

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2021**

**NEW ISSUE**

**STANDARD & POOR'S: "AA-/STABLE OUTLOOK"**

**SERIAL BOND**

**See "BOND RATING" herein**

*In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law (1) interest on the Bonds 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 Bonds to become subject to federal income taxation from the date of issuance thereof; and (2) interest on the Bonds 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 Bonds will NOT be designated as or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*

**\$13,360,000**

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



**GENERAL OBLIGATIONS**

**CUSIP BASE #: 809265**

**\$13,360,000 School District (Serial) Bonds, 2021  
(the "Bonds")**

**Dated: June 29, 2021**

**Due: June 15, 2022-2035**

**MATURITIES\*\***

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2022	\$ 880,000	%	%		2027	\$ 925,000	%	%		2032	\$1,000,000*	%	%	
2023	880,000				2028	940,000				2033	1,020,000*			
2024	890,000				2029	955,000				2034	1,040,000*			
2025	900,000				2030	965,000*				2035	1,065,000*			
2026	915,000				2031	985,000*								

\* The Bonds maturing in the years 2030-2035 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

\*\* Subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service.

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

The Bonds will be issued as registered bonds and, at the option of the purchaser, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. If the Bonds are registered to Cede & Co., individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, and the District will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$13,360,000 and accrued interest, if any, on the total principal amount of the Bonds. Proposals must be accompanied by a good faith deposit in the form of a wire transfer or certified or cashier's check, payable to the order of the Scotia-Glenville Central School District, Schenectady, Montgomery and Saratoga Counties, New York, in the amount of \$267,000.

The Bonds 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 Bonds of Barclay Damon, LLP, Bond Counsel, Albany, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, or about June 29, 2021.

**ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on June 15, 2021 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Bond Sale.**

June \_\_, 2021

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL 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 BONDS 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

### 2020-2021 BOARD OF EDUCATION

DAVID J. BUCCIFERRO  
President



DANIEL P. FEINBERG  
Vice President

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

\* \* \* \* \*

## ADMINISTRATION

SUSAN M. SWARTZ  
Superintendent

KAREN SWAIN  
Assistant Superintendent of Curriculum and Instruction

ANDREW M. GIAQUINTO  
Business Manager

SHERI TYRELL  
School District Treasurer

ROBERTA DELONG  
School District Clerk

**BARCLAY  
DAMON** LLP

BARCLAY DAMON LLP  
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

No person has been authorized by the Jamesville-Dewitt 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 Bonds 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 Jamesville-Dewitt 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**  
**\$13,360,000 School District (Serial) Bonds, 2021**

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 \$13,360,000 principal amount of School District (Serial) Bonds, 2021 (the "Bonds").

The factors affecting the District's financial condition and the Bonds 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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

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

**NATURE OF OBLIGATION**

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

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

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

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

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

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

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

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

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

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

## **THE BONDS**

### **Description of the Bonds**

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

The Bonds will be dated June 29, 2021 and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption" hereunder. The "Record Date" of the Bonds will be the last day of the calendar month (whether or not a business day) preceding each such interest payment date.

The Bonds will be issued as registered bonds and, if issued in book-entry only form, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof and the School District will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

### **Optional Redemption**

The Bonds maturing on or before June 15, 2029 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2030 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2029 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

### **Purpose of Issue**

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on June 11, 2018 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 \$14,000,000.

The proceeds of the Bonds, along with \$640,000 available funds of the District, will permanently finance the bond anticipation notes maturing June 30, 2021 that were issued to finance the aforementioned purpose.

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds, if so requested. The Bonds 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 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond and Note documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bonds 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 Bonds 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 BONDS; (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 BONDS.



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 Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof, for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment 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, there has recently been constructed an \$11 million technology repair facility which is under a payment in lieu of taxes (PILOT) agreement 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. 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 will be revalued for purposes of the PILOT 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 18,437. (Source: 2019 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>	<u>Approximate Number of Employees</u>	<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.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Towns of:						
Glenville	\$ 24,795	\$ 31,363	\$ 37,225	\$ 62,599	\$ 84,760	\$ 95,975
Amsterdam	19,099	25,950	39,382	46,667	63,705	86,094
Charlton	27,924	36,862	44,844	66,250	86,094	106,935
Counties of:						
Schenectady	21,992	27,500	32,417	53,670	70,712	85,332
Montgomery	17,005	22,347	26,521	40,688	53,476	60,621
Saratoga	23,945	32,186	43,065	58,213	81,251	102,897
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Note: 2016-2020 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 2015-2019 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.

	<u>Annual Averages</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Schenectady County	5.4%	4.7%	4.3%	4.5%	4.0%	3.7%	8.1%
Montgomery County	7.5	6.6	5.7	5.7	5.1	4.9	8.8
Saratoga County	4.7	4.1	3.8	4.0	3.5	3.2	6.7
New York State	6.3	5.3	4.9	4.7	4.1	3.8	10.0

	<u>2021 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Schenectady County	6.8%	7.0%	6.5%	5.6%	N/A	N/A
Montgomery County	7.8	8.4	7.8	6.8	N/A	N/A
Saratoga County	5.3	5.7	5.1	4.4	N/A	N/A
New York State	9.4	9.7	8.4	7.8	N/A	N/A

Note: Unemployment rates for May and June 2021 are not available as of the date of this Official Statement. Unemployment rates for the foreseeable future are expected to remain at levels higher than prior periods as a result of the COVID-19 pandemic.

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 3<sup>rd</sup> Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

## *Recent Budget Vote Results*

The budget for the 2020-21 fiscal year was adopted by qualified voters on June 16, 2020 by a vote of 2,403 to 1,184. The District's adopted budget for the 2020-21 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.66%, which was below the District tax levy limit of 2.67%.

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 will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 0.13%, which is equal to the District tax levy limit of 0.13%.

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, the requirement will apply to all school districts in the State. This report will be due to the State by the beginning of the school year, and the State will have 30 days to respond. While DOB or SED will not formally approve a school district's school-based budget, DOB and SED will have authority to determine whether the information was provided in a timely and sufficient manner. The reporting must include demographic data, per pupil funding, source of funds and uniform decision rules regarding allocation of centralized spending to individual schools from all funding sources. Should either DOB or SED determine that a school district did not meet this requirement, the school district's State aid increase can be withheld for the applicable year until compliance is determined by DOB and SED. If either DOB or SED determines that a school district has not properly complied, the school district will have 30 days to "cure" the problem. In the event the problem is not cured in 30 days, the city comptroller or chief financial officer, and in the event a school district located outside a city, the chief financial officer in the municipality where the school district is most located, will be authorized, at his or her discretion, to gather information and submit on behalf of the school district.

## **State Aid**

The District receives financial assistance from the State. In its adopted budget for the 2021-2022 fiscal year, approximately 39.54% 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.

## *Building aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 77.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

#### *State aid history*

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

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

*School district fiscal year (2016-2017):* The 2016-2017 State budget included a school aid increase of \$991 million over 2015-16, \$863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids (\$408 million), the budget also included a \$266 million increase in Foundation Aid and an \$189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included \$100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District 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 the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these federal funds, State aid in the school district fiscal year 2020-2021 was expected to total \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State is expected to release all of the withheld funds prior to June 30, 2021.

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

#### *Federal aid received by the State*

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. The District expects to receive \$2,537,885 American Rescue Plan funds and \$2,311,818 Cares Act Funds.

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.

Although the American Rescue Plan provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction 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.

#### *State Aid Litigation*

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

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

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

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

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

## State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues <sup>(1)</sup></u>	<u>Total State Aid <sup>(1)</sup></u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2015-2016	\$ 48,195,061	\$ 18,770,481	38.95%
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 (Budgeted)	53,791,379	21,061,323	39.15
2021-2022 (Budgeted)	54,757,921	21,650,557	39.54

<sup>(1)</sup> General Fund only.

Source: Audited Financial Statement for the 2015-2016 fiscal year through and including the 2019-2020 fiscal year and the adopted budgets for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

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## District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Original Construction</u>
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

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2016-2017	2,600	2021-2022	2,400
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

Source: District officials.

## Employees

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

<u>Employees</u>	<u>Union</u>	<u>Expiration Date</u>
235	Scotia-Glenville Teachers Association	June 30, 2021 <sup>(2)</sup>
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
26	NYSUT (Secretarial Association)	June 30, 2022
16	Scotia-Glenville Administrators Association	June 30, 2023
8	Management Confidential	Individual contracts
7	Professional Registered Nurses Association <sup>(1)</sup>	

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

<sup>(2)</sup> Currently under negotiation.

## Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2020-21 and 2021-22 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2015-2016	\$ 621,328	\$ 2,326,102
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 (Budgeted)	800,000	2,024,000
2021-2022 (Budgeted)	740,000	2,965,000

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

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

A chart of average ERS and TRS rates as a percent of payroll (2017 to 2021) is shown below:

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

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with

formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such a fund and has fully funded the TRS reserve at \$800,000.

## **Other Post-Employment Benefits**

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

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

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

**GASB 75.** In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. 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, 2019 and 2020.

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

	Balance beginning at June 30:	2018	2019
<u>Changes for the year:</u>		<u>\$ 127,070,264</u>	<u>\$ 117,342,257</u>
Service cost		5,120,934	4,692,248
Interest		5,063,369	4,232,062
Differences between expected and actual experience		(11,361,059)	287,227
Changes in assumptions or other inputs		(5,815,709)	33,948,488
Changes of benefit terms		-	-
Benefit payments		<u>(2,735,542)</u>	<u>(2,951,313)</u>
Net Changes		<u>\$ (9,728,007)</u>	<u>\$ 40,208,712</u>
	Balance ending at June 30:	2019	2020
		<u>\$ 117,342,257</u>	<u>\$ 157,550,969</u>

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 Bonds are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Bonds 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, 2020 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:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2020	No Designation	0.0%
2019	No Designation	0.0%
2018	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

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Glenville	\$ 1,276,421,464	\$ 1,282,903,862	\$ 1,292,592,693	\$ 1,290,213,449	\$ 1,301,476,553
Amsterdam	95,071	90,412	87,572	90,250	94,199
Charlton	1,685,527	1,735,075	1,727,823	1,727,460	1,727,704
Total Assessed Values	<u>\$ 1,278,202,062</u>	<u>\$ 1,284,729,349</u>	<u>\$ 1,294,408,088</u>	<u>\$ 1,292,031,159</u>	<u>\$ 1,303,298,456</u>
State Equalization Rates					
Towns of:					
Glenville	94.00%	92.00%	89.00%	84.00%	84.00%
Amsterdam	9.38%	8.68%	9.60%	8.84%	9.00%
Charlton	72.00%	70.00%	67.00%	66.00%	68.00%
Total Taxable Full Valuation	<u>\$ 1,361,249,734</u>	<u>\$ 1,397,981,011</u>	<u>\$ 1,455,842,389</u>	<u>\$ 1,539,606,683</u>	<u>\$ 1,552,964,246</u>

### Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Towns of:					
Glenville	\$ 21.49	\$ 22.16	\$ 22.73	\$ 23.36	\$ 23.77
Amsterdam	207.09	212.34	210.74	189.76	207.87
Charlton	28.06	29.12	30.20	29.73	29.36

### Tax Collection Procedure

Tax payments are due September 1<sup>st</sup> 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 1<sup>st</sup> to October 31<sup>st</sup>. On November 1<sup>st</sup>, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Tax Levy	\$ 27,502,352	\$ 28,425,239	\$ 29,453,376	\$ 30,134,435	\$ 31,007,380
Amount Uncollected <sup>(1)</sup>	1,181,801	1,205,864	1,219,060	1,164,784	1,544,048
% Uncollected	4.30%	4.24%	4.14%	3.87%	4.98%

<sup>(1)</sup> See "Tax Collection Procedure" herein.

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## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues <sup>(1)</sup></u>	<u>Total Real Property Taxes &amp; Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2015-2016	\$ 48,195,061	\$ 27,400,670	56.85%
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 (Budgeted)	53,791,379	32,027,380	59.54
2021-2022 (Budgeted)	54,757,921	32,429,688	59.22

<sup>(1)</sup> General Fund only.

Source: Audited Financial Statement for the 2015-2016 fiscal year through and including the 2019-2020 fiscal year and the adopted budgets for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

## Larger Taxpayers 2020 Tax Roll for 2020-21

<u>Name</u>	<u>Type</u>	<u>Estimated Assessed Valuation</u>
National Grid	Utility	\$ 43,491,404
Shady Lane Realty, Incorporated	Real Estate	22,897,925
Wal-Mart <sup>(1)</sup>	Real Estate/Retail	12,898,700
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
Liberty Management Cap. Dist.	Healthcare	7,350,000
Old Dominion Freight Line, Inc.	Transportation	6,760,000

<sup>(1)</sup> 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 \$140,883,029, which represents 9.07% 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.

**STAR – School Tax Exemption.** The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$88,050 or less in 2020 and \$90,550 or less in 2021, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$68,700 for the 2019-20 school year 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 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

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

<b><u>Towns of:</u></b>	<b><u>Enhanced Exemption</u></b>	<b><u>Basic Exemption</u></b>	<b><u>Date Certified</u></b>
Glenville	\$ 59,390	\$ 25,200	4/9/2021
Amsterdam	6,360	2,700	4/9/2021
Charlton	58,440	24,800	4/9/2021

\$2,992,000 of the District's \$31,007,380 school tax levy for 2020-21 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2021.

A similar amount of the District's 2021-22 school tax levy is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January, 2022.

### **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. 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 Bonds.

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

### **Tax Cuts and Jobs Act of 2017**

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (H.R. 1, P.L. 115-97), (the "TCJA") was signed into law making major changes to the Internal Revenue Code, most of which were effective in the 2018 tax year. The new federal tax law makes extensive changes to federal personal income taxes, corporate income taxes, and estate taxes. The State's income tax system interacts with the federal system in numerous ways. The changes to the federal tax code are expected to have significant flow-through effects on state tax burdens and revenues. The State's 2019-20 Enacted Budget included State tax reform intended to mitigate issues arising from the federal law, including decoupling many State tax provisions from the federal changes, the creation of an optional payroll tax program, and the establishment of a new State charitable giving vehicle. The State continues to evaluate other tax law changes in response to the TCJA. On July 18, 2018, the State, joined by Connecticut, Maryland and New Jersey, filed a lawsuit intended to protect New York taxpayers from the new federal limit on the SALT deduction. The lawsuit argues that the new SALT limit was enacted to target New York and similarly situated states, that it interferes with the states' rights to make their own fiscal decisions, and that it will disproportionately harm taxpayers in these states. It is not possible to predict whether the Biden administration and Congress will make changes to the TCJA.

## **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 Bonds, include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private 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.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The 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 the issuance of the Bonds, the School District will have complied with this estoppel procedure in connection with the Bonds.

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**

<u>Fiscal Years Ending June 30<sup>th</sup>:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 17,382,000	\$ 15,220,000	\$ 26,270,000	\$ 23,165,000	\$ 19,860,000
Bond Anticipation Notes	0	4,500,000	0	0	14,000,000
Energy Performance Contracts <sup>(1)</sup>	<u>1,912,000</u>	<u>1,790,000</u>	<u>3,002,271</u>	<u>2,814,000</u>	<u>2,605,000</u>
Total Debt Outstanding	\$ 19,294,000	\$ 21,510,000	\$ 29,272,271	\$ 25,979,000	\$ 36,465,000

<sup>(1)</sup> 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 2, 2021.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2033	\$ 19,895,000
<u>Bond Anticipation Notes</u>		
Capital Project	June 30, 2021	<u>14,000,000</u> <sup>(1)</sup>
Total Indebtedness		<u>\$ 33,895,000</u>

<sup>(1)</sup> To be permanently financed with the proceeds of the Bonds and \$640,000 available funds of the District.

## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as shown on a Debt Statement prepared as of June 2, 2021:

Full Valuation of Taxable Real Property .....	\$ 1,552,964,246
Debt Limit 10% thereof .....	155,296,425
<u>Inclusions:</u>	
Bonds .....	\$ 19,895,000
Bond Anticipation Notes .....	640,000
Principal of this Issue .....	<u>13,360,000</u>
Total Inclusions .....	<u>\$ 33,895,000</u>
<u>Exclusions:</u>	
Building Aid <sup>(1)</sup> .....	\$ <u>0</u>
Total Exclusions .....	<u>0</u>
Total Net Indebtedness .....	<u>\$ 33,895,000</u>
Net Debt-Contracting Margin .....	<u>\$ 121,401,425</u>
The percent of debt contracting power exhausted is .....	21.83%

<sup>(1)</sup> Based on preliminary 2021-2022 building aid estimates, the District anticipates State Building aid of 77.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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, including the principal of the Bonds, 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

On May 15, 2018, the District voters approved a \$14 million capital project consisting of reconstruction, renovation, and improvement projects to various district buildings and the sites thereof, and the acquisition of original furnishings, equipment, machinery and apparatus. The \$14,000,000 bond anticipation notes issued on July 30, 2019 represented the first borrowing for this project. The District renewed in full the \$14,000,000 bond anticipation notes maturing July 30, 2020 to June 30, 2021. The Bonds are being issued, along with \$640,000 available funds of the District, to permanently finance this project.

The District annually issues serial bonds for the purchase of buses. On June 16, 2020 the District voters approved \$465,000 for the purchase of school buses. On September 1, 2020 the District issued \$465,000 serial bonds for the purchase of buses. The District plans to ask the voters for approval of \$493,000 on May 18, 2021 for the purchase of buses. Pending a positive vote, the District plans to issue serial bonds for the purchase of such buses in fall 2021.

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 including replacement of furnaces, roofs, parking lots and bus loops. Borrowings for this project will commence upon State approval and based on construction cash flow needs.

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, 2020.

<u>Fiscal Year</u>	<u>Total</u>
2021	\$ 295,499
2022	281,705
2023	282,496
2024	282,220
2025	281,889
Thereafter	<u>1,568,863</u>
Minimum lease payments – Capital Lease	<u>\$ 2,992,672</u>

Note: The above table is not audited.

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## 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.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Schenectady	12/31/2019	\$ 71,165,000	\$ -	\$ 71,165,000	14.35%	\$ 10,212,178
Montgomery	12/31/2019	38,138,000	-	38,138,000	0.05%	19,069
Saratoga	12/31/2019	71,895,000	-	71,895,000	0.01%	7,190
Town of:						
Glenville	12/31/2019	12,969,670	5,967,800	7,001,870	61.15%	4,281,644
Amsterdam	12/31/2019	3,110,000	2,965,000	145,000	0.12%	174
Charlton	12/31/2019	560,000	-	560,000	0.52%	2,912
Village of:						
Scotia	5/31/2020	2,422,385	918,000	1,504,385	100.00%	1,504,385
Total:						<u>\$ 16,027,551</u>

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

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

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2019 2020.

## Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 2, 2021:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 33,895,000	\$ 1,838.42	2.18%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	49,922,551	2,707.74	3.21

<sup>(a)</sup> The current estimated population of the District is 18,437. (See "THE SCHOOL DISTRICT – Population" herein.)

<sup>(b)</sup> The District's full value of taxable real estate for the 2020-2021 fiscal year is \$1,552,964,246. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

<sup>(c)</sup> See "Debt Statement Summary" herein.

<sup>(d)</sup> Estimated net overlapping indebtedness is \$16,027,551. (See "Estimated Overlapping Indebtedness" herein.)

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

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

**General Municipal Law Contract Creditors' Provision.** The Bonds 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 Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

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

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

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds 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 Bonds from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds, or the tax status of interest on the Bonds. See "TAX MATTERS" herein.

### **Cybersecurity**

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

## COVID-19

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

## TAX MATTERS

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel, under existing law, (1) interest on the Bonds 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 Bonds to become subject to Federal income taxation from the date of issuance thereof, and (2) interest on the Bonds 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 Bonds 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 Bonds 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 Bonds to be included in gross income retroactive to the date of issuance of the Bonds. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Bonds 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 Bonds 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 Bonds 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 Bonds; (2) interest on the Bonds 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 Bonds, 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 Bonds; and (5) under Section 32 (i) of the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income credit.

Certain maturities of the Bonds (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 Bonds. 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.

Certain maturities of the Bonds (the “Premium Bonds”) may be sold to the initial purchasers at prices greater than the stated principal amount thereof. The Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner’s original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that an owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

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

The Bonds 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 Bonds 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 Bonds under federal or state law and could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds 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 Bonds may affect the tax status of interest on the Bonds.

## **LEGAL MATTERS**

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Bonds 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 Bonds and the interest thereon without limitation as to rate or amount, that interest on the Bonds 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 Bonds 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 Bonds 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 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Such opinion also will state that: (a) the rights of the owners of the Bonds and the enforceability of the Bonds 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 Bonds; 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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds 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 Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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**

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "AA-" with a stable outlook to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the 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 Bonds may have an adverse effect on the market price of the Bonds.

## **MISCELLANEOUS**

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

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 Bonds.

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 Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the Bonds, 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 Bonds 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](http://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](mailto: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](http://www.fiscaladvisors.com)

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**Dated: June 2, 2021**

**PRESIDENT OF THE BOARD OF EDUCATION AND  
CHIEF FISCAL OFFICER**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending June 30:	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>
<b><u>ASSETS</u></b>					
Unrestricted Cash	\$ 5,083,917	\$ 6,444,838	\$ 10,696,136	\$ 4,650,750	\$ 9,099,996
Restricted Cash	4,038,943	4,476,633	4,448,429	4,182,093	3,850,349
Investments	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
State and Federal Aid Receivable	740,623	784,386	1,514,577	1,739,374	1,916,268
Due from Other Governments	609,462	599,280	17,992	17,992	17,992
Due from Other Funds	1,180,164	642,238	2,670,375	12,484,429	1,586,139
Due from Fiduciary Funds	1,619,517	403,682	987,461	1,961,857	13,871
Other Receivables	132,532	311,207	540,457	260,683	449,057
	<u>132,532</u>	<u>311,207</u>	<u>540,457</u>	<u>260,683</u>	<u>449,057</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 13,405,158</u></u>	<u><u>\$ 13,662,264</u></u>	<u><u>\$ 20,875,427</u></u>	<u><u>\$ 25,297,178</u></u>	<u><u>\$ 16,933,672</u></u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Accounts Payable	\$ 763,544	\$ 646,200	\$ 873,010	\$ 479,230	\$ 275,182
Accrued Liabilities	221,625	147,969	226,982	213,386	116,811
Due to Other Funds	2	8,516	6,383,927	9,810,058	2,176,279
Due to Other Governments	17,219	18,866	20,385	19,325	19,197
Due to Teachers' Retirement System	2,469,013	2,266,914	1,969,190	2,164,392	1,906,688
Due to Employees' Retirement System	156,085	157,718	152,753	151,175	174,323
Due to Fiduciary Funds	-	-	212,589	1,232,872	118,248
Refundable Advances and Deposits	21,462	-	-	-	-
Deferred Revenues	-	17,992	29,226	17,992	21,555
	<u>-</u>	<u>17,992</u>	<u>29,226</u>	<u>17,992</u>	<u>21,555</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 3,648,950</u></u>	<u><u>\$ 3,264,175</u></u>	<u><u>\$ 9,868,062</u></u>	<u><u>\$ 14,088,430</u></u>	<u><u>\$ 4,808,283</u></u>
<b><u>FUND EQUITY</u></b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,038,943	4,476,633	4,448,429	4,182,093	3,850,349
Assigned	3,954,006	3,936,418	4,534,997	4,800,334	5,586,037
Unassigned	1,763,259	1,985,038	2,023,939	2,226,321	2,689,003
	<u>1,763,259</u>	<u>1,985,038</u>	<u>2,023,939</u>	<u>2,226,321</u>	<u>2,689,003</u>
<b>TOTAL FUND EQUITY</b>	<u><u>\$ 9,756,208</u></u>	<u><u>\$ 10,398,089</u></u>	<u><u>\$ 11,007,365</u></u>	<u><u>\$ 11,208,748</u></u>	<u><u>\$ 12,125,389</u></u>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<u><u>\$ 13,405,158</u></u>	<u><u>\$ 13,662,264</u></u>	<u><u>\$ 20,875,427</u></u>	<u><u>\$ 25,297,178</u></u>	<u><u>\$ 16,933,672</u></u>

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending June 30:	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>
<b><u>REVENUES</u></b>					
Real Property Taxes & Tax Items	\$ 28,539,377	\$ 27,400,670	\$ 27,493,799	\$ 24,939,066	\$ 25,798,415
Non-Property Taxes	-	895,722	819,214	4,454,304	4,418,852
Charges for Services	451,848	415,156	449,997	439,360	506,517
Use of Money & Property	58,665	64,510	95,881	154,498	389,117
Sale of Property and					
Compensation for Loss	18,712	79,051	128,518	201,012	112,095
Miscellaneous	739,702	352,842	337,160	481,497	343,873
Revenues from State Sources	17,575,588	18,770,481	19,525,442	20,294,520	21,551,647
Revenues from Federal Sources	156,802	216,629	170,122	215,829	225,235
Total Revenues	<u>\$ 47,540,694</u>	<u>\$ 48,195,061</u>	<u>\$ 49,020,133</u>	<u>\$ 51,180,086</u>	<u>\$ 53,345,751</u>
Other Sources:					
Interfund Transfers	<u>153,077</u>	<u>-</u>	<u>-</u>	<u>50,715</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 47,693,771</u>	<u>\$ 48,195,061</u>	<u>\$ 49,020,133</u>	<u>\$ 51,230,801</u>	<u>\$ 53,345,751</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 4,546,988	\$ 4,743,700	\$ 4,847,268	\$ 4,981,912	\$ 5,128,926
Instruction	25,277,584	26,504,867	26,543,555	27,355,389	28,307,783
Pupil Transportation	1,701,789	1,739,366	1,764,470	2,143,425	2,118,702
Community Services	12,001	8,306	9,893	13,577	12,007
Employee Benefits	11,844,579	11,448,020	11,724,957	11,953,214	12,352,128
Debt Service	3,193,096	3,377,139	3,409,359	3,987,283	5,036,716
Total Expenditures	<u>\$ 46,576,037</u>	<u>\$ 47,821,398</u>	<u>\$ 48,299,502</u>	<u>\$ 50,434,800</u>	<u>\$ 52,956,262</u>
Other Uses:					
Interfund Transfers	<u>187,032</u>	<u>132,808</u>	<u>78,750</u>	<u>186,725</u>	<u>188,106</u>
Total Expenditures and Other Uses	<u>\$ 46,763,069</u>	<u>\$ 47,954,206</u>	<u>\$ 48,378,252</u>	<u>\$ 50,621,525</u>	<u>\$ 53,144,368</u>
Excess (Deficit) Revenues Over Expenditures	<u>930,702</u>	<u>240,855</u>	<u>641,881</u>	<u>609,276</u>	<u>201,383</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	\$ 8,584,603	\$ 9,515,306	\$ 9,756,208	\$ 10,398,089	\$ 11,007,365
Prior Period Adjustments (net)	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 9,515,306</u>	<u>\$ 9,756,208</u>	<u>\$ 10,398,089</u>	<u>\$ 11,007,365</u>	<u>\$ 11,208,748</u>

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:	<b>2020</b>			<b>2021</b>	<b>2022</b>
	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
<b><u>REVENUES</u></b>					
Real Property Taxes	\$ 30,202,912	\$ 26,946,765	\$ 26,941,958	\$ 31,007,380	\$ 31,047,688
Real Property Tax Items	1,176,815	4,341,537	4,374,677	1,020,000	1,382,000
Charges for Services	397,676	247,676	377,781	247,676	247,676
Use of Money & Property	-	175,000	262,103	175,000	100,000
Sale of Property and Compensation for Loss	-	-	24,259	-	-
Miscellaneous	500,000	106,816	488,132	100,000	150,000
Revenues from State Sources	20,748,337	20,748,337	21,277,952	21,061,323	21,650,557
Revenues from Federal Sources	305,000	180,000	207,125	180,000	180,000
Total Revenues	<u>\$ 53,330,740</u>	<u>\$ 52,746,131</u>	<u>\$ 53,953,987</u>	<u>\$ 53,791,379</u>	<u>\$ 54,757,921</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 53,330,740</u>	<u>\$ 52,746,131</u>	<u>\$ 53,953,987</u>	<u>\$ 53,791,379</u>	<u>\$ 54,757,921</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 5,389,818	\$ 6,141,415	\$ 4,831,918	\$ 5,451,460	\$ 5,558,748
Instruction	30,118,574	30,725,444	28,634,616	30,910,946	31,618,305
Pupil Transportation	2,420,285	2,494,662	1,991,369	2,440,710	2,451,593
Community Services	12,859	13,241	10,965	12,859	12,859
Employee Benefits	13,781,398	13,351,372	12,335,151	14,194,929	14,443,901
Debt Service	5,033,806	5,027,283	5,027,279	4,942,979	4,835,019
Total Expenditures	<u>\$ 56,756,740</u>	<u>\$ 57,753,417</u>	<u>\$ 52,831,298</u>	<u>\$ 57,953,883</u>	<u>\$ 58,920,425</u>
Other Uses:					
Interfund Transfers	<u>199,000</u>	<u>206,165</u>	<u>206,048</u>	<u>207,000</u>	<u>207,000</u>
Total Expenditures and Other Uses	<u>\$ 56,955,740</u>	<u>\$ 57,959,582</u>	<u>\$ 53,037,346</u>	<u>\$ 58,160,883</u>	<u>\$ 59,127,425</u>
Excess (Deficit) Revenues Over Expenditures	<u>(3,625,000)</u>	<u>(5,213,451)</u>	<u>916,641</u>	<u>(4,369,504)</u>	<u>(4,369,504)</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	\$ 3,625,000	\$ 5,213,451	\$ 11,208,748	\$ 4,369,504	\$ 4,369,504
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,125,389</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BONDED INDEBTEDNESS**

Fiscal Year Ending June 30th	NOT INCLUDING THE BONDS			Principal of The Bonds	Principal All Issues
	Principal	Interest	Total		
2021	\$ 2,460,000	\$ 841,973.03	\$ 3,301,973.03	\$ -	\$ 2,460,000
2022	2,565,000	752,393.00	3,317,393.00	880,000	3,445,000
2023	1,995,000	658,128.13	2,653,128.13	880,000	2,875,000
2024	1,940,000	588,850.00	2,528,850.00	890,000	2,830,000
2025	1,950,000	519,006.25	2,469,006.25	900,000	2,850,000
2026	1,930,000	447,475.00	2,377,475.00	915,000	2,845,000
2027	930,000	374,250.00	1,304,250.00	925,000	1,855,000
2028	975,000	327,750.00	1,302,750.00	940,000	1,915,000
2029	1,030,000	279,000.00	1,309,000.00	955,000	1,985,000
2030	1,075,000	227,500.00	1,302,500.00	965,000	2,040,000
2031	1,125,000	173,750.00	1,298,750.00	985,000	2,110,000
2032	1,180,000	117,500.00	1,297,500.00	1,000,000	2,180,000
2033	1,170,000	58,500.00	1,228,500.00	1,020,000	2,190,000
2034	-	-	-	1,040,000	1,040,000
2035	-	-	-	1,065,000	1,065,000
<b>TOTALS</b>	<b>\$ 20,325,000</b>	<b>\$ 5,366,075.41</b>	<b>\$ 25,691,075.41</b>	<b>\$ 13,360,000</b>	<b>\$ 33,685,000</b>

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2011 Refunding of 2002 SB			2015 Series B Buses		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 525,000	\$ 49,837.50	\$ 574,837.50	\$ 90,000	\$ 742.50	\$ 90,742.50
2022	555,000	23,587.50	578,587.50	-	-	-
<b>TOTALS</b>	<b>\$ 1,080,000</b>	<b>\$ 73,425.00</b>	<b>\$ 1,153,425.00</b>	<b>\$ 90,000</b>	<b>\$ 742.50</b>	<b>\$ 90,742.50</b>

Fiscal Year Ending June 30th	2015 Series A Reconstruction of Buildings			2016 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 820,000	\$ 158,700.00	\$ 978,700.00	\$ 90,000	\$ 2,214.00	\$ 92,214.00
2022	845,000	134,100.00	979,100.00	90,000	738.00	90,738.00
2023	865,000	108,750.00	973,750.00	-	-	-
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	-	-	-
<b>TOTALS</b>	<b>\$ 5,290,000</b>	<b>\$ 568,950.00</b>	<b>\$ 5,858,950.00</b>	<b>\$ 180,000</b>	<b>\$ 2,952.00</b>	<b>\$ 182,952.00</b>

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2017 Buses			2018 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 115,000	\$ 5,806.25	\$ 120,806.25	\$ 60,000	\$ 5,605.00	\$ 65,605.00
2022	120,000	3,600.00	123,600.00	60,000	4,150.00	64,150.00
2023	120,000	1,200.00	121,200.00	65,000	2,356.25	67,356.25
2024	-	-	-	65,000	731.25	65,731.25
2025	-	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 355,000</b>	<b>\$ 10,606.25</b>	<b>\$ 365,606.25</b>	<b>\$ 250,000</b>	<b>\$ 12,842.50</b>	<b>\$ 262,842.50</b>

Fiscal Year Ending June 30th	2018 Series A Capital Project			2019 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 685,000	\$ 609,500.00	\$ 1,294,500.00	\$ 75,000	\$ 9,567.78	\$ 84,567.78
2022	725,000	575,250.00	1,300,250.00	85,000	4,986.25	89,986.25
2023	765,000	539,000.00	1,304,000.00	85,000	3,615.63	88,615.63
2024	800,000	500,750.00	1,300,750.00	90,000	2,193.75	92,193.75
2025	845,000	460,750.00	1,305,750.00	90,000	731.25	90,731.25
2026	885,000	418,500.00	1,303,500.00	-	-	-
2027	930,000	374,250.00	1,304,250.00	-	-	-
2028	975,000	327,750.00	1,302,750.00	-	-	-
2029	1,030,000	279,000.00	1,309,000.00	-	-	-
2030	1,075,000	227,500.00	1,302,500.00	-	-	-
2031	1,125,000	173,750.00	1,298,750.00	-	-	-
2032	1,180,000	117,500.00	1,297,500.00	-	-	-
2033	1,170,000	58,500.00	1,228,500.00	-	-	-
<b>TOTALS</b>	<b>\$ 12,190,000</b>	<b>\$4,662,000.00</b>	<b>\$ 16,852,000.00</b>	<b>\$ 425,000</b>	<b>\$ 21,094.66</b>	<b>\$ 446,094.66</b>

Fiscal Year Ending June 30th	2020 Buses		
	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	85,000	5,981.25	90,981.25
2023	95,000	3,206.25	98,206.25
2024	95,000	2,375.00	97,375.00
2025	95,000	1,425.00	96,425.00
2026	95,000	475.00	95,475.00
<b>TOTALS</b>	<b>\$ 465,000</b>	<b>\$ 13,462.50</b>	<b>\$ 478,462.50</b>

## CONTINUING DISCLOSURE UNDERTAKING

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

- (i) In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated June 15, 2021 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C and other than any Appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2021, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2021; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
  - (a) principal and interest payment delinquencies
  - (b) non-payment related defaults, if material
  - (c) unscheduled draws on debt service reserves reflecting financial difficulties
  - (d) in the case of credit enhancement, if any, provided in connection with the issuance of the 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 securities
  - (g) modifications to rights of securityholders, if material
  - (h) Bond 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 District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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 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 District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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 to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Bonds 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 Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the 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 Bonds nor entitle any holder of the Bonds 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.

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

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

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2020**

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

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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, 2020, 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, 2020, 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 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 28, 2020, 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 28, 2020

## SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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*The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2020. 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, 2020:

- The government-wide assets of the School District were \$83,381,181.
- The government-wide net position (deficit) was \$(98,578,571) at June 30, 2020.
- The District maintained existing district programs for Special Education and Academic Enrichment while maintaining fund balance.
- The District received slightly more (2.55%) State Aid than was budgeted with overall revenue being slightly favorable (2.28%) due to state aid (building and BOCES), refunds from prior year expenditures, charges for services and Medicaid/Medicare subsidies.
- Expenditures (including encumbrances) were favorable (6.3%) as employee benefits, energy costs, and certain special education and regular instructional costs were less than anticipated (federal grant subsidies, contractual, staff turnover). The mid-March shut-down of onsite instruction contributed to savings in energy, substitute teachers' costs, coaches' salaries, and buildings and grounds overtime. The shut-down also generated significant savings in transportation contracted 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 *trustee* or *agent* 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**

	<b>District-Wide</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as instruction and special education	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
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 trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the 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

	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2019</b>	<b>% Change (Increase, - Decrease)</b>
<b>Assets</b>			
Current and other assets	\$ 21,198,791	\$ 16,361,595	29.6%
Capital assets - net	62,182,390	53,956,560	15.2%
<b>Total Assets</b>	<b>83,381,181</b>	<b>70,318,155</b>	<b>18.6%</b>
<b>Deferred Outflows of Resources</b>			
Other post-employment benefits	29,344,899	0	100.0%
Pensions	12,137,463	12,076,606	0.5%
<b>Total Deferred Outflows of Resources</b>	<b>41,482,362</b>	<b>12,076,606</b>	<b>243.5%</b>
<b>Liabilities</b>			
Current liabilities	15,592,854	3,441,746	353.1%
Long-term liabilities	186,371,505	147,560,191	26.3%
<b>Total Liabilities</b>	<b>201,964,359</b>	<b>151,001,937</b>	<b>33.7%</b>
<b>Deferred Inflows of Resources</b>			
Deferred bond premium	362,795	497,046	-27.0%
Other post-employment benefits	16,871,185	19,785,231	-14.7%
Pensions	4,243,775	3,089,658	37.4%
<b>Total Deferred Inflows of Resources</b>	<b>21,477,755</b>	<b>23,371,935</b>	<b>-8.1%</b>
<b>Net Position</b>			
Net investment in capital assets	25,355,620	27,481,539	-7.7%
Restricted	3,850,349	4,182,093	-7.9%
Unrestricted	(127,784,540)	(123,642,743)	-3.3%
<b>Total Net Position</b>	<b>\$ (98,578,571)</b>	<b>\$ (91,979,111)</b>	<b>-7.2%</b>

## Changes in Net Position

The School District's 2020 revenue was \$56,227,427 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 55.7% and 37.8%, 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 \$62,826,887 for 2020. These expenses (84.2%) 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 12.6% of total costs.

Net position decreased during the year by \$6,599,460.

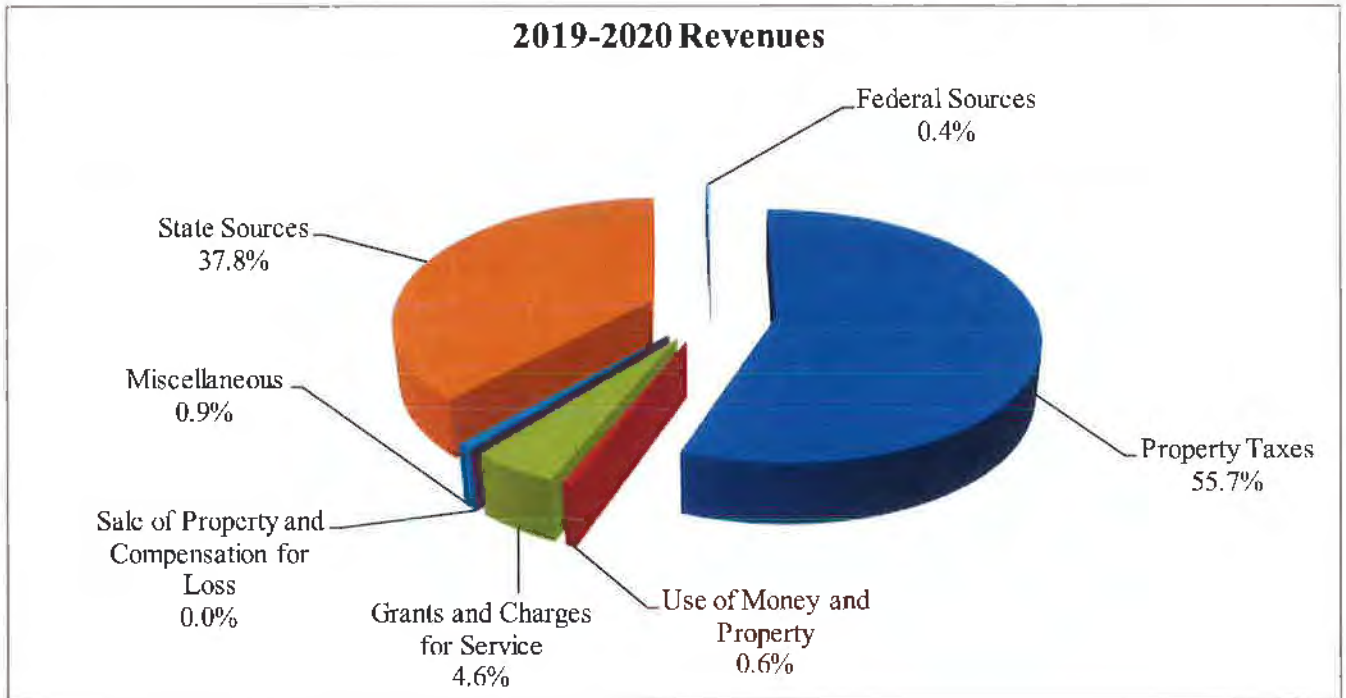
**Table A-3**

### Changes in Net Position from Operating Results

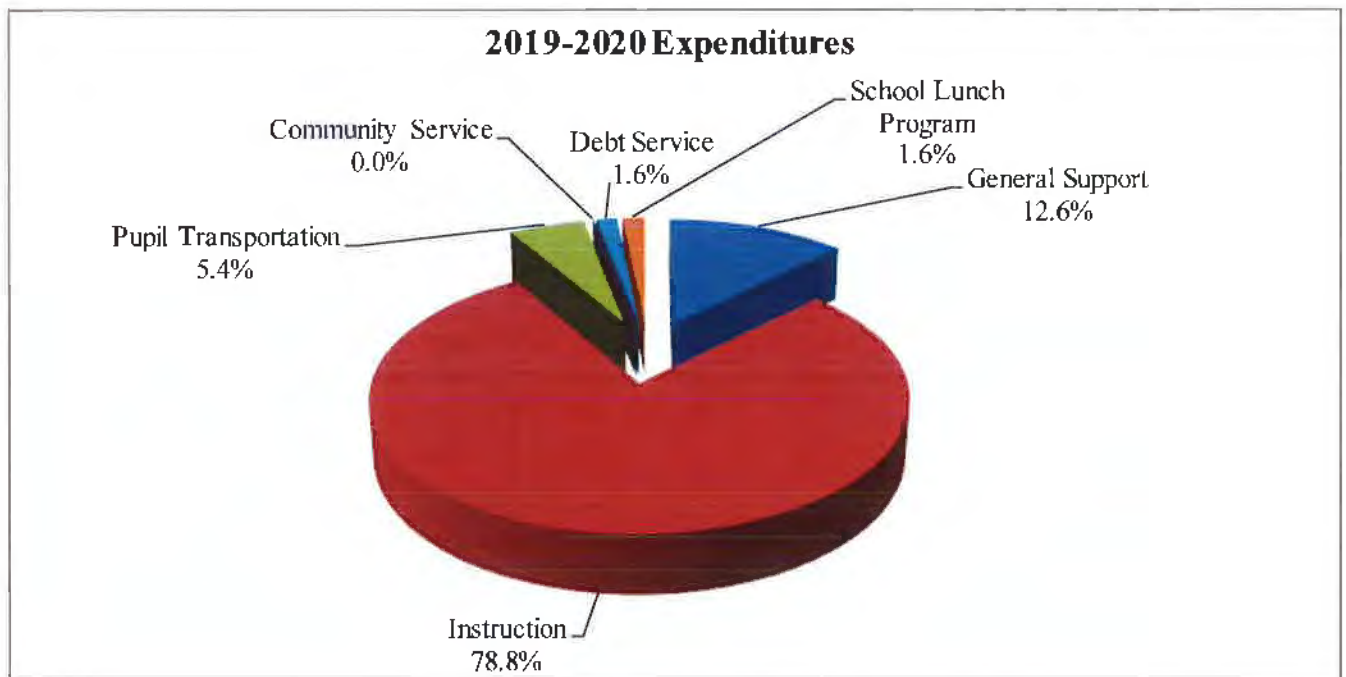
	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2019</b>	<b>% Change (Increase, - Decrease)</b>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 681,264	\$ 937,748	-27%
Operating grants and contributions	1,897,639	1,813,934	5%
<b>General Revenues</b>			
Property taxes	31,316,635	30,217,267	4%
State sources	21,277,952	21,551,647	-1%
Federal sources	207,125	225,235	-8%
Use of money and property	334,413	389,467	-14%
Sale of property and compensation for loss	24,259	112,095	-78%
Miscellaneous	488,140	343,873	42%
<b>Total Revenues</b>	<b>56,227,427</b>	<b>55,591,266</b>	<b>1%</b>
<b>Expenses</b>			
General support	7,973,326	7,597,422	5%
Instruction	49,532,403	43,681,422	13%
Transportation	3,371,885	3,225,263	5%
Community service	10,965	12,007	-9%
Debt service	937,284	1,304,744	-28%
Cost of sales – Lunch Program	1,001,024	1,222,917	-18%
<b>Total Expenses</b>	<b>62,826,887</b>	<b>57,043,775</b>	<b>10%</b>
<b>Total Change in Net Position</b>	<b>\$ (6,599,460)</b>	<b>\$ (1,452,509)</b>	<b>-354%</b>



## REVENUES – TABLE A-4



## EXPENDITURES – TABLE A-5





## Governmental Activities

Net position decreased by \$6,599,460 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 (Incr.; -Decr.)	Net Cost of Services		% Change (Incr.; -Decr.)
	2020	2019		2020	2019	
General support	\$ 7,973,326	\$ 7,597,422	5%	\$ 7,973,326	\$ 7,597,422	5%
Instruction	49,532,403	43,681,422	13%	47,711,323	41,896,556	14%
Pupil transportation	3,371,885	3,225,263	5%	3,371,885	3,225,263	5%
Community service	10,965	12,007	-9%	10,965	12,007	-9%
Debt service - interest	937,284	1,304,744	-28%	937,284	1,304,744	-28%
Cost of sales - lunch program	1,001,024	1,222,917	-18%	243,201	256,101	-5%
<b>Totals</b>	<b>\$62,826,887</b>	<b>\$57,043,775</b>	10%	<b>\$60,247,984</b>	<b>\$54,292,093</b>	11%

- The cost of all governmental activities for the year was \$62,826,887.
- The users of the School District's programs financed \$681,264 of the costs.
- The federal and state government grants financed \$1,897,639 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 2019-2020 in the areas of special education, employee benefits, regular school, and building and grounds. The mid-March shutdown of onsite instruction contributed to savings in these areas as referenced above. Special education savings were generated from contractual services and subsidies from the special aid grants. Employee benefits reflected health insurance plans reflecting favorable experience with the migration of most employees to a Model plan with Custom Formulary management, and below market rate increases in Blue Shield and CDPHP plans as well. Pension savings are reflecting the introduction of Tier V and VI in recent budget years.

## 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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Actual/Budget)</u>
<b>Revenue and Other Sources</b>				
Local Sources	\$ 31,810,978	\$ 31,817,794	\$ 32,468,910	\$ 651,116
State Sources	20,748,337	20,748,337	21,277,952	529,615
Federal Sources	180,000	180,000	207,125	27,125
<b>Total Revenue and Other Sources</b>	<u>52,739,315</u>	<u>52,746,131</u>	<u>53,953,987</u>	<u>1,207,856</u>
<b>Expense and Use of Funds</b>				
General Support	5,389,818	6,141,415	4,831,918	(1,309,497)
Instruction	30,118,573	30,725,444	28,634,616	(2,090,828)
Transportation	2,420,286	2,494,662	1,991,369	(503,293)
Community Services	12,859	13,241	10,965	(2,276)
Employee Benefits	13,781,398	13,351,372	12,335,151	(1,016,221)
Debt Service	5,033,806	5,027,283	5,027,279	(4)
Transfers To Other Funds	199,000	206,165	206,048	(117)
<b>Total Expenses and Use of Funds</b>	<u>56,955,740</u>	<u>57,959,582</u>	<u>53,037,346</u>	<u>\$ (4,922,236)</u>
<b>Net Change in Fund Balance</b>	<u>(4,216,425)</u>	<u>(5,213,451)</u>	<u>916,641</u>	
<b>Fund Balance - Beginning</b>	<u>11,208,748</u>	<u>11,208,748</u>	<u>11,208,748</u>	
<b>Fund Balance - Ending</b>	<u>\$ 6,992,323</u>	<u>\$ 5,995,297</u>	<u>\$ 12,125,389</u>	

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 2.28% favorable and expenditures (including encumbrances) 6.3% favorable, both within acceptable levels. Medicaid revenue exceeded the budget by \$21,000 and recognized \$121,000 in revenue in 2019-2020, reflecting a slight decrease of \$8,000 from the prior year. Medicare D prescription drug subsidies exceeded the budget by \$6,000 and recognized \$86,000 in revenue in 2019-2020, a decrease of \$10,000 from the prior year. The transfers out of the general fund were the District's share of the summer special education expenditures. Each year the summer special education transfer is based on actual expenditures and fluctuates year to year.

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 installing an automated switch for the Middle School Generator. The District began (6 years ago) appropriating \$100,000 per year to fund \$100,000 in capital projects for smaller projects which may be aided in the following fiscal year.

The District will be continuing this trend in 2020-2021 for exterior door replacement at the High School.

## SCHOOL LUNCH FUND

Food service revenues were \$3,828 more than expenditures resulting in an operating surplus which increased the fund balance to \$64,071. The District increased ADP for lunch (2%) and breakfast (2%) before moving to all remote meals during onsite shut-down in March. The District increased prices for the K-5 lunch program to \$2.45 (4%) per meal and kept breakfast at the prior year price of \$1.40 per meal. The high school and middle school maintained the prior year breakfast price at \$1.40 per meal and increased the lunch price to \$2.65 (4%) for the middle and high schools for 2019-2020. Breakfast in the Classroom program (BIC) was continued for the elementary schools in 2019-2020, contributing to an ADP increase of 2%. The District will increase lunch prices by \$.10 to keep in line with the USDA Price Lunch Equity Tool requirement. This will counterbalance the CPI increase to Chartwell's (1.4%) and hopefully cover operating expenses as well as the negative balances in student accounts that the District experienced this past year. In addition, staff costs in this area are projected to increase 6% due to the minimum wage requirement. The District continues to work with an outside consultant to perform on-site reviews of each school as well as perform a contract compliance audit. The District was reviewed by the State Education Department in 2018-2019 as part of a tri-annual requirement to review all Child Nutrition programs in NYS; the District received a favorable review. 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).

## CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2020, the School District had \$62,182,390 (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)

	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2019</b>
Buildings, land and land improvements	\$ 33,970,339	\$ 31,521,948
Construction in progress	23,742,784	17,911,445
Furniture, equipment and vehicles	4,469,267	4,523,167
<b>Totals</b>	<b>\$ 62,182,390</b>	<b>\$ 53,956,560</b>

### Long-Term Debt

As of June 30, 2020, the School District had \$181,377,021 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

	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2019</b>
General obligation bonds (financed with property taxes)	\$ 22,826,770	\$ 26,475,021
All other debt	158,550,251	118,336,429
<b>Totals</b>	<b>\$ 181,377,021</b>	<b>\$ 144,811,450</b>

## **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%.

The District increased instructional staff in the 2017-2018 budgets. The District moved its transportation operations to the Niskayuna CSD facility in July, 2017 completing a three-year phase-in of consolidating services in this area. The move is projected to save the District \$400,000 (before state aid) over the next five years and avoid \$1 million in capital improvements needed at the Scotia facility.

The District entered into a cooperative agreement with Capital Region BOCES and the Niskayuna CSD in October, 2018 to share transportation bus mechanics and transportation supervisory staff at the Niskayuna facility. The District is continuing this arrangement for 2019-2020.

The District decreased the Tax Certiorari reserves in 2018-2019 by \$515,000 as result of favorable settlements and closing out of discontinued tax cert. claims. In addition, a reflected deduction of \$191,000 relating to the District setting aside \$191,000 in this reserve to cover the lost tax revenue on a building in the Industrial Park coming off the 2018-2019 tax rolls and moving to a PILOT for 2018-2019. The District established a Repair Reserve at the end of 2017-2018 of \$400,000, which was utilized for the replacement of the High School parking lot and roadway repairs in July and August. The District began to utilize the Debt Service Reserve fund in 2019-2020 of \$500,000, as a planned strategy to cover the fall of building aid associated with a 2002 bond refinancing where debt service payments remain. This strategy is being followed for the 2020-2021 budget.

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 2019-2020 by \$400,000 and has now funded the reserve to the maximum allowed by the statute, or approximately 2% of the annual TRS payroll. The District continues to comply with the reserve policies adopted by the Board of Education.

The District achieved favorable financial results for 2019-2020 attributable to a continued conservative fiscal and budget strategy, energy savings resulting from solar and energy projects and prudent utilization of federal subsidies. The District has an undesignated fund balance at the end of 2019-2020 at 4.62%, exceeding the 4% statutory limit, partially as result of savings achieved during the mid-March shutdown of onsite instruction. Savings in substitute teaching costs, utilities, transportation and sports were related to the shutdown.

Energy savings of \$311,000 reflected the combination of the shutdown, 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 2020-2021 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 is completing a \$14 million capital project over 2019 and 2020 and anticipates completion by 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) will impact the 2020-2021 budget \$371,000 or \$.265 per \$1,000 of full value.

The District enters into 2020-2021 with a 2.1% spending increase and a 2.66% tax levy increase. The District anticipated a potential state aid shortfall in 2020-2021 due to the COVID-19 Pandemic and implemented a spending strategy to free up funds in 2020-2021 for PPE expenditures, and software and hardware expenditures related to hybrid instruction. 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 relocated its bus fleet back from the shared BOCES facility at Niskayuna and will stage its fleet from the Scotia facility in 2020-2021. The District also hired back two head bus driver positions from the shared service and will operate under a hybrid shared service in 2020-2021. A review and assessment is being conducted by Administration to determine whether to bring back the mechanics and Director's position from the shared service or continue with the hybrid operation.

## **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

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2020**

<b>ASSETS</b>	
Cash	
Unrestricted	\$ 10,530,718
Restricted	3,850,349
Receivables	
State and Federal aid	3,244,999
Due from fiduciary funds	13,871
Due from other governments	17,992
Prepaid expenses	331
Other receivables	452,543
Inventories	15,881
Net pension asset - proportionate share	3,072,107
Capital assets, net of depreciation	62,182,390
<b>Total Assets</b>	<b>83,381,181</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other post-employment benefits	29,344,899
Pensions	12,137,463
<b>Total Deferred Outflows of Resources</b>	<b>41,482,362</b>
<b>LIABILITIES</b>	
Payables	
Accounts payable	936,068
Accrued liabilities	116,811
Accrued interest payable	40,966
Collections in advance	108,559
Due to fiduciary funds	123,460
Bond anticipation notes payable	14,000,000
Due to other governments	19,197
Retainage payable	247,793
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	1,906,688
Due to Employees' Retirement System	174,323
Bonds payable	2,460,000
Installment purchase debt	215,000
Due and payable after one year	
Bonds payable	17,400,000
Installment purchase debt	2,388,975
Net pension liability - proportionate share	3,276,268
Other post-employment benefits	157,550,869
Compensated absences payable	999,382
<b>Total Liabilities</b>	<b>201,964,359</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred bond premium	362,795
Other post-employment benefits	16,871,185
Pensions	4,243,775
<b>Total Deferred Inflows of Resources</b>	<b>21,477,755</b>
<b>NET POSITION</b>	
Net investment in capital assets	25,355,620
Restricted	
Unemployment insurance reserve	155,754
Reserve for tax certiorari	365,273
Reserve for debt service	610,800
Reserve for employee benefit accrued liability	618,543
Reserve for workers' compensation	37,027
Reserve for retirement contribution - TRS	803,562
Reserve for retirement contribution - ERS	1,259,390
Unrestricted	(127,784,540)
<b>Total Net Position</b>	<b>\$ (98,578,571)</b>

See notes to basic financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
<b>FUNCTIONS/PROGRAMS</b>				
General support	\$ 7,973,326	\$ 0	\$ 0	\$ (7,973,326)
Instruction	49,532,403	(377,781)	(1,443,299)	(47,711,323)
Pupil transportation	3,371,885	0	0	(3,371,885)
Debt service	937,284	0	0	(937,284)
Community service	10,965	0	0	(10,965)
School lunch program	1,001,024	(303,483)	(454,340)	(243,201)
<b>Total Functions and Programs</b>	<u>\$ 62,826,887</u>	<u>\$ (681,264)</u>	<u>\$ (1,897,639)</u>	<u>(60,247,984)</u>
<b>GENERAL REVENUES</b>				
Real property taxes				26,941,958
Other tax items				4,374,677
Use of money and property				334,413
Sale of property and compensation for loss				24,259
Miscellaneous				488,140
State sources				21,277,952
Federal sources				207,125
<b>Total General Revenues</b>				<u>53,648,524</u>
<b>CHANGE IN NET POSITION</b>				(6,599,460)
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>				<u>(91,979,111)</u>
<b>TOTAL NET POSITION - END OF YEAR</b>				<u>\$ (98,578,571)</u>

See notes to basic financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**JUNE 30, 2020**

	<b>General</b>	<b>Special Aid</b>	<b>School Lease</b>	<b>Capital</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash					
Unrestricted	\$ 9,099,996	\$ 0	\$ 14,103	\$ 1,416,619	\$ 10,530,718
Restricted	3,850,349	0	0	0	3,850,349
Due from other funds	1,586,139	15,589	123,986	1,773,269	3,498,983
Due from fiduciary funds	13,871	0	0	0	13,871
State and Federal aid receivable	1,916,268	1,307,352	21,379	0	3,244,999
Due from other governments	17,992	0	0	0	17,992
Prepaid expenses	0	0	331	0	331
Other receivables	449,057	0	3,486	0	452,543
Inventories	0	0	15,881	0	15,881
<b>TOTAL ASSETS</b>	<b>\$ 16,933,672</b>	<b>\$ 1,322,941</b>	<b>\$ 179,166</b>	<b>\$ 3,189,888</b>	<b>\$ 21,625,667</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 275,182	\$ 102,098	\$ 18,831	\$ 539,957	\$ 936,068
Accrued liabilities	116,811	0	0	0	116,811
Retainage payable	0	0	0	247,793	247,793
Due to other funds	2,176,279	1,240,482	4,048	78,174	3,498,983
Due to fiduciary funds	118,248	0	5,212	0	123,460
Bond anticipation note payable	0	0	0	14,000,000	14,000,000
Due to other governments	19,197	0	0	0	19,197
Due to Employees' Retirement System	174,323	0	0	0	174,323
Due to Teachers' Retirement System	1,906,688	0	0	0	1,906,688
Collections in advance	21,555	0	87,004	0	108,559
<b>Total Liabilities</b>	<b>4,808,283</b>	<b>1,342,580</b>	<b>115,095</b>	<b>14,865,924</b>	<b>21,131,882</b>
<b>FUND BALANCE</b>					
Nonspendable					
Reserved for inventory	0	0	15,881	0	15,881
Prepaid expenses	0	0	331	0	331
Restricted					
Unemployment insurance reserve	155,754	0	0	0	155,754
Reserve for tax certiorari	365,273	0	0	0	365,273
Reserve for debt service	610,800	0	0	0	610,800
Reserve for workers' compensation	37,027	0	0	0	37,027
Reserve for employee benefit accrued liability	618,543	0	0	0	618,543
Reserve for retirement contribution - URS	803,562	0	0	0	803,562
Reserve for retirement contribution - ERS	1,259,390	0	0	0	1,259,390
Assigned	5,586,037	3,965	47,859	1,862,438	7,500,299
Unassigned	2,689,003	(23,604)	0	(13,538,474)	(10,873,075)
<b>Total Fund Balance</b>	<b>12,125,389</b>	<b>(19,639)</b>	<b>64,071</b>	<b>(11,676,036)</b>	<b>493,785</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 16,933,672</b>	<b>\$ 1,322,941</b>	<b>\$ 179,166</b>	<b>\$ 3,189,888</b>	<b>\$ 21,625,667</b>

See notes to basic financial statements.



**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Total balance - governmental funds balance sheet (page 16)	\$ 493,785
Add:	
Land, building and equipment, net of accumulated depreciation	62,182,390
Pension	<u>7,689,527</u>
Total	69,871,917
Deduct:	
Compensated absences	999,382
Other post-employment benefits	145,077,155
Accrued interest payable	40,966
Deferred bond premium	362,795
Installment purchase debt	2,603,975
Long and short-term bonds payable	<u>19,860,000</u>
Total	<u>168,944,273</u>
<b>NET POSITION, GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (98,578,571)</u></u>

See notes to basic financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General	Special Aid	School Lunch	Capital	Total Governmental Funds
<b>REVENUES</b>					
Real property taxes	\$ 26,941,958	\$ 0	\$ 0	\$ 0	\$ 26,941,958
Other tax items	4,374,677	0	0	0	4,374,677
Charges for services	377,781	0	0	0	377,781
Use of money and property	262,103	0	0	72,310	334,413
Sale of property and compensation for loss	24,259	0	0	0	24,259
Miscellaneous	488,132	0	0	8	488,140
State sources	21,277,952	391,371	18,196	0	21,687,519
Federal sources	207,125	1,051,928	379,180	0	1,638,233
Surplus food	0	0	56,964	0	56,964
Sales - school lunch	0	0	303,483	0	303,483
<b>Total Revenues</b>	<b>53,953,987</b>	<b>1,443,299</b>	<b>757,823</b>	<b>72,318</b>	<b>56,227,427</b>
<b>EXPENDITURES</b>					
General support	4,831,918	0	0	0	4,831,918
Instruction	28,634,616	1,382,533	0	0	30,017,149
Pupil transportation	1,991,369	85,853	0	0	2,077,222
Community service	10,965	0	0	0	10,965
Employee benefits	12,335,151	72,756	0	0	12,407,907
Debt service					
Principal	3,939,000	0	0	0	3,939,000
Interest	1,088,279	0	0	0	1,088,279
Cost of sales	0	0	762,200	0	762,200
Capital outlay	0	0	0	9,472,294	9,472,294
<b>Total Expenditures</b>	<b>52,831,298</b>	<b>1,541,142</b>	<b>762,200</b>	<b>9,472,294</b>	<b>64,606,934</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,122,689</b>	<b>(97,843)</b>	<b>(4,377)</b>	<b>(9,399,976)</b>	<b>(8,379,507)</b>
<b>OTHER FINANCING SOURCES AND USES</b>					
Proceeds from debt	0	0	0	425,000	425,000
Operating transfers in	0	97,843	8,205	100,000	206,048
Operating transfers (out)	(206,048)	0	0	0	(206,048)
<b>Total Other Sources (Uses)</b>	<b>(206,048)</b>	<b>97,843</b>	<b>8,205</b>	<b>525,000</b>	<b>425,000</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES</b>	<b>916,641</b>	<b>0</b>	<b>3,828</b>	<b>(8,874,976)</b>	<b>(7,954,507)</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<b>11,208,748</b>	<b>(19,639)</b>	<b>60,243</b>	<b>(2,801,060)</b>	<b>8,448,292</b>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 12,125,389</b>	<b>\$ (19,639)</b>	<b>\$ 64,071</b>	<b>\$ (11,676,036)</b>	<b>\$ 493,785</b>

See notes to basic financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

<b>REVENUES - STATEMENT OF ACTIVITIES</b>		<b>\$ 56,227,427</b>
<b>EXPENDITURES</b>	<b>64,606,934</b>	
Add:		
Depreciation	1,519,401	
Accrued interest	40,966	
Pensions	2,580,901	
Increase in other post-employment benefits	7,949,667	
Increase in compensated absences	5,210	
	<u>12,096,145</u>	
Deduct:		
Principal payments of long-term debt	3,939,000	
Change in fixed assets	9,745,231	
Amortization of bond premium	134,251	
Accrued interest - prior year	57,710	
	<u>13,876,192</u>	
<b>EXPENDITURES - STATEMENT OF ACTIVITIES</b>		<u><b>62,826,887</b></u>
<b>CHANGE IN NET POSITION</b>		<u><b>\$ (6,599,460)</b></u>

See notes to basic financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2020**

	<b>Private Purpose Trust</b>	<b>Agency</b>
<b>ASSETS</b>		
Cash	\$ 254,724	\$ 131,024
Investment - restricted	410,783	0
Due from governmental funds	3,590	119,870
Accounts receivable	0	26,885
<b>Total Assets</b>	<b>\$ 669,097</b>	<b>\$ 277,779</b>
<b>LIABILITIES</b>		
Due to governmental funds	\$ 0	\$ 13,871
Extraclassroom activity balances	0	120,390
Other liabilities	0	143,518
<b>Total Liabilities</b>	<b>0</b>	<b>\$ 277,779</b>
<b>NET POSITION</b>	<b>\$ 669,097</b>	

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Private Purpose Trust</b>
<b>ADDITIONS</b>	
Interest and dividend income	\$ 10,221
Gifts and contributions	3,876
<b>Total Additions</b>	<b>14,097</b>
<b>DEDUCTIONS</b>	
Investment realized and unrealized losses	20,988
Investment management fees	3,714
Scholarships and awards	6,315
<b>Total Deductions</b>	<b>31,017</b>
<b>CHANGE IN NET POSITION</b>	<b>(16,920)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>686,017</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 669,097</b>

See notes to basic financial statements.

# SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### **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 assets held as an agent for various student organizations in an agency 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.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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**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 \$5,669,365 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 \$1,504,431.

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.

The District reports the following major governmental funds:

**General Fund** – 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.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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

**C) Basis of Presentation – (Continued)**

**2) Funds Statements – (Continued)**

**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.

**Special Aid Funds** – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and 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.

**Capital Projects Fund** – 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 funds:

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

- i) **Private Purpose Trust Funds** – These funds are used to account for trust arrangements in which principal and income benefit annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.
- ii) **Agency Funds** – These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

**D) Measurement Focus and Basis of Accounting**

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

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.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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.

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

**E) Property Taxes**

Real property taxes are levied annually by the Board of Education no later than 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.



SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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**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 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 expenses) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

**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:

	<b><u>Capitalization Threshold</u></b>	<b><u>Depreciation Method</u></b>	<b><u>Estimated Useful Life</u></b>
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 proportion 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(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.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**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, 2020, 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, 2020 for ERS and June 30, 2019 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.

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2020	June 30, 2019
District's proportionate share of the net pension asset (liability)	\$ (3,276,268)	\$ 3,072,107
District's portion of the Plan's total net pension asset (liability)	0.0123723%	0.118249%
Change in proportion since the prior measurement date	(0.0000056)%	(0.00123)%

For the year ended June 30, 2020, the District's recognized pension expense of \$580,243 for ERS and \$1,784,318 for TRS. At June 30, 2020, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	<b><u>Deferred Outflows of Resources</u></b>		<b><u>Deferred Inflows of Resources</u></b>	
	<b><u>ERS</u></b>	<b><u>TRS</u></b>	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Differences between expected and actual experience	\$ 192,822	\$ 2,081,888	\$ 0	\$ 228,448
Changes of assumptions	65,969	5,803,621	56,963	1,415,087
Net difference between projected and actual earnings on pension plan investments	1,679,574	0	0	2,463,671
Changes in proportion and differences between the District's contributions and proportionate share of contributions	220,693	134,255	27,840	51,766
District's contributions subsequent to the measurement date	174,323	1,784,318	0	0
<b>Total</b>	<b>\$ 2,333,381</b>	<b>\$ 9,804,082</b>	<b>\$ 84,803</b>	<b>\$ 4,158,972</b>

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**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 liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Year ended:		
2021	\$ 386,422	\$ 102,595
2022	530,610	1,399,232
2023	649,026	922,609
2024	508,197	119,283
2025	0	(87,196)
Thereafter	0	0

**Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Interest rate	6.8%	7.10%
Salary scale	4.2%	1.90% - 4.72%
Decrement tables	April 1, 2010 - March 31, 2015	July 1, 2009 - June 30, 2014
	Systems experience	Systems experience
Inflation rate	2.5%	2.20%
Cost of living adjustments	1.3%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2010 through March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. 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-2018.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 through March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**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 weighing 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, 2020	<u>TRS</u> June 30, 2019
<b><u>Asset type</u></b>		
Domestic equity	4.05%	6.3%
International equity	6.15	7.8
Global equities	0	7.2
Real estate	4.95	4.6
Domestic fixed income securities	0	1.3
Global fixed income securities	0	0.9
High-yield fixed income securities	0	3.6
Mortgages	0	2.9
Private debt	0	6.5
Short-term	0	0
Private equity/alternative investments	6.75	9.9
Absolute return strategies	3.25	0
Opportunistic portfolio	4.65	0
Bonds and mortgages	0.75	0
Cash	0.00	0.3
Inflation index bonds	0.50	0
Real assets	5.95	0

**Discount Rate**

The discount rate used to calculate the total pension liability was 6.8% 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 liability.

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 6.8% 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 (5.8% for ERS and 6.10% for TRS) or 1 percentage point higher (7.8% for ERS and 8.10% for TRS) than the current rate:

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**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 Liability to the Discount Rate Assumption – (Continued)**

	<b><u>1% Decrease (5.8%)</u></b>	<b><u>Current Assumption (6.8%)</u></b>	<b><u>1% Increase (7.8%)</u></b>
<b><u>ERS</u></b>			
Employer's proportionate share of the net pension asset (liability)	\$ (6,012,877)	\$ (3,276,268)	\$ (755,840)
	<b><u>1% Decrease (6.10%)</u></b>	<b><u>Current Assumption (7.10%)</u></b>	<b><u>1% Increase (8.10%)</u></b>
<b><u>TRS</u></b>			
Employer's proportionate share of the net pension asset (liability)	\$ (13,867,169)	\$ 3,027,107	\$ 17,282,248

**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:

	<b>(Dollars in thousands)</b>		
	<b><u>ERS</u></b>	<b><u>TRS</u></b>	<b><u>Total</u></b>
Measurement date	March 31, 2020	June 30, 2019	
Employers' total pension asset (liability)	\$ (194,596,261)	\$ (119,879,474)	\$ (314,475,735)
Plan fiduciary net position asset (liability)	168,115,682	122,477,481	290,593,163
Employers' net pension asset (liability)	(26,480,579)	2,598,007	(23,882,572)
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	86.39%	102.2%	92.4%

**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, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$174,323.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid 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, 2020 amount to \$1,906,688.

Additional pension information can be found in Note 10.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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**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, vacation and sabbatical time.

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.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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.



SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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**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 \$15,881 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.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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**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. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. Under the new amendments to General Municipal Law §6-r, the Board of Education, by resolution, can establish a sub-fund within its retirement contribution reserve fund to finance retirement contributions to the New York State Teacher Retirement System. In addition, the amount of monies contributed annually to the sub-fund cannot exceed 2%, nor can the balance of the sub-fund exceed 10% of the compensation or salaries of the TRS members during the immediate preceding fiscal year. 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.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

**T) Equity Classifications – (Continued)**

**Funds Statements – (Continued)**

**2. Restricted – (Continued)**

**Currently Utilized by the District: – (Continued)**

**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, 2020.

**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 definition of the above four classifications and are deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund 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. The District exceeded the 4% limit at June 30, 2020.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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

**T) Equity Classifications – (Continued)**

**Funds Statements – (Continued)**

**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, 2020, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 92, *Omnibus 2020*, portions of the Statement are effective for the year ending June 30, 2020. The statement aims to improve the consistency of various authoritative accounting literature including items such as changing the effective date of Statement No. 87, *Leases*, and updating terminology.

GASB has issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective for the year ending June 30, 2020. This statement postponed the effective dates of various GASB Statements as a result of the COVID-19 pandemic.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective dates vary by the particular paragraph of the Statement. The first items become effective for the year ending June 30, 2020. This statement aims to provide more consistent financial reporting for defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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

**W) Future Changes in Accounting Standards**

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. 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. 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.

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. 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).

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.

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.

# SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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### **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.

#### **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 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.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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.

**Unassigned General Fund Balance**

The District's June 30, 2020, undesignated unreserved General Fund balance exceeded statutory limits (4% of subsequent year's appropriation budget).

**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.

The Capital Fund had a deficit fund balance of \$11,676,036. This will be eliminated when permanent financing is received.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

**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		4,164,339

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 \$3,850,349 within the governmental funds and \$385,748 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:

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

**Investments**

<b><u>Fund</u></b>	<b><u>Private Purpose Trust</u></b>
Carrying amount (fair value)	\$ 410,783
Unrealized investment gain/(loss)	(20,988)
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.



**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 5 – INVESTMENTS – (CONTINUED)**

**Investment Pool**

The District participates in multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, § 119-O, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2020, the School District held a total of \$10,831,268 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents. The following amounts are included as cash:

<u>Fund</u>	<u>Amount</u>
General unrestricted cash	\$ 6,726,195
General restricted cash	3,850,349
Private purpose trust	<u>254,724</u>
Total	<u>\$ 10,831,268</u>

The above amount represents the cost of the investment pool shares and is considered to approximate fair value. The investment pools are SEC registered and categorically exempt from the New York State collateralization requirements.

**NOTE 6 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 162,850	\$ 0	\$ 0	\$ 162,850
Construction in process	17,911,445	9,050,656	3,219,317	23,742,784
Total nondepreciable historical cost	<u>18,074,295</u>	<u>9,050,656</u>	<u>3,219,317</u>	<u>23,905,634</u>
Capital assets that are depreciated:				
Buildings and improvements	49,974,859	3,219,317	0	53,194,176
Furniture and equipment	8,259,505	330,034	423,767	8,165,772
Land/site improvements	1,594,231	3,950	0	1,598,181
Licensed vehicles	3,853,902	449,173	399,740	3,903,335
Total depreciable historical cost	<u>63,682,497</u>	<u>4,002,474</u>	<u>823,507</u>	<u>66,861,464</u>
Less accumulated depreciation:				
Buildings and improvements	18,858,885	741,741	0	19,600,626
Furniture and equipment	5,250,505	369,824	359,755	5,260,574
Land/site improvements	1,351,107	33,135	0	1,384,242
Licensed vehicles	2,339,735	374,701	375,170	2,339,266
Total accumulated depreciation	<u>27,800,232</u>	<u>1,519,401</u>	<u>734,925</u>	<u>28,584,708</u>
Net depreciable historical cost	<u>35,882,265</u>	<u>2,483,073</u>	<u>88,582</u>	<u>38,276,756</u>
<b>GRAND TOTAL</b>	<u>\$ 53,956,560</u>	<u>\$ 11,533,729</u>	<u>\$ 3,307,899</u>	<u>\$ 62,182,390</u>
Depreciation was allocated to the following programs as follows:				
General support		\$ 195,242		
Instruction		1,212,896		
Pupil transportation		80,465		
School lunch program		<u>30,798</u>		
<b>TOTAL</b>		<u>\$ 1,519,401</u>		

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 7 – SHORT-TERM DEBT**

Interest on short-term debt for the year was \$-0-.

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

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

**NOTE 8 – LONG-TERM DEBT**

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

Interest paid	\$ 1,088,279
Less: Prior year accrued interest	(57,710)
Plus: Current year accrued interest	40,966
Less: Amortization of bond premium	(134,251)
<b>TOTAL EXPENSE</b>	<b><u>\$ 937,284</u></b>

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and notes payable					
Serial bonds payable	\$ 21,860,000	\$ 0	\$ 3,300,000	\$ 18,560,000	\$ 2,030,000
Plus - Bond premium	497,046	0	134,251	362,795	0
Installment purchase debt	2,812,975	0	209,000	2,603,975	215,000
Statutory bonds	1,305,000	425,000	430,000	1,300,000	430,000
Total bonds and notes payable	26,475,021	425,000	4,073,251	22,826,770	2,675,000
Other liabilities:					
Other post-employment benefits	117,342,257	40,208,612	0	157,550,869	0
Compensated absences, net	994,172	5,210	0	999,382	0
Total other liabilities	118,336,429	40,213,822	0	158,550,251	0
<b>TOTAL LONG-TERM LIABILITIES</b>	<b><u>\$ 144,811,450</u></b>	<b><u>\$ 40,638,822</u></b>	<b><u>\$ 4,073,251</u></b>	<b><u>\$ 181,377,021</u></b>	<b><u>\$ 2,675,000</u></b>

The current portion (amount due within one year) of other liabilities as of June 30, 2020, was not determinable.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 8 – LONG-TERM DEBT – (CONTINUED)**

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

<u>Description of Issue</u>	<u>Serial Bond</u>	<u>Serial Bond</u>	<u>Serial Bond</u>
Issue date	2015	2011	2018
Final maturity	2026	2022	2033
Interest rate	2.00 - 3.00%	2.25 - 5.00%	1.875 - 1.9%
Outstanding at year end	\$ 5,290,000	\$ 1,080,000	\$ 12,190,000

<u>Description of Issue</u>	<u>Statutory Bond</u>	<u>Statutory Bond</u>	<u>Statutory Bond</u>	<u>Statutory Bond</u>	<u>Statutory Bond</u>
Issue date	2019	2017	2016	2020	2015
Final maturity	2024	2023	2022	2025	2020
Interest rate	2.25 - 5.00%	1.375 - 2.00%	1.640%	1.610%	0.75 - 1.65%
Outstanding at year end	\$ 250,000	\$ 355,000	\$ 180,000	\$ 425,000	\$ 90,000

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, 2020.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2021	\$ 2,460,000	\$ 841,973	\$ 3,301,973
2022	2,480,000	746,412	3,226,412
2023	1,900,000	654,922	2,554,922
2024	1,845,000	586,475	2,431,475
2025	1,855,000	517,581	2,372,581
2026 - 2030	5,845,000	1,655,500	7,500,500
2031 - 2035	3,475,000	349,750	3,824,750
<b>TOTALS</b>	<b>\$ 19,860,000</b>	<b>\$ 5,352,613</b>	<b>\$ 25,212,613</b>

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**

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,600,010	\$ 2,294,527	\$ 0	\$ 206,048
Special Aid Fund	15,589	1,240,482	97,843	0
School Lunch Fund	123,986	9,260	8,205	0
Capital Projects Fund	1,773,269	78,174	100,000	0
Total Governmental Activities	3,512,854	3,622,443	206,048	206,048
Fiduciary Agency Fund	123,460	13,871	0	0
<b>TOTALS</b>	<b>\$ 3,636,314</b>	<b>\$ 3,636,314</b>	<b>\$ 206,048</b>	<b>\$ 206,048</b>

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS – (CONTINUED)**

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.

**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](http://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](http://www.osc.state.ny.us/retire/publications/index.php).

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 10 – PENSION PLANS – (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:

	<u><b>NYSTRS</b></u>	<u><b>NYSERS</b></u>
2019-2020	\$ 1,784,318	\$ 580,243
2018-2019	2,061,848	570,358
2017-2018	1,954,065	588,638

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over a 17 year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District did not exercise.

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's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits Provided**

The 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.

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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

**Employees Covered by Benefit Terms**

At June 30, 2020, 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	<u>443</u>
Total	<u>723</u>

**Total OPEB Liability:**

The District's total OPEB liability of \$157,550,969 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2018.

**Actuarial Assumptions and Other Inputs**

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

Inflation	2.20%
Salary Increases	10.47% - 3.20%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	
Medical	5.40% for 2019, decreasing to an ultimate rate of 3.84% for 2075 and later years.
Dental	4.25% for 2019, 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-2019.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

**Changes in the Total OPEB Liability:**

Balance at June 30, 2019	\$ 117,342,257
Changes for the year:	
Service cost	4,692,248
Interest	4,232,062
Changes in benefit terms	0
Differences between expected and actual experience	287,227
Changes in assumptions or other inputs	33,948,488
Benefit payments	<u>(2,951,313)</u>
Net changes	<u>40,208,712</u>
Balance at June 30, 2020	<u>\$ 157,550,969</u>

There are no changes in actuarial methods and assumptions since the last valuation for the fiscal year ending June 30, 2019 except that the discount rate has been updated from 3.51% in 2019 to 2.21% in 2020.

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

The following presents the total OPEB liability of the 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 (1.21%) or 1 percentage point higher (3.21% percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 192,659,377	\$ 157,550,969	\$ 130,479,862

**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:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 125,117,527	\$ 157,550,969	\$ 201,649,396

SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

**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, 2020, the District recognized OPEB expense of \$7,949,667. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 246,195	\$ 8,520,795
Changes of assumptions or other inputs	<u>29,098,704</u>	<u>8,350,390</u>
Total	<u>\$ 29,344,899</u>	<u>\$ 16,871,185</u>

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

<b><u>Fiscal Year Ending June 30:</u></b>	
2021	\$ 1,976,770
2022	1,976,770
2023	1,976,770
2024	1,976,770
2025	1,976,770
Thereafter	<u>2,589,864</u>
Total	<u>\$ 12,473,714</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 \$54,024.



SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

**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, 2020, are as follows:

**Fair Value Measurements Using**

	<b><u>Fair Value</u></b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
NYCLASS	\$ 10,831,268	\$ 10,831,268	\$ 0	\$ 0
Scholarship Funds	410,783	410,783	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 \$658,614. The District received Payment in Lieu of Tax (PILOT) payment totaling \$1,118,321.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the issuance date of the financial statements. On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result of the economic challenges and uncertainties caused by the pandemic, New York State began withholding 20% of most local aid payments in June, 2020. The State is expected to continue to withhold payments through September, 2020. Depending on the size and timing of federal aid provided to the State, if any, all or a portion of the amounts withheld may be converted to permanent reductions. Other financial impacts could occur though such potential impact is unknown at this time.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Revenues</b>	<b>Final Budget Variance with Budgetary Actual Over (Under)</b>
<b>REVENUES:</b>				
<b>Local Sources</b>				
Real property taxes	\$ 26,547,225	\$ 26,946,765	\$ 26,941,958	\$ (4,807)
Real property tax items	4,741,077	4,341,537	4,374,677	33,140
Charges for services	247,676	247,676	377,781	130,105
Use of money and property	175,000	175,000	262,103	87,103
Sale of property and compensation for loss	0	0	24,259	24,259
Miscellaneous	100,000	106,816	488,132	381,316
<b>Total Local Sources</b>	<b>31,810,978</b>	<b>31,817,794</b>	<b>32,468,910</b>	<b>651,116</b>
<b>State Sources</b>	<b>20,748,337</b>	<b>20,748,337</b>	<b>21,277,952</b>	<b>529,615</b>
<b>Federal Sources</b>	<b>180,000</b>	<b>180,000</b>	<b>207,125</b>	<b>27,125</b>
<b>Total Revenues and Other Financing Sources</b>	<b>52,739,315</b>	<b>52,746,131</b>	<b>53,953,987</b>	<b>\$ 1,207,856</b>

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Year End Encumbrances</u>	<u>Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under</u>
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	78,713	74,844	71,744	\$ 350	\$ 2,750
Central administration	309,453	317,535	313,261	1,000	3,274
Finance	701,934	750,125	663,239	34,490	52,396
Staff	322,314	341,819	315,081	0	26,738
Central services	3,444,003	4,134,383	2,965,298	709,841	459,244
Special items	533,401	522,709	503,295	0	19,414
<b>Instructional</b>					
Instruction, administration and improvements	2,367,009	2,384,534	2,257,032	40,982	86,520
Teaching - regular school	14,437,224	14,490,164	13,854,997	69,045	566,122
Programs for children with handicapping conditions	8,883,768	8,894,716	7,892,856	136,497	865,363
Occupational education	922,220	1,002,898	983,534	0	19,364
Teaching - special school	58,093	48,093	43,759	0	4,334
Instructional media	1,067,989	1,457,228	1,285,585	138,679	32,964
Pupil services	2,382,270	2,447,811	2,316,853	8,810	122,148
<b>Pupil Transportation</b>	2,420,286	2,494,662	1,991,369	75,679	427,614
<b>Community Services</b>	12,859	13,241	10,965	0	2,276
<b>Employee Benefits</b>	13,781,398	13,351,372	12,335,151	0	1,016,221
<b>Debt Service</b>	5,033,806	5,027,283	5,027,279	0	4
<b>Total Expenditures</b>	<u>56,756,740</u>	<u>57,753,417</u>	<u>52,831,298</u>	<u>1,215,373</u>	<u>3,706,746</u>
<b>Other Financing Uses</b>					
Transfers to other funds	<u>199,000</u>	<u>206,165</u>	<u>206,048</u>	<u>0</u>	<u>117</u>
<b>Total Expenditures and Other Uses</b>	<u>56,955,740</u>	<u>57,959,582</u>	<u>53,037,346</u>	<u>\$ 1,215,373</u>	<u>\$ 3,706,863</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(4,216,425)</u>	<u>(5,213,451)</u>	<u>916,641</u>		
<b>FUND BALANCE – BEGINNING</b>	<u>11,208,748</u>	<u>11,208,748</u>	<u>11,208,748</u>		
<b>FUND BALANCE – ENDING</b>	<u>\$ 6,992,323</u>	<u>5,995,297</u>	<u>\$ 12,125,389</u>		

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS  
LIABILITY AND RELATED RATIOS**

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

<b>Measurement Date</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 4,692,248	\$ 5,120,934	\$ 5,310,814
Interest	4,232,062	5,063,369	4,463,800
Change of benefit terms	0	0	0
Differences between expected and actual experience	287,227	(11,361,059)	0
Change of assumptions or other inputs	33,948,488	(5,815,709)	(6,289,459)
Benefit payments	(2,951,313)	(2,735,542)	(2,204,070)
<b>Net change in total OPEB liability</b>	<b>40,208,712</b>	<b>(9,728,007)</b>	<b>1,281,085</b>
<b>Total OPEB Liability - beginning</b>	<b>117,342,257</b>	<b>127,070,264</b>	<b>125,789,179</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 157,550,969</b>	<b>\$ 117,342,257</b>	<b>\$ 127,070,264</b>
<b>Covered-employee payroll</b>	<b>\$ 25,946,100</b>	<b>\$ 25,523,129</b>	<b>\$ 25,437,315</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>607.22%</b>	<b>459.75%</b>	<b>499.54%</b>
<b>Plan's fiduciary net position</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net OPEB Liability</b>	<b>\$ 157,550,969</b>	<b>\$ 117,342,257</b>	<b>\$ 127,070,264</b>

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**NYS Teachers' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.118249%	0.119479%	0.119527%	0.118763%	0.120415%	0.119163%
District's proportionate share of the net pension liability (asset)	\$ (3,072,107)	\$ (2,160,494)	\$ (908,525)	\$ 1,272,002	\$ (12,507,263)	\$ (13,274,011)
District's covered-employee payroll	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	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)	102.20%	101.53%	100.70%	99.00%	110.50%	111.48%

**NYS Employees' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0123723%	0.0123779%	0.0125090%	0.0131859%	0.0142155%	0.0153446%
District's proportionate share of the net pension liability (asset)	\$ 3,276,268	\$ 877,014	\$ 403,721	\$ 1,238,981	\$ 2,281,623	\$ 518,377
District's covered-employee payroll	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	79.8%	20.8%	9.8%	29.9%	56.4%	12.5%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS**  
**FOR THE YEARS ENDED JUNE 30, 2020, 2019, 2018, 2017, 2016 AND 2015**

**NYS Teachers' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 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	<u>1,798,816</u>	<u>2,096,124</u>	<u>1,907,254</u>	<u>2,219,905</u>	<u>2,536,771</u>	<u>2,976,861</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (116,499)</u>
District's covered-employee payroll	\$ 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	8.86%	10.62%	9.80%	11.72%	13.55%	15.36%

**NYS Employees' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 580,243	\$ 570,358	\$ 588,638	\$ 622,239	\$ 706,648	\$ 774,253
Contributions in relation to the contractually required contribution	<u>580,243</u>	<u>570,358</u>	<u>588,638</u>	<u>622,239</u>	<u>706,648</u>	<u>781,509</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,256)</u>
District's covered-employee payroll	\$ 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	14.14%	13.55%	14.30%	14.99%	17.48%	18.73%

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

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

**FOR THE YEAR ENDED JUNE 30, 2020**

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<b>ADOPTED BUDGET</b>	<b>\$ 56,955,740</b>
<b>ADDITIONS:</b>	
Prior year's encumbrances	583,909
Appropriated reserves	413,116
Gifts and donations	<u>6,817</u>
<b>FINAL BUDGET</b>	<b><u>\$ 57,959,582</u></b>

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**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

**FOR THE YEAR ENDED JUNE 30, 2020**

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2020-2021 voter-approved expenditure budget	<b>\$ 58,160,883</b>
Maximum allowed (4% of 2020-2021 budget)	<b>2,326,435</b>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	5,586,037
Unassigned fund balance	<u>2,689,003</u>
Total unrestricted fund balance	<b>8,275,040</b>
Less:	
Appropriated fund balance and encumbrances	<u>5,586,037</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<b><u>\$ 2,689,003</u></b>
Actual percentage	<b>4.6%</b>

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See paragraph on supplementary schedules included in independent auditors' report.



**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES**

**FOR THE YEAR ENDED JUNE 30, 2020**

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>			<u>Fund Balances</u>
			<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>		<u>Local Sources</u>	<u>State Aid</u>	<u>Proceeds of Obligations</u>	
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	3,087,246	8,967,144	12,054,390	1,945,610	72,318	0	0	(11,982,072)
Capital Outlay	100,000	100,000	0	80,150	80,150	19,850	100,000	0	0	19,850
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	0	425,000	425,000	0	0	0	425,000	0
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)
<b>TOTALS</b>	<u>\$ 32,247,821</u>	<u>\$ 32,247,821</u>	<u>\$ 20,825,730</u>	<u>\$ 9,472,294</u>	<u>\$ 30,298,024</u>	<u>\$ 1,949,797</u>	<u>\$ 2,293,717</u>	<u>\$ 0</u>	<u>\$ 16,328,271</u>	<u>\$ (11,676,036)</u>

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

**NET INVESTMENT IN CAPITAL ASSETS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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<b>CAPITAL ASSETS, NET</b>		<b>\$ 62,182,390</b>
<b>DEDUCT:</b>		
Short-term portion of installment purchase debt	215,000	
Long-term portion of installment purchase debt	2,388,975	
Short-term portion of bonds payable	2,460,000	
Long-term portion of bonds payable	17,400,000	
Bond anticipation notes	14,000,000	
Unamortized bond premium	<u>362,795</u>	
		<u>36,826,770</u>
<b>NET INVESTMENT IN CAPITAL ASSETS</b>		<b><u>\$ 25,355,620</u></b>

See paragraph on supplementary schedules included in independent auditors' report.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**FEDERAL AWARD PROGRAM INFORMATION  
(SINGLE AUDIT)**

**(UNIFORM GUIDANCE)**

**JUNE 30, 2020**



**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, 2020, 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 28, 2020.

**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 CPAs PC*

Gloversville, New York  
September 28, 2020



**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, 2020. 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, 2020.

## 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 CPAs PC*

Gloversville, New York  
September 28, 2020

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>Federal Grantor/Pass-Through Grantor/Program</b>	<b>Federal CFDA Number</b>	<b>Project Number</b>	<b>Passed-through to Subrecipients</b>	<b>Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Passed Through NYS Education Department:				
Special Education Cluster:				
Special Education - Grants to States	84.027	0032200828	\$ 63,257	\$ 708,355
Special Education - Preschool Grants	84.173	0033200828	13,971	28,111
Total Special Education Cluster			77,228	736,466
Title I - Grants to Local Educational Agencies				
Title I - Grants to Local Educational Agencies	84.010	0021192735	0	44
Title I - Grants to Local Educational Agencies	84.010	0021202735	0	253,636
Total Title I - Grants to Local Educational Agencies				253,680
Student Support and Academic Enrichment Program	84.424	0204202735	0	10,461
Improving Teacher Quality - State Grants	84.367	0147202735	0	51,321
Total U.S. Department of Education			77,228	1,051,928
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed Through NYS Education Department:				
Food Distribution				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution)				
National School Lunch Program	10.555	Not Applicable	0	56,964
Cash Assistance				
National School Lunch Program	10.555	Not Applicable	0	268,703
School Breakfast Program	10.553	Not Applicable	0	110,477
Total Child Nutrition Cluster			0	436,144
Total U.S. Department of Agriculture			0	436,144
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<b>\$ 77,228</b>	<b>\$ 1,488,072</b>

See notes to schedule of expenditures of federal awards.



**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**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, 2020, the District had food commodities totaling \$15,881 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 13.2% 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 and School Breakfast Program.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**A. SUMMARY OF AUDITORS' RESULTS**

Financial 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 No
3. Noncompliance material to financial statements noted? \_\_\_ Yes X No

Federal Awards

1. Internal control over major programs:
  - a. Material weakness(es) identified? \_\_\_ Yes X No
  - b. Significant deficiency(ies) identified? \_\_\_ Yes X No
2. Type of auditors' report issued on compliance for major programs: unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? \_\_\_ Yes X No
4. Identification of major programs:

**CFDA Number**

**Name of Federal Program**

84.027

Special Education – Grants to States

84.173

Special Education – Preschool Grants

5. Dollar threshold used to distinguish between type A and B programs: \$750,000.
6. Auditee qualified as low-risk auditee? X Yes \_\_\_ No

**B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**EXTRACLASSROOM ACTIVITY FUNDS**

**JUNE 30, 2020**



## **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, 2020, 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, 2020, 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 28, 2020

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**

**JUNE 30, 2020**

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<b>ASSETS</b>	
Cash	\$ 120,390
<b>TOTAL ASSETS</b>	<u>\$ 120,390</u>
<b>LIABILITIES AND CLUB BALANCES</b>	
Club balances	\$ 120,390
<b>TOTAL LIABILITIES AND CLUB BALANCES</b>	<u>\$ 120,390</u>

See notes to financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Balance</b> <b>July 1, 2019</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance</b> <b>June 30, 2020</b>
<b>Middle School</b>				
Student Council	\$ 4,016	\$ 5,873	\$ 2,872	\$ 7,017
Yearbook	2,986	240	1,789	1,437
Holiday	244	2,100	1,900	444
Honor Society	682	862	262	1,282
Library	1,441	3,439	2,597	2,283
Ski Club	546	5,015	4,948	613
SADD	218	0	218	0
Study Circles	362	0	25	337
GIVE	131	0	21	110
8th Grade	2,302	486	1,286	1,502
Drama Club	20,347	3,335	4,148	19,534
FCCLA	418	0	0	418
Science Club	1,944	8,075	8,075	1,944
Fuel Up to Play 60	562	0	562	0
<b>Total Middle School</b>	<b>36,199</b>	<b>29,425</b>	<b>28,703</b>	<b>36,921</b>

See notes to financial statements.

**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Balance July 1, 2019</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance June 30, 2020</b>
<b>Total Middle School</b> (from previous page)	\$ 36,199	\$ 29,425	\$ 28,703	\$ 36,921
<b>Senior High School</b>				
Acropolis	7,439	3,150	491	10,098
Art Club	245	0	107	138
Basic	282	21	7	296
Class of 2019	77	0	77	0
Class of 2020	3,431	631	3,170	892
Class of 2021	1,324	1,330	7	2,647
Class of 2022	594	273	7	860
Class of 2023	0	194	0	194
Chamber Orchestra	1,001	0	7	994
Choralaires	5,792	2,926	3,166	5,552
D.E.C.A	3,026	597	24	3,599
Drama Club	31,259	8,464	16,629	23,094
French Club	163	889	207	845
French Travel Club	349	0	7	342
F.B.L.A	4,683	600	704	4,579
German Club	807	221	232	796
German Exchange Club	4,153	0	1,657	2,496
National Honor Society	1,344	31,786	30,864	2,266
National English Honors	170	0	127	43
SADD	262	0	7	255
Tartan Mart	6,112	246	303	6,055
Ski Club	4,347	12,965	13,671	3,641
Spanish Club	1,105	147	236	1,016
Spanish Travel Club	1,771	0	7	1,764
Student Senate	7,728	15,576	18,382	4,922
Tartan Band	331	476	7	800
Varsity Club	893	2,254	1,653	1,494
Undivided Interest	111	268	318	61
SNAC	2,384	0	91	2,293
Tri M	896	926	1,112	710
Young Entrepreneurs	777	309	359	727
<b>Total Senior High School</b>	<b>92,856</b>	<b>84,249</b>	<b>93,636</b>	<b>83,469</b>
<b>TOTALS</b>	<b>\$ 129,055</b>	<b>\$ 113,674</b>	<b>\$ 122,339</b>	<b>\$ 120,390</b>

See notes to financial statements.



**SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**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 Fiduciary 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.

