,544	362,795	-37.0%
Other post-employment benefits	41,858,686	16,871,185	148.1%
Pensions	6,936,816	4,243,775	63.5%
Total Deferred Inflows of Resources	49,024,046	21,477,755	128.3%
Net Position			
Net investment in capital assets	29,707,963	25,355,620	17.2%
Restricted	4,875,084	3,850,349	26.6%
Unrestricted	(139,703,576)	(127,784,540)	-9.3%
Total Net Position	\$(105,120,529)	\$ (98,578,571)	-6.6%

Changes in Net Position

The School District's 2021 revenue was \$56,941,326 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 56.8% and 36.0%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled \$63,541,594 for 2021. These expenses (82.4%) are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative, occupancy and business activities accounted for 14.0% of total costs.

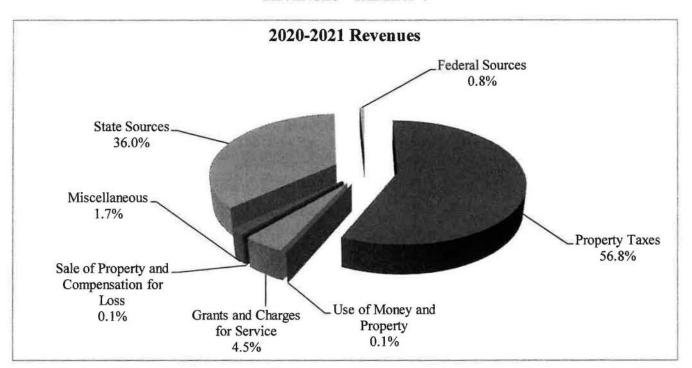
Net position decreased during the year by \$6,600,268.

Table A-3

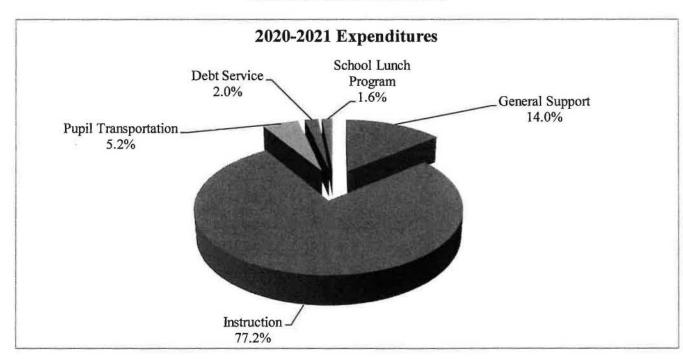
Changes in Net Position from Operating Results

	Fiscal Year 2021			Fiscal Year 2020	% Change (Increase, - Decrease)	
Revenues				-		
Program Revenues						
Charges for services	\$	353,113	\$	681,264	-48%	
Operating grants and contributions		2,227,512		1,897,639	17%	
General Revenues						
Property taxes		32,276,619		31,316,635	3%	
State sources		20,523,524		21,277,952	-4%	
Federal sources		457,672		207,125	121%	
Use of money and property		80,675		334,413	-76%	
Sale of property and compensation for loss		54,726		24,259	126%	
Miscellaneous		967,485	_	488,140	98%	
Total Revenues		56,941,326		56,227,427	1%	
Expenses						
General support		8,873,213		7,973,326	11%	
Instruction		49,077,747		49,532,403	-1%	
Transportation		3,333,167		3,371,885	-1%	
Community service		0		10,965	-100%	
Debt service		1,268,338		937,284	35%	
Cost of sales – Lunch Program		989,129	_	1,001,024	-1%	
Total Expenses	_	63,541,594	_	62,826,887	1%	
Total Change in Net Position	\$	(6,600,268)	\$	(6,599,460)	0%	

REVENUES - TABLE A-4



EXPENDITURES - TABLE A-5



Governmental Activities

Net position decreased by \$6,600,268 primarily due to the increase of OPEB expenses (GASB 75) and employee benefit costs. The continuation of the School District's solid financial condition can be contributed to:

- Effective leadership by the administration and the Board of Education.
- · Community support for the School District's annual budget.
- Savings generated in employee benefits (health insurance, workers' compensation) due to District participation in health insurance and workers' compensation consortiums.
- Strategic use of services from BOCES.
- A stable property base.
- Conservative revenue budgeting.

Table A-6 presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost 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.

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services		% Change	Net Cost	% Change	
	2021	2020	(Incr.; -Decr.)	2021	2020	(Incr.; -Decr.)
General support	\$ 8,873,213	\$ 7,973,326	11%	\$ 8,873,213	\$ 7,973,326	11%
Instruction	49,077,747	49,532,403	-1%	47,347,221	47,711,323	-1%
Pupil transportation	3,333,167	3,371,885	-1%	3,333,167	3,371,885	-1%
Community service	0	10,965	-100%	0	10,965	-100%
Debt service - interest	1,268,338	937,284	35%	1,268,338	937,284	35%
Cost of sales - lunch program	989,129	1,001,024	-1%	139,030	243,201	-43%
Totals	\$63,541,594	\$62,826,887	1%	\$60,960,969	\$60,247,984	1%

- The cost of all governmental activities for the year was \$63,541,594.
- The users of the School District's programs financed \$353,113 of the costs.
- The federal and state government grants financed \$2,227,512 of the costs.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Significant favorable expense variances were reflected in the governmental funds financial statements for 2020-2021 in the areas of special education, employee benefits, regular school, and building and grounds. Special education savings were generated from contractual services and subsidies from the special aid grants and the impact of turnover savings in this area related to hybrid model and labor market shortages. Employee benefits reflected health insurance plans reflecting low or zero rate increases due to the favorable claims experience related to the impact of COVID-19. Pension savings continue to reflect the impact of Tier V and VI in recent budget years as well as a favorable stock market generating favorable returns for both plans and reducing the Employer's contribution rate.

General Fund Budgetary Highlights

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

Results vs. Budget

		Original Budget		Final Budget		Actual	(Ac	Variance tual/Budget)
Revenue and Other Sources	-				-			
Local Sources	\$	32,550,056	\$	32,621,521	\$	33,530,601	\$	909,080
State Sources		21,205,827		21,061,322		20,523,524		(537,798)
Federal Sources		180,000	_	180,000	_	457,672		277,672
Total Revenue and Other Sources		53,935,883		53,862,843		54,511,797		648,954
Expense and Use of Funds								
General Support		5,451,460		6,447,614		5,530,761		(916,853)
Instruction		30,910,946		31,472,537		29,378,092		(2,094,445)
Transportation		2,440,710		2,500,577		2,086,154		(414,423)
Community Services		12,859		12,859		0		(12,859)
Employee Benefits		14,194,929		13,865,315		12,694,239		(1,171,076)
Debt Service		4,942,979		4,942,979		4,699,374		(243,605)
Transfers To Other Funds		207,000	_	207,000	_	140,425		(66,575)
Total Expenses and Use of Funds		58,160,883		59,448,881	_	54,529,045	\$	(4,919,836)
Net Change in Fund Balance		(4,225,000)		(5,586,038)		(17,248)		
Fund Balance - Beginning	_	12,125,389	_	12,125,389		12,125,389		
Fund Balance - Ending	\$	7,900,389	\$	6,539,351	_\$	12,108,141		

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

Management considers budget variances of +/- 10% to be significant. The District's revenue was 1.2% favorable and expenditures (including encumbrances) 7.2% favorable, both within acceptable levels. Medicaid revenue was unfavorable to the budget by \$17,000 and recognized \$83,000 in revenue in 2020-2021, reflecting a decrease of \$38,000 from the prior year. Medicare D prescription drug subsidies exceeded the budget by \$20,000 and recognized \$100,000 in revenue in 2020-2021, an increase of \$14,000 from the prior year. The transfers out of the General Fund were related to the ESY program and capital improvements. Each year the summer special education transfer is based on actual expenditures and fluctuates year to year. In 2020-2021, a virtual instructional model was implemented for the summer program due to COVID-19 concerns resulting in only \$40,000 of expenses being transferred to the Special Aid Fund.

The District did budget for a \$100,000 transfer to the Capital Fund and utilized the funds for safety related work in the area of replacing exterior doors at the High School. The District began 7 years ago, appropriating \$100,000 per year to fund smaller capital projects, which may be aided in the following fiscal year.

The District will be continuing this trend in 2021-2022 for exterior doors in need of replacement at the Middle School or the High School.

SCHOOL LUNCH FUND

Food service revenues were \$66,000 more than expenditures resulting in an operating surplus, which increased the fund balance to \$130,000 from \$64,000. The District offset the decrease in overall ADP by applying for operation under the USDA Summer Food Service Program (SFSP) that became available for the 2020-2021 School Year. The SFSP offered the continuation of free meals for all students but at higher reimbursement rates (breakfast increased by \$.11 per meal and lunch, \$.80 per meal). Breakfast in the Classroom program (BIC) was continued for the elementary schools and a grabngo cart was available for the secondary level in 2020-2021. The District also provided a "Meals on Wheels" program for home delivery for virtually instructed students for approximately 136 additional meals per day. The District is continuing to work with Chartwell's on purchasing 30% of their lunch food items that go into a reimbursable meal from NYS farmers, producers and manufacturers or processors so as to generate the additional \$.19 per meal revenue from NYS (up from current \$.0599 reimbursement from NYS). The District will continue to participate in the USDA Summer Food Service Program (SFSP) for 2021-2022 and offer meals at no costs to students.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2021, the School District had \$63,416,850 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (net of depreciation)

	Fiscal Year 2021	Fiscal Year 2020
Buildings, land and land improvements	\$ 33,207,349	\$ 33,970,339
Construction in progress	25,798,472	23,742,784
Furniture, equipment and vehicles	4,411,029	4,469,267
Totals	\$ 63,416,850	\$ 62,182,390

Long-Term Debt

As of June 30, 2021, the School District had \$167,500,061 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding Long-Term Debt

	Z021	2020
General obligation bonds (financed with property taxes) All other debt	\$ 33,708,887 133,791,174	\$ 22,826,770 158,550,251
Totals	\$ 167,500,061	\$ 181,377,021

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

On June 24, 2011, the New York State Legislature approved legislation that limits the annual increases in the property taxes that a school district can levy. Under this new legislation, districts cannot increase their tax levy unless voters approve the spending plan put forth to them. A budget that increases the tax levy by 2% or less will require a simple majority approval of 50%, a budget that increases the tax levy by more than 2% will require 60% approval by voters. The District's allowable tax cap levy increase for 2016-2017 was 1.78%; however, the District increased the tax levy by 0.33% and maintained staff levels and instructional programs. The District's allowable tax cap levy increase for 2017-2018 was 3.66% and the tax levy increase is 3.61%.

In 2018-2019 the District increased the tax levy by 3.36%, which was under the tax cap maximum allowance of 3.46%. The District continued its recent trend of increasing instructional staff and adding new support services in the area of mental health.

In 2019-2020 the District increased the tax levy by 2.54%, under the maximum allowable tax cap increase of 3.22%.

In 2020-2021 the District increased the tax levy by 2.66% under the maximum allowable tax cap increase of 2.67%.

In 2021-2022 the District increased the tax levy by .13% at the maximum allowable tax cap increase of .13%.

The District entered into an agreement for Bus maintenance/DOT work for 2021-2022 with the Burnt Hills/Ballston CSD ending a 4 year shared Transportation service with the Niskayuna CSD/Capital Region BOCES. The District will realize budgetary and efficiency savings with the change. The Burnt Hills/Ballston Lake CSD opened a new facility in the spring of 2021.

The District increased the Tax Certiorari reserves in 2020-2021 by \$316,000 so as to adequately reserve against pending claims (Walmart). The District established, as part of the 2019-2020 NYS budget, a TRS reserve as a subset to a previously established ERS reserve. The District also increased the funding of the TRS reserve in 2020-2021 by \$400,000 and has now funded the reserve to the maximum allowed by the statute, or approximately 2% of the annual TRS payroll. A Repair Reserve was funded in 2020-2021 by \$375,000 to address fixtures identified in the lead remediation testing and to replace the Lincoln ES parking lot. The Repair reserve was utilized in 2019/20-2021 to replace the High School parking lot. The District continues to follow its plan for utilizing the Debt Service reserve to offset the discontinuation of building aid on a related bond issuance.

The District continues to comply with the reserve policies adopted by the Board of Education

The District achieved favorable financial results for 2020-2021 attributable to a continued conservative fiscal and budget strategy, energy savings resulting from solar and energy projects and prudent utilization of federal subsidies. The unanticipated savings as result from the Hybrid Instructional model also contributed to the favorable results. The District operated at the secondary level with three separate cohorts rotating in Monday, Tuesday, Thursday and Friday with each Wednesday virtual and offered every day instruction at the Elementary level. The District provided every day virtual instruction for students at all levels with an opt in or opt-out at the beginning of each semester. The District has an undesignated fund balance at the end of 2020-2021 at 3.77% compared to 4.62% the prior year.

Energy savings of \$420,000 reflected the combination of the hybrid learning schedule, energy enhancements from prior capital projects (heating systems, LED lighting), locked in rates, solar power repurchasing, and a relatively normal winter. The long-term outlook and predictability of state and federal support to schools has become uncertain due to a slow growing economy in New York State and at the national level. The economic circumstances are expected to continue to influence state and federal revenues, and the District has seen a reduction in federal programs through the discontinuation of the Federal American Recovery Reinvestment Act (ARRA) and Education Jobs Funds and the PEP grant. In addition, the District has seen a continued gradual reduction in IDEA and Title Funds at the federal level. The District is finalizing a Smart School initiative plan in the next two fiscal years' to submit to SED so as to access \$1,696,747 in funding to use in technology and safety upgrades. The continuation of the NYS Tax Cap will continue to add the additional layer of uncertainty as we enter into the next budget cycle.

The District completed a \$14 million capital project in October, 2020. The project upgrades all of the District's athletic fields including the installation of synthetic turf into a multi-field venue (formerly the football field) as well as enhancing the High School and Middle School auditoriums, repairing roofs and enhancing District HVAC controls and HVAC units in areas which they were outdated in relation to other areas of the District. The net estimated impact of the project (debt vs. building aid) impact the 2020-2021 budget \$360,000 or \$.258 per \$1,000 of full value. District was approved for a \$12.8 million capital project in 2021 with construction projected to start in the spring of 2022 with no impact on taxes due to debt falling off the books by the time this project is completed. The project will address infrastructure replacements in the area of roofs, sidewalks, water lines and fixtures and HVAC equipment.

The District enters into 2021-2022 with a 1.66% spending increase and a .13% tax levy increase. The District will monitor closely the activity at the state and federal level as it impacts education so as to be ready to implement spending strategies to align the funding allotted to schools.

The District has submitted and been approved for the 2nd phase of the CARES ACT approximately \$2.6 million in funding (ESSER II and GEERS II) and has submitted the ARP application (\$2.5 million), awaiting approval. The spending strategy in this area is to supplement General Fund obligations and to avoid legacy costs with the use of these funds where possible.

The District relocated its bus fleet back from the shared BOCES facility at Niskayuna and will stage its fleet from the Scotia facility in 2020-2021, and has entered into an agreement with the Burnt/Hills/Ballston Lake CSD to perform fleet maintenance and DOT work on Scotia-Glenville buses. The District also hired back two head bus driver positions from the shared service and will continue to operate under a hybrid shared service in 2021-2022. The District no longer participates in a shared transportation agreement with CapRegion BOCES and the Niskayuna CSD commencing July 1, 2021.

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, please contact:

Scotia-Glenville Central School District
Mr. Andrew M. Giaquinto – School Business Manager
900 Preddice Parkway
Scotia, NY 12302

STATEMENT OF NET POSITION

JUNE 30, 2021

A COTTO	
ASSETS	
Cash	\$ 6,851,137
Unrestricted Restricted	\$ 6,851,137 4,875,084
	4,873,084
Receivables State and Federal aid	2 917 566
	3,817,566
Due from fiduciary funds	321,162 39,717
Due from other governments	39,717
Prepaid expenses Other receivables	459.015
Inventories	8,047
Capital assets, net of depreciation	63,416,850
Total Assets	79,788,909
DEFERRED OUTFLOWS OF RESOURCES	79,788,989
	24 454 092
Other post-employment benefits Pensions	24,454,083
Pensions	13,922,001
Total Deferred Outflows of Resources	38,376,084
LIABILITIES	
Payables	
Accounts payable	760,030
Accrued liabilities	227,303
Accrued interest payable	32,813
Collections in advance	111,532
Due to fiduciary funds	277,291
Due to other governments	19,277
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	2,110,152
Due to Employees' Retirement System	175,293
Bonds payable	3,400,000
Installment purchase debt	232,377
Due and payable after one year	
Bonds payable	27,665,000
Installment purchase debt	2,182,966
Net pension liability - proportionate share	3,276,268
Other post-employment benefits	132,805,225
Compensated absences payable	985,949
Total Liabilities	174,261,476
DEFERRED INFLOWS OF RESOURCES	******
Deferred bond premium	228,544
Other post-employment benefits	41,858,686
Pensions	6,936,816
Total Deferred Inflows of Resources	49,024,046
NET POSITION	
Net investment in capital assets	29,707,963
Restricted	
Unemployment insurance reserve	155,974
Reserve for tax certiorari	682,104
Reserve for debt service	537,556
Reserve for repairs	375,000
Reserve for employee benefit accrued liability	619,952
Reserve for workers' compensation	37,112
Reserve for retirement contribution - TRS	1,205,157
Reserve for retirement contribution - ERS	1,262,229
Unrestricted	(139,703,576)
Total Net Position	\$ (105,120,529)

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

			Program F	Revenues	Net (Expense) Revenue and		
			harges for Services	Operating Grants	Changes in Net Position		
FUNCTIONS/PROGRAMS							
General support	\$ 8,873,213	\$	0	\$ 0	\$ (8,873,213		
Instruction	49,077,747		(350,807)	(1,379,719)	(47,347,221		
Pupil transportation	3,333,167		0	0	(3,333,167		
Debt service	1,268,338		0	0	(1,268,338		
School lunch program	989,129		(2,306)	(847,793)	(139,030		
Total Functions and Programs	\$ 63,541,594	_\$_	(353,113)	\$(2,227,512)	(60,960,969		
GENERAL REVENUES							
Real property taxes					28,014,516		
Other tax items					4,262,103		
Use of money and property					80,675		
Sale of property and compensation for loss					54,726		
Miscellaneous					967,485		
State sources					20,523,524		
Federal sources					457,672		
Total General Revenues					54,360,701		
CHANGE IN NET POSITION					(6,600,268		
TOTAL NET POSITION - BEGINNING OF	YEAR, AS REST	ATEI)		(98,520,261		
TOTAL NET POSITION - END OF YEAR					\$ (105,120,529		

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

		General		Special Aid		School Lunch		Capital		CM Misc. Special Revenue	G	Total overnmental Funds
ASSETS												
Cash												
Unrestricted	\$	6,849,411	\$	0	\$	1,721	\$	5	\$	0	\$	6,851,137
Restricted		4,875,084		0		0		0		0		4,875,084
Due from other funds		5,543,233		1,596,687		764,526		2,908,610		93,938		10,906,994
Due from fiduciary funds		321,162		0		0		0		0		321,162
State and Federal aid receivable		2,511,415		1,110,648		195,503		0		0		3,817,566
Due from other governments		39,717		0		0		0		0		39,717
Prepaid expenses		0		0		331		0		0		331
Other receivables		459,015		0		0		0		0		459,015
Inventories		0		0		8,047		0		0		8,047
TOTAL ASSETS	\$	20,599,037	\$	2,707,335	\$	970,128	\$	2,908,615	\$	93,938	\$	27,279,053
LIABILITIES												
Accounts payable	\$	472,291	\$	122,754	\$	68,985	\$	96,000	\$	0	\$	760,030
Accrued liabilities	· ·	226,432		0		871		0		0		227,303
Due to other funds		5,185,632		2,604,220		681,662		2,402,732		32,748		10,906,994
Due to fiduciary funds		277,291		0		0		0		0		277,291
Due to other governments		19,277		o o		ő		ő		ő		19,277
Due to Employees' Retirement System		175,293		0		0		ő		o o		175,293
Due to Teachers' Retirement System		2,110,152		ő		ő		0		ő		2,110,152
Collections in advance		24,528		o o		87,004		o o		ŏ		111,532
Total Liabilities	-	8,490,896	_	2,726,974		838,522	-	2,498,732		32,748		14,587,872
FUND BALANCE			_									
Nonspendable												
		0		0		8,047		0		0		8,047
Reserved for inventory		0		0		331		0		0		331
Prepaid expenses Restricted		U		0		331		U		U		331
Unemployment insurance reserve		155,974		0		0		0		0		155,974
Reserve for tax certiorari		682,104		0		0		o		0		682,104
Reserve for debt service		537,556		0		o o		0		0		537,556
Reserve for repairs		375,000		0		ő		0		0		375,000
Reserve for workers' compensation		37,112		0		0		0		0		37,112
		619,952		0		0		0		0		619,952
Reserve for employee benefit accrued liability				0		0		0		0		1,205,157
Reserve for retirement contribution - TRS		1,205,157		0		0		0		0		1,262,229
Reserve for retirement contribution - ERS		1,262,229		0		122 228		409,883		61,190		5,609,933
Assigned		5,015,632		· ·		123,228		409,883		61,190		2,197,786
Unassigned	_	2,217,425	_	(19,639)	-		-			61,190	_	12,691,181
Total Fund Balance	-	12,108,141	-	(19,639)	-	131,606	-	409,883	-		•	
TOTAL LIABILITIES AND FUND BALANCE	\$	20,599,037	\$	2,707,335	\$	970,128	\$	2,908,615	\$	93,938		27,279,053

See notes to basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

Total balance - governmental funds balance sheet (page 16)	\$ 12,691,181
Add:	
Land, building and equipment, net of accumulated depreciation	63,416,850
Pension	3,708,917
Total	67,125,767
Deduct:	*
Compensated absences	985,949
Other post-employment benefits	150,209,828
Accrued interest payable	32,813
Deferred bond premium	228,544
Installment purchase debt	2,415,343
Long and short-term bonds payable	31,065,000
Total	184,937,477
NET POSITION, GOVERNMENTAL ACTIVITIES	\$ (105,120,529)

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	General	Spec			School Lunch	(Capital	Sp	Misc. ecial venue	Go	Total evernmental Funds
REVENUES						4		_		4	
Real property taxes	\$ 28,014,516	\$	0	\$	0	\$	0	\$	0	\$	28,014,516
Other tax items Charges for services	4,262,103 350,807		0		0		0		0		4,262,103 350,807
Use of money and property	80,244		0		0		431		0		80,675
Sale of property and compensation for loss	54,726		0		0		431		0		54,726
Miscellaneous	768,205		0		0		160,000		39,280		967,485
State sources	20,523,524	2	41,101		27,782		0		0		20,792,407
Federal sources	457,672		38,618		767,453		0		o o		2,363,743
Surplus food	0	-,,-	0		52,558		0		0		52,558
Sales - school lunch	0		0		2,306		0		0		2,306
Total Revenues	54,511,797	1,3	79,719		850,099		160,431		39,280		56,941,326
EXPENDITURES											
General support	5,530,761		0		0		0		36,400		5,567,161
Instruction	29,378,092	1,3	38,557		0		0		0		30,716,649
Pupil transportation	2,086,154		0		0		0		0		2,086,154
Employee benefits Debt service	12,694,239	1	01,437		0		0		0		12,795,676
Principal	3,325,503		0		0		0		0		3,325,503
Interest	1,373,871		0		0		0		0		1,373,871
Cost of sales	0		0		782,564		0		0		782,564
Capital outlay	0		0		0		2,459,662		0		2,459,662
Total Expenditures	54,388,620	1,4	39,994		782,564		2,459,662		36,400	_	59,107,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	123,177	(60,275)	_	67,535		(2,299,231)		2,880	_	(2,165,914)
OTHER FINANCING SOURCES AND USES											
Proceeds from debt	0		0		0		13,665,000		0		13,665,000
BANs redeemed from appropriations	0		0		0		640,000		0		640,000
Operating transfers in	0 (140 425)		60,275		0		80,150		0		140,425
Operating transfers (out)	(140,425)			_	0	-				_	(140,425)
Total Other Sources (Uses)	(140,425)		60,275		0		14,385,150		0	_	14,305,000
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	(17,248)		0		67,535		12,085,919		2,880		12,139,086
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR, AS RESTATED	12,125,389	(19,639)		64,071	(11,676,036)		58,310		552,095
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 12,108,141		19,639)	\$	131,606	\$	409,883	\$	61,190	\$	12,691,181

See notes to basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

REVENUES - STATEMENT OF ACTIVITIES		\$	56,941,326
EXPENDITURES	59,107,240		
Add:			
Depreciation	1,516,926		
Accrued interest	32,813		
Energy performance contract adjustment	36,871		
Pensions	3,980,610		
Increase in other post-employment benefits	5,132,673		
	10,699,893		
Deduct:			
Principal payments of long-term debt	2,685,503		
Decrease in compensated absences	13,433		
Change in fixed assets	2,751,386		
BANs redeemed from appropriations	640,000		
Amortization of bond premium	134,251		
Accrued interest - prior year	40,966		
	6,265,539		
EXPENDITURES - STATEMENT OF ACTIVITIES		_	63,541,594
CHANGE IN NET POSITION		\$	(6,600,268

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Custodial Funds				
ASSETS		110.000			
Cash	\$	148,862			
Investment - restricted		659,011			
Due from governmental funds	-	277,291			
Total Assets	\$	1,085,164			
LIABILITIES					
Due to governmental funds	_\$	321,162			
Total Liabilities	\$	321,162			
NET POSITION					
Reserve for extraclassroom activity balances	\$	111,238			
Reserve for scholarships	l uces con	652,764			
Total Net Position	\$	764,002			

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

		ustodial Funds
ADDITIONS		
Interest and dividend income	\$	7,799
Investment realized and unrealized losses		22,394
Extraclassroom receipts		24,845
Gifts and contributions		22,061
Total Additions		77,099
DEDUCTIONS		
Investment management fees		4,127
Extraclassroom disbursements		33,997
Scholarships and awards		6,150
Total Deductions		44,274
CHANGE IN NET POSITION		32,825
NET POSITION - BEGINNING OF YEAR, AS RESTATED		731,177
NET POSITION - END OF YEAR	\$	764,002

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Scotia-Glenville Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 used by the District are described below:

A) Reporting Entity

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

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

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for these funds in the Custodial Fund.

B) Joint Venture

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

B) Joint Venture - (Continued)

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, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$5,427,347 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of \$-0-.

The District's share of BOCES aid amounted to \$1,547,039.

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

C) Basis of Presentation

1) District-Wide Statements

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

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

2) Funds Statements

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

C) Basis of Presentation - (Continued)

2) Funds Statements - (Continued)

The District reports the following major governmental funds:

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

School Lunch Fund – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for expenditures of the school breakfast and lunch programs.

<u>Special Aid Funds</u> – 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 other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.

<u>Miscellaneous Special Revenue Fund</u> – Miscellaneous Special Revenue Fund is used to account for those revenues that are legally restricted to expenditures for a specific purpose.

<u>Capital Projects Fund</u> – These funds are used to account for the financial resources used for acquisition, construction or major repair of capital facilities.

The District reports the following fiduciary fund:

<u>Custodial Fund</u> – Fiduciary activities are those in which the District acts as custodian for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District and are not available to be used.

D) Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the 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 appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D) Measurement Focus and Basis of Accounting - (Continued)

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 District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year as it matches the liquidation of related obligations.

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, pensions and other post-employment benefits, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Property Taxes

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

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

F) Restricted Resources

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

G) Interfund Transactions

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

H) Estimates

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

I) Cash (and Cash Equivalents)/Investments

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

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

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts.

Investments are stated at fair value.

J) Accounts Receivable

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

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

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amount 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 reserve for these nonliquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

L) Other Assets/Restricted Assets

In the District-wide financial statements, bond issuance costs are expensed when incurred. In the funds statements, these same costs are netted against bond proceeds and recognized in the period of issuance.

M) Capital Assets

Capital assets are reported at actual cost for acquisition subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, actual or estimated historical costs, based on appraisals conducted by 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 District-wide statements are as follows:

	 talization reshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 500	Straight-line	50
Building improvements	500	Straight-line	20
Site improvements	500	Straight-line	20
Furniture and equipment	500	Straight-line	5-20

N) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position 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 District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District's proportion of the collective net pension liability (ERS System) and net pension asset (TRS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The third item is related to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

N) Deferred Outflows and Inflows of Resources - (Continued)

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

At June 30, 2021, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

		ERS		TRS			
Measurement date	Mar	ch 31, 2021	June 30, 2020				
District's proportionate share of the net pension asset (liability)	\$	(12,731)	\$	(3,314,271)			
District's portion of the Plan's total net pension asset (liability)		0.0127853%		0.119940%			
Change in proportion since the prior measurement date		0.000413%		0.001691%			

For the year ended June 30, 2021, the District recognized its proportionate share of pension expense of \$575,079 for ERS and \$1,964,777 for TRS. At June 30, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

		Deferred of Res		**************************************		Deferred of Res	 		
		ERS	TRS		ERS		TRS		
Differences between expected and actual experience	\$	30,677	\$	2,903,965	\$	0	\$ 169,850		
Changes of assumptions		2,295,342		4,191,782		0	1,494,151		
Net difference between projected and actual earnings on pension plan investments		0		2,164,510		5,149,141	0		
Changes in proportion and differences between the District's contributions and proportionate share of contributions		91,533		104,122		0.	123,674		
District's contributions subsequent to the measurement date	_	175,293	_	1,964,777		0	0		
Total	\$	2,592,845	\$	11,329,156	\$	5,149,141	\$ 1,787,675		
	_		_		_				

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NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N) Deferred Outflows and Inflows of Resources - (Continued)

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

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended March 31, 2022 for ERS and June 30, 2022 for TRS. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

		ERS	_	TRS
Year ended:				
	2022	\$ (136,548)	\$	2,619,292
	2023	(13,647)		2,136,039
	2024	(158,397)		1,321,141
	2025	(682,897)		56,505
	2026	0		139,619
	Thereafter	0		0

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.9%	7.10%
Salary scale	4.4%	1.90% - 4.72%
Decrement tables	April 1, 2015 -	July 1, 2009 -
	March 31, 2020	June 30, 2014
	System's experience	System's experience
Inflation rate	2.7%	2.20%
Projected cost of living adjustments	1.4%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 through March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2009 through June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N) Deferred Outflows and Inflows of Resources - (Continued)

Actuarial Assumptions - (Continued)

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

Measurement date	<u>ERS</u> March 31, 2021	TRS June 30, 2020
Asset type		
Domestic equity	4.05%	7.1%
International equity	6.30	7.7
Global equities	0	7.4
Real estate	4.95	6.8
Domestic fixed income securities	0	1.8
Global fixed income securities	0	1.0
High-yield fixed income securities	0	3.9
Mortgages	0	3.6
Private debt	0	5.2
Credit	3.63	0
Private equity/alternative investments	6.75	10.4
Absolute return strategies	4.50	0
Opportunistic portfolio	4.50	0
Cash	0.50	0.7
Real assets	5.95	0

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 6.10% for TRS) or 1 percentage point higher (6.9% for ERS and 8.10% for TRS) than the current rate:

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N) Deferred Outflows and Inflows of Resources - (Continued)

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

ERS Employer's proportionate	_	1% Decrease (4.9%)		Current ssumption (5.9%)	1% Increase (6.9%)		
share of the net pension asset (liability)	\$	(3,533,586)	\$	(12,731)	\$	3,234,322	
TRS Employer's proportionate	_	1% Decrease (6.10%)	As	Current ssumption (7.10%)		1% Increase (8.10%)	
share of the net pension asset (liability)	\$	(20,935,109)	\$	(3,314,271)	\$	11,474,077	

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of the employers as of the respective valuation dates were as follows:

	(Dolla		
	ERS	TRS	Total
	March 31,	June 30,	
Measurement date	2021	2020	
Employers' total pension asset (liability)	\$ (220,680,157)	\$ (123,242,776)	\$ (343,922,933)
Plan fiduciary net position asset (liability)	220,580,583	120,479,505	341,060,088
Employers' net pension asset (liability)	(99,574)	(2,763,271)	(2,862,845)
Ratio of plan fiduciary net position to the			
employers' total pension asset (liability)	99.95%	97.8%	99.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$175,293.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amount to \$2,110,152.

Additional pension information can be found in Note 10.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O) Unearned Revenue

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

P) Vested Employee Benefits

Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis.

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.

Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave based on contractual provisions.

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

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

Q) Other Benefits

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

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

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NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

R) Short-Term Debt

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

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

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

S) Accrued Liabilities and Long-Term Obligations

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

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

T) Equity Classifications

District-Wide Statements

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

i) Net Investment in Capital Assets

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T) Equity Classifications - (Continued)

District-Wide Statements - (Continued)

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory and prepaid expenses recorded in the School Lunch Fund of \$8,047 and \$331, respectively.

2. Restricted

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance.

The School District has established the following restricted fund balances:

Currently Utilized by the District:

Debt Service

According to General Municipal Law §6-1, The Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the General Fund under Restricted Fund Balance.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T) Equity Classifications - (Continued)

Funds Statements - (Continued)

2. Restricted - (Continued)

Currently Utilized by the District: - (Continued)

Unemployment Insurance

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

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Retirement Contributions

According to General Municipal Law §6-r, 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 reported of the operation and condition of the fund must be provided to the Board. 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 the 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Tax Certiorari Reserve

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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T) Equity Classifications - (Continued)

Funds Statements - (Continued)

2. Restricted - (Continued)

Currently Utilized by the District: - (Continued)

Repairs

According to General Municipal Law §6-d, 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 under Restricted Fund Balance.

Workers' Compensation Reserve

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

3. Committed

Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balance as of June 30, 2021.

4. Assigned

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.

5. Unassigned

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

T) Equity Classifications - (Continued)

Funds Statements - (Continued)

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

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

U) Workers' Compensation Plan

The District joined the Schoharie Area Workers' Compensation Trust (the Trust) on July 1, 2004. The Trust is a mechanism to provide funds for the District to meet its responsibility under the Workers' Compensation Law. It is a group self-insurance plan with excess insurance coverage. The Trust establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made. The Trust has a stop-loss policy to protect the District from unusually high claims. To the extent the Trust funds might be insufficient to pay benefits, the District would assume the liability.

V) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 84, *Fiduciary Activities*, effective for the year ending June 30, 2021. This statement establishes criteria for identifying fiduciary activities.

GASB has issued Statement No. 90, Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61, effective for the year ending June 30, 2021. This statement requires the reporting of majority equity interests which meet the definition of an investment at fair value and requires the reporting of majority equity interests which do not meet the definition of an investment as a component unit.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

V) New Accounting Standards - (Continued)

GASB has issued Statement No. 92, *Omnibus 2020*, portions of the Statement are effective for the year ending June 30, 2021. The statement aims to improve the consistency of various authoritative accounting literature including items such as reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan, the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, and measurement of liabilities related to asset retirement obligations (AROs) in a government acquisition.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2021. This statement addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rates (IBOR).

W) Future Changes in Accounting Standards

GASB has issued Statement No. 87, *Leases*, effective for the year ending June 30, 2022. This statement requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with recognition of inflows and outflows of resources, as appropriate.

GASB has issued Statement No. 89, Accounting Interest Cost Incurred before the End of a Construction Period, effective for the year ending June 30, 2022. This statement requires that interest cost incurred during construction be expensed in that period rather than being included in the cost of the capital asset.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023. This statement provides a single method of reporting conduit debt obligations by issuers.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023. This statement improves the financial reporting related to Public-Private and Public-Public Partnerships to provide services.

GASB has issued Statement No. 96, Subscription-Based Information Technology Arrangements, effective for the year ending June 30, 2023. This statement requires the recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription-based information technology arrangements for government end users.

GASB has issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, portions of the statement are effective for the year ending June 30, 2022. This statement increases consistency and comparability related to the reporting of fiduciary component units which do not have a governing board.

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

A) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the District's governmental funds differs 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.

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

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories, as described below:

i) Long-Term Revenue and Expense Differences

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

ii) Capital Related Differences

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

iii) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) Pension Differences

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

v) OPEB Differences

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

The voters of the District approved the proposed appropriation budget 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. Supplemental appropriations during the year, are shown in the Schedule of Change from Adopted Budget to Final Budget - General Fund.

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the 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.

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.

Deficit Fund Balance

The Special Aid Fund had a deficit fund balance of \$19,639. This will be funded with future transfers from the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it.

While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

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

Uncollateralized \$ 0

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name

12,967,035

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$4,875,084 within the governmental funds and \$148,862 in the fiduciary funds.

NOTE 5 - INVESTMENTS

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

- a. Insured or registered, or investments held by the District or by the District's agent in the District's name, or
- b. Uninsured and unregistered, with the investments held by the financial institution's trust department in the District's name, or
- c. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the District's name.

Investments

<u>Fund</u>	Custodial Fund					
Carrying amount (fair value)	\$ 659,011					
Unrealized investment gain/(loss)	22,394					
Type of investment	Equities					
Category of investment	C					

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

	I	Beginning Balance		Additions	 tirements/ assifications		Ending Balance
Governmental activities:	We -						
Capital assets that are not depreciated:							
Land	\$	162,850	\$	0	\$ 0	\$	162,850
Construction in process		23,742,784		2,055,688	 0_	2	25,798,472
Total nondepreciable historical cost	_	23,905,634	_	2,055,688	 0		25,961,322
Capital assets that are depreciated:							
Buildings and improvements		53,194,176		0	15,584	4	53,178,592
Furniture and equipment		8,165,772		281,603	195,412		8,251,963
Land/site improvements		1,598,181		0	0		1,598,181
Licensed vehicles	_	3,903,335	_	471,473	 167,899		4,206,909
Total depreciable historical cost		66,861,464		753,076	378,895	(67,235,645
Less accumulated depreciation:							
Buildings and improvements		19,600,626		740,735	13,342		20,328,019
Furniture and equipment		5,260,574		360,467	156,832		5,464,209
Land/site improvements		1,384,242		20,013	0		1,404,255
Licensed vehicles	_	2,339,266	_	395,711	 151,343	_	2,583,634
Total accumulated depreciation		28,584,708	_	1,516,926	 321,517	:	29,780,117
Net depreciable historical cost		38,276,756	_	(763,850)	 57,378		37,455,528
GRAND TOTAL	\$	62,182,390	\$	1,291,838	\$ 57,378	\$	63,416,850
Depreciation was allocated to the following prog	grams as f	ollows:					
General support			\$	214,483			
Instruction				1,191,194			
Pupil transportation				80,901			
School lunch program			_	30,348			
TOTAL			_\$	1,516,926			

NOTE 7 - SHORT-TERM DEBT

Interest on short-term debt for the year was \$461,903.

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

	Issued	Maturity	Interest Rate	Beginning Balance	Iss	ued	Redeemed	Ending Balance	
BAN	07/30/2019	07/30/2020	1.39%	\$14,000,000	\$	0	\$14,000,000	\$	0

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - LONG-TERM DEBT

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

Interest paid	\$ 911,968
Less: Prior year accrued interest	(40,966)
Plus: Current year accrued interest	32,813
Less: Amortization of bond premium	 (134,251)
TOTAL EXPENSE	\$ 769,564

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

	_1	Beginning Balance	Issued	_1	Redeemed	_	Ending Balance	D	Amounts tue Within One Year
Governmental activities:									
Bonds and notes payable									
Serial bonds payable	\$	18,560,000	\$ 13,200,000	\$	2,030,000	\$	29,730,000	\$	2,960,000
Plus - Bond premium		362,795	0		134,251		228,544		0
Installment purchase debt		2,603,975	0		188,632		2,415,343		232,377
Statutory bonds	_	1,300,000	465,000	_	430,000	_	1,335,000	_	440,000
Total bonds and notes payable		22,826,770	13,665,000		2,782,883		33,708,887		3,632,377
Other liabilities:									
Other post-employment benefits		157,550,869	0		24,745,644		132,805,225		0
Compensated absences, net	_	999,382	0	_	13,433	_	985,949	_	0
Total other liabilities		158,550,251	0		24,759,077	_	133,791,174		0
TOTAL LONG-TERM LIABILITIES	\$	181,377,021	\$ 13,665,000	\$	27,541,960	\$	167,500,061	\$	3,632,377

The current portion (amount due within one year) of other liabilities as of June 30, 2021, was not determinable.

The following is a summary of the maturity of long-term bonds payable:

Description of Issue	<u>S</u>	erial Bond	Se	rial Bond	5	Serial Bond	S	erial Bond		
Issue date		2015		2011		2018		2021		
Final maturity		2026		2022		2033		2035		
Interest rate		2.00 - 3.00%	2.	25 - 5.00%		1.875 - 1.9%		2.000%		
Outstanding at year end	\$	4,470,000	\$	555,000	\$	11,505,000	\$	13,200,000		
Description of Issue	Sta	tutory Bond	Stati	atory Bond	Sta	atutory Bond	Sta	tutory Bond	Sta	atutory Bond
Issue date		2016		2017		2018		2019		2020
Final maturity		2022		2023		2024		2025		2026
Interest rate		1.640%	1.3	75 - 2.00%		2.25 - 5.00%		1.610%		0.75 - 1.00%
Outstanding at year end	\$	90,000	\$	240,000	\$	190,000	\$	350,000	\$	465,000

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - LONG-TERM DEBT - (CONTINUED)

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2021.

		Principal	Interest			Total
Fiscal year ended June 30	:					
2022	\$	3,400,000	\$	1,006,127	\$	4,406,127
2023		2,840,000		905,428		3,745,428
2024		2,800,000		819,250		3,619,250
2025		2,825,000		732,206		3,557,206
2026		2,825,000		643,175		3,468,175
2027 - 2031		9,880,000		2,085,250		11,965,250
2032 - 2033		6,495,000		385,400	_	6,880,400
TOTALS	\$	31,065,000	\$	6,576,836	\$	37,641,836

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

NOTE 9 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

	Interfund		Inte	rfund		
	Receivable	Payable	Revenues	Expenditures		
General Fund	\$ 5,864,395	\$ 5,462,923	\$ 0	\$ 140,425		
Special Aid Fund	1,596,687	2,604,220	60,275	0		
School Lunch Fund	764,526	681,662	0	0		
CM Miscellaneous Special Revenue Fund	93,938	32,748	0	0		
Capital Projects Fund	2,908,610	2,402,732	80,150	0		
Total Governmental Activities	11,228,156	11,184,285	140,425	140,425		
Custodial Fund	277,291	321,162	0	0		
TOTALS	\$ 11,505,447	\$ 11,505,447	\$ 140,425	\$ 140,425		

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

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). Collectively, NYSERS and NYSTRS are referred to herein as the "Systems". These are cost-sharing multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. 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 TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

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

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS - (CONTINUED)

Plan Descriptions and Benefits Provided: - (Continued)

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% 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 ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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

	NYSTRS	NYSERS			
2020-2021	\$ 1,964,777	\$	575,079		
2019-2020	1,784,318		580,243		
2018-2019	2,061,848		570,358		

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

Additional pension information can be found in Note 1 N.

NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes, which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, 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 GASB Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collected bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS - (CONTINUED)

General Information About the OPEB Plan: - (Continued)

Benefits Provided

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments 280
Inactive employees entitled to but not yet receiving benefit payments 0
Active employees 449
Total 729

Net OPEB Liability:

The District's total OPEB liability of \$132,805,225 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

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

Inflation 2.50%

Salary Increases Varies by pension retirement system membership

Discount Rate 2.16%

Healthcare Cost Trend Rates

Medical 5.70% for 2021, decreasing to an ultimate

rate of 4.04% for 2075 and later years

Dental 4.00% for 2020, decreasing 0.25% annually to an ultimate

rate of 3.00%

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

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2020.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS - (CONTINUED)

Changes in the Total OPEB Liability:

Balance at June 30, 2020	\$	157,550,969
Changes for the year:		
Service cost		7,281,184
Interest		3,610,839
Changes in benefit terms		(178,570)
Differences between expected and actual experience		(13,184,360)
Changes in assumptions or other inputs		(19,367,445)
Benefit payments	-	(2,907,392)
Net changes		(24,745,744)
Balance at June 30, 2021	\$	132,805,225

The following are the changes in assumptions since the last valuation:

- The discount rate has been updated from 2.21% in 2020 to 2.16% in 2021.
- · Health plan election rates for future retirees have been changed.
- Mortality improvement scale has been updated from MP-2018 to MP-2020.
- Medical and prescription drug trend rates have been updated from 2018 Getzen to 2020 Getzen model.
- Salary scale, termination, and retirement rates have been updated based on NYS ERS assumptions first adopted on April 1, 2020.
- The percentage of those electing spousal coverage at retirement has been updated.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 161,207,531	\$ 132,805,225	\$ 110,731,983

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

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

		Current Healthcare	
	1% Decrease	Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 106,995,957	\$ 132,805,225	\$ 167,586,381

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$5,132,673. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 205,163	\$ 18,401,543
Changes of assumptions or other inputs	24,248,920	23,457,143
Total	\$ 24,454,083	\$ 41,858,686

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

Fiscal Year Ending June 30	:
2022	\$ (2,673,488)
2023	(2,673,488)
2024	(2,673,488)
2025	(2,673,488)
2026	(2,060,394)
Thereafter	(4,650,257)
Total	<u>\$ (17,404,603)</u>

NOTE 12 - RISK MANAGEMENT

General Information

The 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.

Consortiums and Self-Insured Plans

The District participates in the Schoharie Area Workers' Compensation Plan, a risk-sharing pool to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$133,389.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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

NOTE 14 - FAIR VALUE MEASUREMENTS

As required by GASB 72 Fair Value Measurements, the District is required to value investment securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- (A) Market approach Uses prices and other relevant information generated by market transactions involving identical or comparable assets. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.
- (B) Cost approach Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- (C) Income approach Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair values of assets measured on a recurring basis at June 30, 2021, are as follows:

Fair Value Measurements Using

	<u>F</u> 2	nir Value	ii Ma	oted Prices n Active arkets for dentical Assets Level 1)	O Obse In	nificant ther ervable puts evel 2)	Signif Unobse Inp (Lev	ervable uts
Scholarship Funds	\$	659,011	\$	659,011	\$	0	\$	0

NOTE 15 – TAX ABATEMENTS

The County of Schenectady enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced \$721,917. The District received Payment in Lieu of Tax (PILOT) payment totaling \$1,269,860.

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 16 - RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of Statement No. 84 results in the reporting of the criteria for identifying fiduciary activities. The District's net position has been restated as follows:

		Misc. Special Revenue		vernment-wide ntement of Net Position	_	ustodial Fund
Fund Balance/Net Position, beginning of year as previously stated		0	\$	(98,578,571)	\$	0
GASB Statement No. 84 implementation:						
Extraclassroom activity fund balances previously						
recorded as a liability in the former Trust & Agency Fund		0		0		120,390
Scholarship funds previously recorded in						
Private Purpose Trust Funds (Fiduciary Fund)		58,310	_	58,310	_	610,787
Fund Balance/Net Position, beginning of year as restated	\$	58,310	S	(98,520,261)	\$	731,177

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance date of the of the audit report. There were no issues to report that would have a material effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

		Original Budget		Final Budget		Actual Revenues	Final Budget Variance with Budgetary Actu Over (Under)		
REVENUES:									
Local Sources Real property taxes	\$ 23	8,015,381	\$	28,015,381	\$	28,014,516	\$	(865)	
Real property tax items	-	4,011,999	Ψ	4,011,999	Ψ	4,262,103	Ψ	250,104	
Charges for services		247,676		247,676		350,807		103,131	
Use of money and property		175,000		175,000		80,244		(94,756)	
Sale of property and compensation for loss		0		0		54,726		54,726	
Miscellaneous		100,000	_	171,465	_	768,205		596,740	
Total Local Sources	32	2,550,056		32,621,521		33,530,601		909,080	
State Sources	2	1,205,827		21,061,322		20,523,524		(537,798)	
Federal Sources	1	180,000	6	180,000	_	457,672		277,672	
Total Revenues		3,935,883		53,862,843		54,511,797	\$	648,954	

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

	Original Budget	Final Budget	Actual Expenditures	Year End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	80,643	79,293	74,599	\$ 0	\$ 4,694
Central administration	322,594	371,444	361,808	0	9,636
Finance	700,203	729,053	658,997	34,412	35,644
Staff	338,114	348,038	326,841	0	21,197
Central services	3,469,784	4,345,664	3,555,752	223,553	566,359
Special items	540,122	574,122	552,764	0	21,358
Instructional					
Instruction, administration and improvements	2,527,266	2,658,087	2,539,813	1,429	116,845
Teaching - regular school	14,365,676	14,352,801	13,740,792	91,144	520,865
Programs for children with handicapping					
conditions	9,168,141	9,278,026	8,244,927	96,959	936,140
Occupational education	1,029,505	1,048,005	1,044,391	0	3,614
Teaching - special school	55,427	56,002	33,881	0	22,121
Instructional media	1,281,697	1,513,040	1,439,514	32,916	40,610
Pupil services	2,483,234	2,566,576	2,334,774	94,843	136,959
Pupil Transportation	2,440,710	2,500,577	2,086,154	50,872	363,551
Community Services	12,859	12,859	0	0	12,859
Employee Benefits	14,194,929	13,865,315	12,694,239	20,000	1,151,076
Debt Service	4,942,979	4,942,979	4,699,374	0	243,605
Total Expenditures	57,953,883	59,241,881	54,388,620	646,128	4,207,133
Other Financing Uses					
Transfers to other funds	207,000	207,000	140,425	0	66,575
Total Expenditures and Other Uses	58,160,883	59,448,881	54,529,045	\$ 646,128	\$ 4,273,708
NET CHANGE IN FUND BALANCE	(4,225,000)	(5,586,038)	(17,248)		
FUND BALANCE – BEGINNING	12,125,389	12,125,389	12,125,389		
FUND BALANCE - ENDING	\$ 7,900,389	\$ 6,539,351	\$ 12,108,141		

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2021, 2020, 2019 AND 2018

Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018		
Total OPEB Liability						
Service cost	\$ 7,281,184	\$ 4,692,248	\$ 5,120,934	\$ 5,310,814		
Interest	3,610,839	4,232,062	5,063,369	4,463,800		
Change of benefit terms	(178,570)	0	0	0		
Differences between expected and		010000	200 200 200			
actual experience	(13,184,360)	287,227	(11,361,059)	0		
Change of assumptions or other inputs	(19,367,445)	33,948,488	(5,815,709)	(6,289,459)		
Benefit payments	(2,907,392)	(2,951,313)	(2,735,542)	(2,204,070)		
Net change in total OPEB liability	(24,745,744)	40,208,712	(9,728,007)	1,281,085		
Total OPEB Liability - beginning	157,550,969	117,342,257	127,070,264	125,789,179		
Total OPEB Liability - ending	\$ 132,805,225	\$ 157,550,969	\$ 117,342,257	\$ 127,070,264		
Covered-employee payroll	\$ 23,877,055	\$ 25,946,100	\$ 25,523,129	\$ 25,437,315		
Total OPEB liability as a percentage of covered-employee payroll	556.20%	607.22%	459.75%	499.54%		
Plan's fiduciary net position	\$ 0	\$ 0	\$ 0	\$ 0		
Net OPEB Liability	\$ 132,805,225	\$ 157,550,969	\$ 117,342,257	\$ 127,070,264		

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

NYS Teachers' Retirement System

	_	2021	1 2020		2019		2018			2017	2016	_	2015
District's proportion of the net pension liability (asset)		0.119940%		0.118249%		0.119479%		0.119527%		0.118763%	0.120415%		0.119163%
District's proportionate share of the net pension liability (asset)	\$	3,314,271	\$	(3,072,107)	\$	(2,160,494)	\$	(908,525)	\$	1,272,002	\$ (12,507,263)	\$	(13,274,011)
District's covered-employee payroll		20,770,230		20,302,659		19,737,512		19,461,778		18,941,170	18,717,143		18,619,194
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		16.0%		15.1%		10.9%		4.7%		6.7%	66.8%		71.3%
Plan fiduciary net position as a percentage of the total pension liability (asset)		97.80%		102.20%		101.53%		100.70%		99.00%	110.50%		111.48%

NYS Employees' Retirement System

	 2021		2020		2019		2018		2017		2016		2015
District's proportion of the net pension liability (asset)	0.0127853%		0.0123723%		0.0123779%		0.0125090%		0.0131859%		0.0142155%		0.0153446%
District's proportionate share of the net pension liability (asset)	\$ 12,731	\$	3,276,268	\$	877,014	\$	403,721	\$	1,238,981	\$	2,281,623	\$	518,377
District's covered-employee payroll	4,221,914		4,104,336		4,209,178		4,116,478		4,150,630		4,042,119		4,133,097
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.3%		79.8%		20.8%		9.8%		29.9%		56.4%		12.5%
Plan fiduciary net position as a percentage of the total pension liability	99,95%		86.39%		96.27%		98.24%		94.7%		90.7%		97.9%

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

NYS Teachers' Retirement System

	_	2021	_	2020	_	2019	20-	2018	_	2017	_	2016	_	2015
Contractually required contribution	\$	1,979,403	\$	1,798,816	\$	2,096,124	\$	1,907,254	\$	2,219,905	\$	2,536,771	\$	2,860,362
Contributions in relation to the contractually required contribution		1,979,403	_	1,798,816	_	2,096,124	_	1,907,254	_	2,219,905	_	2,536,771	_	2,976,861
Contribution deficiency (excess)	\$	0	\$	0	\$	0	\$	0	\$	0	\$	0	\$	(116,499)
District's covered-employee payroll	\$	20,770,230	\$	20,302,659	\$	19,737,512	\$	19,461,778	\$	18,941,170	\$	18,717,143	\$	18,619,194
Contribution as a percentage of covered-employee payroll		9.53%		8.86%		10.62%		9.80%		11.72%		13.55%		15.36%

NYS Employees' Retirement System

	-	2021	2020	_	2019	_	2018	_	2017	2016	_	2015
Contractually required contribution	\$	575,079	\$ 580,243	\$	570,358	\$	588,638	\$	622,239	\$ 706,648	\$	774,253
Contributions in relation to the contractually required contribution	-	575,079	580,243	_	570,358	_	588,638		622,239	 706,648		781,509
Contribution deficiency (excess)	\$	0	\$ 0	\$	0	\$	0	\$	0	\$ 0	\$	(7,256)
District's covered-employee payroll	\$	4,221,914	\$ 4,104,336	\$	4,209,178	\$	4,116,478	\$	4,150,630	\$ 4,042,119	\$	4,133,097
Contribution as a percentage of covered-employee payroll		13.62%	14.14%		13,55%		14.30%		14.99%	17.48%		18.73%

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

ADOPTED BUDGET	\$ 58,160,883
ADDITIONS: Prior year's encumbrances	1,216,533
Gifts and donations	71,465
FINAL BUDGET	\$ 59,448,881

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 voter-approved expenditure budget	\$	59,127,425
Maximum allowed (4% of 2021-2022 budget)		2,365,097
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law: Unrestricted fund balance:		
Assigned fund balance		5,015,632
Unassigned fund balance	_	2,217,425
Total unrestricted fund balance		7,233,057
Less:		
Appropriated fund balance and encumbrances		5,015,632
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	2,217,425
Actual percentage		3.8%

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES

				Expenditures			Me	thods of Fina	incing	
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	Local Sources	State Aid	Proceeds of Obligations	Fund Balances
District-wide Reconstruction Project	\$ 15,084,550	\$ 15,084,550	\$ 15,102,312	\$ 0	\$ 15,102,312	\$ (17,762)	\$ 2,120,373	\$ 0	\$ 13,265,000	\$ 283,061
District-wide Renovation Project	14,000,000	14,000,000	12,054,390	1,943,662	13,998,052	1,948	872,749	0	13,200,000	74,697
District-wide Reconstruction Project	12,800,000	12,800,000	0	9,000	9,000	12,791,000	0	0	0	(9,000)
Capital Outlay	100,000	100,000	80,150	0	80,150	19,850	80,150	0	0	0
Capital Outlay	100,000	100,000	0	100,000	100,000	0	100,000	0	0	0
Buses 2017	430,000	430,000	429,985	0	429,985	15	0	0	430,000	15
Buses 2018	565,000	565,000	563,037	0	563,037	1,963	0	0	565,000	1,963
Buses 2019	305,000	305,000	302,129	0	302,129	2,871	0	0	305,000	2,871
Buses 2020	425,000	425,000	425,000	0	425,000	0	0	0	425,000	0
Buses 2021	465,000	465,000	0	407,000	407,000	58,000	0	0	465,000	58,000
EPC Project	1,338,271	1,338,271	1,341,021	0	1,341,021	(2,750)	1,026	0	1,338,271	(1,724)
TOTALS	\$ 45,612,821	\$ 45,612,821	\$ 30,298,024	\$ 2,459,662	\$ 32,757,686	\$ 12,855,135	\$ 3,174,298	\$ 0	\$ 29,993,271	\$ 409,883

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

CAPITAL ASSETS, NET		\$ 63,416,850
DEDUCT:		
Short-term portion of installment purchase debt	232,377	
Long-term portion of installment purchase debt	2,182,966	
Short-term portion of bonds payable	3,400,000	
Long-term portion of bonds payable	27,665,000	
Unamortized bond premium	228,544	
		 33,708,887
NET INVESTMENT IN CAPITAL ASSETS		\$ 29,707,963

FEDERAL AWARD PROGRAM INFORMATION (SINGLE AUDIT)

(UNIFORM GUIDANCE)

JUNE 30, 2021



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

To the President and the Other Members of the Board of Education of the Scotia-Glenville Central School District Scotia, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Scotia-Glenville Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 27, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

WEST & COMPANY CPARPC

Gloversville, New York September 27, 2021



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

To the President and the Other Members of the Board of Education of the Scotia-Glenville Central School District Scotia, New York

Report on Compliance for Each Major Federal Program

We have audited Scotia-Glenville 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 Scotia-Glenville Central School District's major federal programs for the year ended June 30, 2021. Scotia-Glenville Central School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Scotia-Glenville 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 Regulation* 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 Scotia-Glenville 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 Scotia-Glenville Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Scotia-Glenville 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, 2021.

Report on Internal Control Over Compliance

Management of the Scotia-Glenville 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 Scotia-Glenville 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 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 Scotia-Glenville Central School District's internal control over compliance.

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

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

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

WEST & COMPANY CPAR PC

Gloversville, New York September 27, 2021

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Project Number	ed-through brecipients	E	Federal expenditures
U.S. DEPARTMENT OF EDUCATION					
Passed Through NYS Education Department:					
Special Education Cluster: Special Education - Grants to States	84.027	0032210828	\$ 63,852	\$	611,727
Special Education - Grants to States	84.027	0032200828	 0	8	14,649
Total Special Education - Grants to States		ATT	63,852		626,376
Special Education - Preschool Grants	84.173	0033210828	 12,115		28,184
Total Special Education Cluster			75,967		654,560
Title I - Grants to Local Educational Agencies	84.010 84.010 84.010	0011213124 0021202735 0021212735	0 0 0		46,631 33,043 331,514
Total Title I - Grants to Local Educational Agencies					411,188
Student Support and Academic Enrichment Program	84.424	0204212735	0		7,988
Elementary and Secondary School Emergency Relief Fund - CARES Governor's Emergency Education Relief Fund - CARES	84.425D 84.425C	5890212735 5895212735	 0		234,973 39,4 7 5
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			 0		274,448
Improving Teacher Quality - State Grants	84.367	0147212735	 0		64,883
Total U.S. Department of Education			75,967		1,413,067
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through NYS Education Department: Food Distribution Child Nutrition Cluster: Non-Cash Assistance (Food Distribution)					
National School Lunch Program	10.555	Not Applicable	0		52,558
Cash Assistance Summer Food Service Program for Children - CARES	10.559	Not Applicable	 0		767,453
Total Child Nutrition Cluster			0		820,011
Total U.S. Department of Agriculture			 0		820,011
TOTAL FEDERAL AWARDS EXPENDED			\$ 75,967	\$	2,233,078

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. 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 is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

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 District's financial reporting system.

NOTE 2 - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had food commodities totaling \$12,593 in inventory.

NOTE 3 - INDIRECT 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. Certain of the District's federal award programs have been charged with indirect costs, based upon a 13.4% indirect cost rate calculated by the New York State Education Department. There is no other indirect cost allocation plan in effect.

NOTE 4 - CLUSTERS

The special education cluster consists of Special Education – Grants to States and Special Education – Preschool Grants.

The Child Nutrition Cluster consists of the National School Lunch Program, School Breakfast Program and Summer Food Service Program for Children – CARES.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

A.	SUMMARY	OF A	UDITORS	RESULTS

None.

	7.5		
	Fir	nancial Statements	
	1.	Type of auditors' report issued: unmodified	
	2.	Internal control over financial reporting:	
		a. Material weakness(es) identified?Yes _X_No	
		b. Significant deficiency(ies) identified?Yes _X_N	o
	3.	Noncompliance material to financial statements noted? _	Yes X No
	Fee	deral Awards	
	1.	Internal control over major programs:	
		a. Material weakness(es) identified? Yes X No	
		b. Significant deficiency(ies) identified? Yes X N	0
	2.	Type of auditors' report issued on compliance for major p	
	3.		2004 Market
	٥.	2 CFR 200.516?Yes _X_No	od in accordance with
	4.	Identification of major programs:	
		CFDA Number	Name of Federal Program
		10.555	National School Lunch Program
		10.559	Summer Food Service Program for Children - CARES
	5.	Dollar threshold used to distinguish between type A and B	programs: \$750,000.
	6.	Auditee qualified as low-risk auditee? X Yes No	
В.	FI	NDINGS - BASIC FINANCIAL STATEMENT AUDIT	
	No	ne.	
C.	FI	NDINGS AND QUESTIONED COSTS - MAJOR FEDI	ERAL AWARD PROGRAMS AUDIT

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS EXTRACLASSROOM ACTIVITY FUNDS JUNE 30, 2021



INDEPENDENT AUDITORS' REPORT

To the President and the Other Members of the Board of Education of the Scotia-Glenville Central School District Scotia, New York

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Scotia-Glenville Central School District as of June 30, 2021, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the Scotia-Glenville Central School District as of June 30, 2021, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

WEST & COMPANY CPAS PC

Gloversville, New York September 27, 2021

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2021

ASSETS		
Cash	_\$	111,238
TOTAL ASSETS	\$	111,238
LIABILITIES AND CLUB BALANCES		
Club balances	_\$	111,238
TOTAL LIABILITIES AND CLUB BALANCES	\$	111,238

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

	Balance _July 1, 2020		Receipts		Disbursements		_	alance 2 30, 2021
Middle School								
Student Council	\$	7,017	\$	1,397	\$	720	\$	7,694
Yearbook		1,437		6		0		1,443
Holiday		444		210		0		654
Honor Society		1,282		0		0		1,282
Library		2,283		241		0		2,524
Ski Club		613		0		0		613
Study Circles		337		0		0		337
GIVE		110		0		105		5
8th Grade		1,502		242		0		1,744
Drama Club		19,534		23		2,234		17,323
FCCLA		418		20		58		380
Science Club	: Table 1	1,944		490		0		2,434
Total Middle School		36,921		2,629		3,117		36,433

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)

		Balance ly 1, 2020	 Receipts	Disb	ursements	Balance June 30, 2021	
Total Middle School	\$	36,921	\$ 2,629	\$	3,117	\$	36,433
(from previous page)		A - 12 - 17	5-00 * 0 1.00		200 Dec 100 De		15000 1200
Senior High School							
Acropolis		10,098	4,515		7,543		7,070
Art Club		138	22		0		160
Basic		296	17		175		138
Class of 2020		892	0		892		
Class of 2021		2,647	4,375		6,811		21
Class of 2022		860	2,433		1,111		2,18
Class of 2023		194	510		0		70
Class of 2024		0	318		0		31
Chamber Orchestra		994	0		0		99
Choralaires		5,552	1,350		914		5,98
D.E.C.A		3,599	1,030		814		3,81
Drama Club		23,094	2,183		2,133		23,14
French Club		845	0		200		64
French Travel Club		342	0		0		34
F.B.L.A		4,579	0		148		4,43
German Club		796	25		200		62
German Exchange Club		2,496	0		0		2,49
Journalism Club		0	1		Ō		-,
National Honor Society		2,266	598		1,573		1,29
National English Honors		43	281		302		2
SADD		255	0		0		25
Tartan Mart		6,055	Õ		91		5,96
Ski Club		3,641	0		0		3,64
Spanish Club		1,016	0		200		81
Spanish Travel Club		1,764	0		0		1,76
Student Senate		4,922	3,082		6,762		1,24
Tartan Band		800	0		0		80
Varsity Club		1,494	837		291		2,04
Undivided Interest		61	34		0		9
SNAC		2,293	23		0		2,31
Tri M		710	0		154		55
Young Entrepreneurs		727	 582		566		74
Total Senior High School	77.	83,469	 22,216	-	30,880		74,80
TOTALS	\$	120,390	\$ 24,845	\$	33,997	\$	111,238

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds (the Fund) of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate financial statements are issued for these funds. The District also reports these funds in its financial statements within its Custodial Fund.

The accompanying financial statement of the Scotia-Glenville Central School District's Extraclassroom Activity Fund has been prepared on the cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of receivables outstanding from fundraising activities and obligations for expenses unpaid at the date of the financial statement are not included in the financial statement.

NOTE 2 - MANAGEMENT LETTER

The management letter items for the Extraclassroom Activity Funds are included in the management letter associated with the basic financial statements.

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