

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUES

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

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



\$79,902,353

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

ALBANY AND SCHENECTADY COUNTIES, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE: 837469

\$75,717,062 Bond Anticipation Notes, 2025 Series A
(referred to herein as the "Series A Notes")

&

\$4,185,291 Bond Anticipation Notes, 2025 Series B
(referred to herein as the "Series B Notes" and together with the Series A Notes, the "Notes")

Dated: July 9, 2025

Due: July 9, 2026

The Notes are general obligations of the South Colonie Central School District, Albany and Schenectady Counties, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

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

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof except for one necessary odd denomination with regard to the Series A Notes which is or includes \$7,062, and one necessary odd denomination with regard to the Series B Notes which is or includes \$5,291. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser(s), or about July 9, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 25, 2025 by no later than 10:15 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 18, 2025

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



SOUTH COLONIE CENTRAL SCHOOL DISTRICT

ALBANY & SCHENECTADY COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

STEPHANIE COGAN
President



DAVID KIEHLE
Vice President

ROSE GIGLIELLO
CHRISTOPHER LARRABEE
BRIAN CASEY
THOMAS BLAKLEY
ROBERT MESICK
JEN HOULIHAN
MICHAEL KEANE

* * * * *

ADMINISTRATION

DAVID PERRY
Superintendent

JACOLENE MCALLISTER
Assistant Superintendent for Management Services & Strategic Planning

ANJELIEEQUE MARTINEZ
Business Administrator/District Treasurer

AMBER LANIGAN
School District Clerk

TABNER, RYAN AND KENIRY
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
NATURE OF OBLIGATION	1	SPECIAL PROVISIONS AFFECTING	
THE NOTES	2	REMEDIES UPON DEFAULT	26
Description of the Notes	2	MARKET AND RISK FACTORS	27
No Optional Redemption	3	TAX MATTERS	28
Purpose of Issue	3	LEGAL MATTERS	30
BOOK-ENTRY-ONLY SYSTEM	3	LITIGATION	30
Certificated Notes	5	CONTINUING DISCLOSURE	30
THE SCHOOL DISTRICT	5	Historical Compliance	30
General Information	5	MUNICIPAL ADVISOR	30
Population	5	CUSIP IDENTIFICATION NUMBERS	30
Larger Employers	6	RATING	31
Selected Wealth and Income Indicators	6	MISCELLANEOUS	31
Unemployment Rate Statistics	6	APPENDIX – A	
Form of School Government	7	GENERAL FUND - Balance Sheets	
Budgetary Procedures	7	APPENDIX – A1	
Investment Policy	7	GENERAL FUND – Revenues, Expenditures and	
State Aid	8	Changes in Fund Balance	
State Aid Revenues	11	APPENDIX – A2	
District Facilities	11	GENERAL FUND – Revenues, Expenditures and	
Enrollment Trends	11	Changes in Fund Balance - Budget and Actual	
Employees	12	APPENDIX – B	
Status and Financing of Employee Pension Benefits	12	BONDED DEBT SERVICE	
Other Post-Employment Benefits	14	APPENDIX – B1	
Other Information	15	CURRENT BONDS OUTSTANDING	
Financial Statements	16	APPENDIX – C	
New York State Comptroller’s Report of Examination	16	MATERIAL EVENT NOTICES	
New York State Education Department Report		APPENDIX – D	
of Examination	17	AUDITED FINANCIAL STATEMENTS	
The State Comptroller’s Fiscal Stress Monitoring System	18	For the Fiscal Year Ending June 30, 2023	
TAX INFORMATION	18	APPENDIX – E	
Taxable Assessed Valuations	18	FORM OF BOND COUNSEL’S OPINION – SERIES A	
Tax Rate Per \$1,000 (Assessed)	19	APPENDIX – F	
Tax Collection Procedure	19	FORM OF BOND COUNSEL’S OPINION – SERIES B	
Tax Levy and Tax Collection Record	19		
Real Property Tax Revenues	19		
Larger Taxpayers 2023 for 2023-2024 Tax Roll	20		
STAR – School Tax Exemption	20		
Additional Tax Information	21		
TAX LEVY LIMITATION LAW	21		
STATUS OF INDEBTEDNESS	22		
Constitutional Requirements	22		
Statutory Procedure	22		
Debt Outstanding End of Fiscal Year	23		
Details of Outstanding Indebtedness	23		
Debt Statement Summary	23		
Bonded Debt Service	24		
Capital Project Plans	24		
STATUS OF INDEBTEDNESS(CONT)			
Cash Flow Borrowings	24		
Other Obligations	24		
Estimated Overlapping Indebtedness	25		
Debt Ratios	25		

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
SOUTH COLONIE CENTRAL SCHOOL DISTRICT
ALBANY AND SCHENECTADY COUNTIES, NEW YORK

Relating To
\$75,717,062 Bond Anticipation Notes, 2025 Series A
&
\$4,185,291 Bond Anticipation Notes, 2025 Series B

This Official Statement, which includes the cover page and appendices, has been prepared by the South Colonie Central School District, Albany and Schenectady Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$75,717,062 principal amount of Bond Anticipation Notes, 2025 Series A (the "Series A Notes") and \$4,185,291 principal amount of Bond Anticipation Notes, 2025 Series B (the "Series B Notes")(collectively referred to herein as the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated July 9, 2025 and will mature July 9, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue – Series A Notes

The Series A Notes are being issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law pursuant to bond resolutions duly adopted by the Board of Education as follows:

Purpose	Authorization Date	Authorization Amount	Amount Outstanding	Paydown	New Money	Notes to be Issued
Purchase of Property	6/28/2022	1,900,000	1,200,000	570,000	-	630,000
Energy Efficiencies Project	10/3/2023	7,500,000	7,087,062	115,000	-	6,972,062
Capital Improvement Project	10/3/2023	110,400,000	31,000,000	2,685,000	39,800,000	68,115,000
		Totals:	\$ 39,287,062	\$ 3,370,000	\$ 39,800,000	\$ 75,717,062

The proceeds of the Series A Notes along with \$3,370,000 available funds of the District will partially redeem and renew the outstanding \$8,287,062 bond anticipation notes and the outstanding \$31,000,000 bond anticipation notes each of which mature on July 10, 2025 and provide \$39,800,000 in new money for the Capital Improvement Project.

Purpose of Issue – Series B Notes

The Series B Notes are issued pursuant to the Constitution and Statutes of the State of New York, including the Education Law and the Local Finance Law, pursuant to bond resolutions duly adopted by the Board of Education as follows:

Purpose	Authorization Date	Authorization Amount	Amount Outstanding	Paydown	New Money	Notes to be Issued
Purchase of Buses - 2020	6/17/2020	531,000	98,843	98,843	-	-
Purchase of Buses - 2022	6/28/2022	1,158,000	678,573	226,841	-	451,732
Purchase of Buses - 2023	7/20/2023	1,318,000	1,054,359	263,600	-	790,759
Purchase of Buses - 2024	6/4/2024	1,391,000	1,391,000	278,200	-	1,112,800
Purchase of Buses - 2025	6/3/2025	1,830,000	-	-	1,830,000	1,830,000
		Totals:	\$ 3,222,775	\$ 867,484	\$ 1,830,000	\$ 4,185,291

The proceeds of the Series B Notes, along with \$866,834 available funds will partially redeem and renew the \$3,222,775 bond anticipation notes maturing July 10, 2025 for the above referenced bus purchases and provide \$1,830,000 in new monies for the purchase of buses in relation to the June 10, 2025 authorization.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof except for one necessary odd denomination in relation to the Series A Notes, which is or includes \$7,062, and one necessary odd denomination with regard to the Series B Notes which is or includes \$5,291. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District has a land area of approximately 28 square miles and is located in upstate New York in western Albany County. A portion of the District overlaps into the County of Schenectady.

The District is adjacent to the City of Albany, one mile southeast of the City of Schenectady and two miles west of the City of Troy. The District is an integral part of the area known as the Capital District, or Tri-City area, which includes the Cities of Albany, Schenectady and Troy, which has an aggregate population of approximately 800,000.

Located within the District is Wolf Road, home to some of the area's largest hotels; the region's second largest shopping mall; and a variety of local and chain restaurants, including high-end eateries not found elsewhere in the region. It has several office parks, offering businesses an accessible alternative close to downtown Albany with plenty of parking.

Major expressways serving the District include the New York State Thruway #90 and Interstate routes #787 and #87. Amtrak provides rail passenger service from a station located in nearby Rensselaer. Conrail provides freight service on two lines which pass by adjacent to the District. Air transportation is available at the Albany International Airport where several major airlines and various commuter lines provide service. Gas and electric services are provided by National Grid. Sewer and water services are

available to residents in most areas by municipalities located in the District.

The District is primarily residential and commercial in nature. Employment opportunities are afforded to residents in many commercial and retail businesses in the District, the State government in Albany, by the General Electric Company, and other industries in the Albany-Schenectady-Troy metropolitan area. There are several new commercial buildings and a small number of residential homes planned for construction.

Several higher educational facilities are located nearby. The State University of New York at Albany has a degree enrollment of over 15,000 students in a wide variety of disciplines. Union University includes Union College in Schenectady, among the oldest liberal arts and engineering colleges in the country, and colleges of medicine, law and pharmacy in Albany, as well as the Dudley Observatory. Troy is the home of Rensselaer Polytechnic Institute (RPI). Other colleges in the Capital District include Siena, Skidmore, and Russell Sage. Supplementing these schools are several two-year colleges which offer technical, agricultural and business courses.

Source: District officials.

Population

The total population of the School District is currently estimated to be 38,446

(Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates)

Larger Employers

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

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
State of New York	Municipal Government	50,000
St. Peter's Health Partners	Healthcare	12,500
Albany Medical Center	Healthcare	9,000
Golub Co. (Price Chopper grocery stores)	Retail & Restaurants	8,500
United States Government	Government	8,000

Source: District officials.

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 this 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>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Colonie	\$ 35,075	\$ 40,747	\$ 50,609	\$ 85,418	\$ 103,028	\$ 125,162
Guilderland	38,039	47,339	57,286	99,529	119,991	131,803
Niskayuna	42,570	49,989	60,613	103,619	132,785	162,813
Counties of:						
Albany	30,863	38,592	46,231	76,159	95,923	110,201
Schenectady	27,500	33,379	41,529	70,712	86,124	98,944
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: U.S. Census Bureau 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Albany County	3.7%	3.5%	6.9%	4.4%	3.1%	3.2%	3.3%
Schenectady County	4.0	3.7	7.9	5.1	3.5	3.5	3.7
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Albany County	3.6%	3.8%	3.4%	2.7%	N/A	N/A
Schenectady County	4.1%	4.4%	3.8%	3.0	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6	N/A	N/A

Note: Unemployment rates for the months of May and June 2025 are not available as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures

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

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

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

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

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

Recent Budget Vote Results

The school budget vote for the 2024-25 fiscal year was approved by qualified voters of the District on May 21, 2024 by a vote of 871 to 281. The District's adopted budget for the 2024-25 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 2.99% which is below the District's tax levy limit of 3.165%.

The school budget vote for the 2025-26 fiscal year was approved by qualified voters of the District on May 20, 2025 by a vote of 754 to 327. The District's adopted budget for the 2025-26 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 3.49% which is below the District's tax levy limit of 3.491%.

Investment Policy

The District's investment policies are governed by State statutes. The District monies must be deposited in FDIC-insured accounts in commercial banks or trust companies located within the State. The Treasurer is authorized to use demand deposits and certificates of deposit. Permissible investments also include obligations of the U.S. Treasury and certain U.S. Agencies, certain 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 Federal deposit 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 school districts. The District is not authorized to and does not invest in reverse repurchase obligations or similar derivative type investments.

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 35.92% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State

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

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

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

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.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. 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 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 68.4% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

State Aid History

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 included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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

School district fiscal year (2023-2024): The State's 2023-24 Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State's 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

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.

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 CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 99,945,770	\$ 24,054,328	24.07%
2020-2021	101,739,832	23,961,446	23.55
2021-2022	104,383,573	26,242,942	25.14
2022-2023	112,669,910	30,884,621	27.41
2023-2024	121,886,885	38,449,065	31.54
2024-2025 (Budgeted)	124,944,118	40,582,762	32.48
2025-2026 (Budgeted)	135,515,500	48,678,809	35.92

Source: 2020 through 2024 audited financial statements and 2024-2025 and 2025-2026 adopted budgets of the District. This table is not audited.

District Facilities

Roessleville Elementary School	K-4	525	1972, '95, '99, '18
Forest Park Elementary School	K-4	525	1968, '78, '99, '18
Shaker Road Elementary School	K-4	525	1958, '70, '72, '00, '06
Saddlewood Elementary School	K-4	525	1958, '70, '00, '06
Veeder Elementary School	K-4	525	1966, '72, '00, '06
Sand Creek Middle School	5-8	1,250	1968, '96, '00
Lisha Kill Middle School	5-8	875	1958, '87, '00, '06
Colonie Central High School	9-12	1,900	1952, '63, '73, '88, '00

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-21	4,671	2025-26	4,904
2021-22	4,806	2026-27	4,934
2022-23	4,910	2027-28	4,929
2023-24	4,992	2028-29	4,923
2024-25	4,894	2029-30	4,911

Note: The above table includes Pre-K-12 enrollment figures.

Source: District officials.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Employees

The District employs a total of approximately 1,085 full and part-time employees with representation by various unions as follows:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
498	South Colonie Teachers' Association	June 30, 2027
89	South Colonie Teachers' Association – Teaching Assistants	June 30, 2028
219	South Colonie Civil Service Employees' Association	June 30, 2027
6	United Public Service Employees	June 30, 2029
438 ⁽¹⁾	School Alliance of Substitutes in Education	June 30, 2026
23	South Colonie Administrators' Association	June 30, 2028
25	South Colonie Support Staff Supervisors	June 30, 2029
208	Teamsters Local 294	June 30, 2026
11	Confidential Employees	June 30, 2029
3	South Colonie District Office Administrators	June 30, 2026
1	Business Administrator/District Treasurer	June 30, 2026
1	Public Information Specialist	June 30, 2025 ⁽²⁾
1	Superintendent	June 30, 2027

⁽¹⁾ Presently on the District's "On-Call" list of 438 total substitutes: 168 certified teachers and 270 uncertified teachers.

⁽²⁾ Currently under negotiation

Source: District official.

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.
- 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. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2018-2019 through and including 2022-2023 and budgeted figures for the 2023-2024 and 2024-2025 fiscal years are as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	1,721,720	4,948,728
2020-2021	1,720,896	4,267,142
2021-2022	1,831,564	4,604,970
2022-2023	1,329,403	4,944,101
2023-2024	1,482,015	5,527,668
2024-2025 (Budgeted)	2,091,000	5,740,000
2025-2026 (Budgeted)	2,116,000	5,850,000

Source: 2020 through 2024 audited financial statements and 2024-25 and 2025-26 budgeted figures of the District. This table is not audited.

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 offered an early retirement incentive for the 2015-16 fiscal year in which 3 employees participated in at a cost of \$55,480 that resulted in \$133,000 of savings for the District. The District offered an early retirement incentive for the 2020-2021 fiscal year in which two employees participated at a cost of \$17,091 which results in a savings of \$75,816 for the District. The District did not offer early retirement incentives for the 2021-2022 fiscal year. The District offered an incentive to the South Colonie Administrators Association in the 2022-2023 fiscal year which was accepted by one administrator resulting in a \$50,000 savings to the District in the 2023-2024 fiscal year. The District did not offer early retirement incentives in the 2023-2024 or 2024-2025 fiscal year and is not planning on offering an early retirement incentive for 2025-2026.

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 (2021 to 2026) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	16.1	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

* Estimated. Final contribution rate expected to be adopted at the July 31, 2025 TRS Retirement Board meeting.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

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

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

The District is not participating 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 established such a fund on April 22, 2020 and funded the reserve in the amount of \$500,000 on June 30, 2020. The balance in the reserve fund as of April 30, 2025 is \$2,311,978.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Other Post Employment Benefits

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

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

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

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

The District contracted with Korn Ferry through the Capital Region BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024.

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

	Balance beginning at June 30:	2022	2023
<u>Changes for the year:</u>		<u>\$ 307,344,602</u>	<u>\$ 318,140,383</u>
Service cost		9,719,501	9,493,240
Interest		11,101,387	13,379,707
Differences between expected and actual experience		17,533,724	(733,986)
Changes in assumptions or other inputs		(19,743,192)	(4,323,537)
Changes of benefit terms		(823,648)	-
Benefit payments		<u>(6,991,991)</u>	<u>(7,414,564)</u>
Net Changes		<u>\$ 10,795,781</u>	<u>\$ 10,400,860</u>
	Balance ending at June 30:	2023	2024
		<u><u>\$ 318,140,383</u></u>	<u><u>\$ 328,541,243</u></u>

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

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

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

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

Other Information

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

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

The District is in the process of complying with the estoppel procedure for the \$1,830,000 new money portion of the Series B Notes. The District is in compliance with the estoppel procedure for the renewal portion of the Series B Notes.

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 fiscal year ending June 30, 2024 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.

Cusack & Company CPAs, LLC, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cusack & Company CPAs, LLC also has not performed any procedures relating to this Official Statement.

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.

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

As of the date of this Official Statement, there have been no State Comptroller's audits of the District in the previous five years, nor are there any currently in progress or pending release.

New York State Education Department Report of Examination

The New York State Education Department has not conducted an audit of the District in the previous five years, nor are there any currently in progress or pending release.

Source: District officials.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	6.7

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

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Colonie	\$ 2,396,902,089	\$ 2,405,461,863	\$ 2,413,258,637	\$ 2,423,022,851	\$ 2,426,492,888
Niskayuna	397,928,195	398,349,116	397,847,137	398,210,784	397,044,882
Guilderland	3,578,350	3,579,727	3,577,329	3,813,885	3,817,032
Total Assessed Values	<u>\$ 2,798,408,634</u>	<u>\$ 2,807,390,706</u>	<u>\$ 2,814,683,103</u>	<u>\$ 2,825,047,520</u>	<u>\$ 2,827,354,802</u>

State Equalization Rates

Towns of:					
Colonie	61.00%	59.00%	55.75%	51.00%	48.00%
Niskayuna	100.00%	96.00%	89.00%	79.00%	75.00%
Guilderland	100.00%	100.00%	91.00%	85.00%	82.00%

Taxable Full Valuations

Towns of:					
Colonie	\$ 3,929,347,687	\$ 4,077,054,005	\$ 4,328,715,044	\$ 4,751,025,198	\$ 5,055,193,517
Niskayuna	397,928,195	414,946,996	447,019,255	504,064,284	529,393,176
Guilderland	3,578,350	3,579,727	3,931,131	4,486,924	4,654,917
Total Taxable Full Valuation	<u>\$ 4,330,854,232</u>	<u>\$ 4,495,580,728</u>	<u>\$ 4,479,132,003</u>	<u>\$ 5,259,576,405</u>	<u>\$ 5,589,241,610</u>

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Colonie	\$ 27.99	\$ 28.12	\$ 28.71	\$ 29.09	\$ 29.96
Niskayuna	17.08	17.28	17.99	18.78	19.18
Guilderland	17.08	16.59	17.59	17.45	17.54

Beginning with the 1994-95 fiscal year, the District, under the Real Property Tax Law, converted to the Homestead/Non-Homestead method of computing tax rates for each town. This method allowed a school district to shift 25% of the levy to Non-Homestead properties (e.g., commercial properties). However, the shift cannot result in an increase to the Non-Homestead properties over 125%. To be eligible for Homestead/Non-Homestead, a school district must have 20% or more of taxable parcels within a town, which has selected this method of tax distribution. Beginning with the 2010-11 fiscal year, the District, under the Real Property Tax Law, converted back to a single-rate method.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the Counties of Albany and Schenectady for collection. The District receives this amount of uncollected taxes from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after October 31st are re-levied with an additional 7% penalty with County taxes which are due on January 1st.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy ⁽¹⁾	\$ 67,860,911	\$ 68,937,979	\$ 70,995,981	\$ 72,831,285	\$ 75,442,943
Amount Uncollected ⁽²⁾	2,177,589	1,965,169	2,095,535	2,097,990	2,158,033
% Uncollected	3.21%	2.85%	2.95%	2.88%	2.86%

⁽¹⁾ Not Inclusive of STAR exemption amount.

⁽²⁾ The District receives 100% of its tax levy each year. See "Tax Collection Procedures".

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, and budgeted figures for the 2024-25 and 2025-26 fiscal years comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 99,945,770	\$ 72,743,029	72.78%
2020-2021	101,739,832	74,757,409	73.48
2021-2022	104,383,573	74,612,454	71.15
2022-2023	112,669,910	76,104,737	67.55
2023-2024	121,886,885	78,915,725	64.75
2024-2025 (Budgeted)	124,944,118	81,433,406	65.18
2025-2026 (Budgeted)	135,515,500	84,219,191	62.15

Source: 2020 through 2024 audited financial statements and 2024-25 and 2025-26 budgeted figures of the District. This table is not audited.

Larger Taxpayers 2024 for 2024-2025 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed</u> <u>Valuation</u>
KRE Colonie Owner, LLC	Shopping Center	\$ 47,442,700
G&I IX Empire Mohawk Common	Office Buildings	50,700,000
Niagara Mohawk Power Corporation	Utilities	38,508,974
Northway Mall Properties ⁽¹⁾	Shopping Center	20,000,000
Highbridge Development BR LLC.	Shopping Center	16,010,000
Sand Creek Associates.	Apartment Complex	15,013,400
Seritage SRC Finance LLC	Real Estate	11,270,000
Shaker Run Apartments, Inc.	Apartment Complex	10,958,700
Corporate Woods Partners	Office Buildings	10,532,000
Picotte Development Co. ⁽²⁾	Office Buildings	10,400,000

⁽¹⁾ Northway Mall Properties has filed a tax certiorari requesting a reduced assessment of \$13,275,000 for 2023. The refund potential is approximately \$386,105 if successful. For 2024, Northway Mall Properties has filed a tax certiorari requesting a reduced assessment of \$11,940,000. The refund potential is \$357,742, if successful.

⁽²⁾ For 2024, Picotte Development Co. has filed a tax certiorari requesting a reduced assessment of \$5,760,000. The refund potential is \$139,022, if successful.

At this time, the District does not anticipate full reductions but does have tax certiorari reserve in place in the amount \$777,003 and is authorized by the Local Finance Law to borrow for judgements or settled claims, if necessary.

The ten larger taxpayers listed above have a total taxable assessed valuation of \$230,835,774, which represents approximately 8.16% of the tax base of the District for the 2024-2025 fiscal year.

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 The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less in 2025--2026, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 for the 2025-26 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 was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

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

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Colonie	\$ 41,330	\$ 14,400	4/10/2025
Guilderland	70,600	24,600	4/10/2025
Niskayuna	64,580	22,500	4/10/2025

\$5,100,000 of the District's \$80,456,381 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement from such exempt taxes in January 2025.

Approximately \$5,000,000 of the District's \$83,212,564 school tax levy for the 2025-2026 fiscal year is expected to be exempted by the STAR Program. The District anticipates full reimbursement from such exempt taxes in January 2026.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify. The District offers the Alternative Veteran's Exemption at the lowest exemption level.

The total valuation of the District is estimated to be categorized as follows: Residential-62% and Commercial-38%.

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

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

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

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

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

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

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

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

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 17,220,000	\$ 20,295,000	\$ 22,845,000	\$ 20,570,000	\$ 18,850,000
Bond Anticipation Notes	2,562,188	8,906,060	1,642,841	3,974,395	11,112,148
Other Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 19,782,188	\$ 29,201,060	\$ 24,487,841	\$ 24,544,395	\$ 29,962,148

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 18, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2037	\$ 17,050,000
<u>Bond Anticipation Notes</u>		
Purchase of Property & Building Upgrades	July 10, 2025	8,287,062 ⁽¹⁾
Capital Project	July 10, 2025	31,000,000 ⁽²⁾
Purchase of School Buses	August 9, 2024	<u>2,625,086 ⁽³⁾</u>
	Total Indebtedness	<u>\$ 58,962,148. ⁽⁴⁾</u>

- (1) To be partially redeemed and renewed with proceeds of the Series A Notes and \$685,000 available funds of the District.
- (2) To be partially redeemed and renewed with proceeds of the Series A Notes and \$2,685,000 available funds of the District.
- (3) To be partially redeemed and renewed with the proceeds of the Series B Notes and \$866,834 available funds of the District.
- (4) The issuance of the Notes will increase Total Indebtedness of the District by \$38,093,166

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 18, 2025:

Full Valuation of Taxable Real Property	\$ 5,589,241,610
Debt Limit 10% thereof	558,924,161

Inclusions:

Bonds.....	\$ 17,050,000
Bond Anticipation Notes (BANs):.....	41,912,148
Total Inclusions prior to issuance of the Notes	58,962,148
Less: BANs being redeemed from appropriations	(4,236,834)
Add: New money proceeds of the Notes	42,330,000
Total Net Inclusions after issuance of the Notes	\$ 97,055,314

Exclusions:

State Building Aid ⁽¹⁾	\$ 0
Total Exclusions.....	\$ 0

Total Net Indebtedness <u>after issuance of the Notes</u>	\$ 97,055,314
Net Debt-Contracting Margin	\$ 461,868,847
The percent of debt contracting power exhausted is	17.36%

- ⁽¹⁾ Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 68.4% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. This table does not include District lease purchases which do count toward the debt limit. See “Other Obligations” herein.

Bonded Debt Service

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

Capital Project Plans

On May 17, 2022 the qualified voters of the District approved a proposition for the purchase of a property at 1015 Watervliet Shaker Road, currently owned by Capital Region BOCES. The purchase price for this property is \$1,900,000 and will be financed over 30 years. On December 22, 2022 the District issued \$1,900,000 bond anticipation notes as new monies for the above mentioned project. On December 21, 2023 the District issued \$8,487,062 obligations, \$1,400,000 of which, along with \$500,000 available funds of the District partially redeemed and renewed the outstanding \$1,900,000 bond anticipation notes. A \$1,200,000 portion of the proceeds of the \$8,287,062 bond anticipation notes issued December 19, 2024 along with \$200,000 in available funds of the District partially redeemed and renewed a \$1,400,000 portion of the outstanding \$8,487,062 bond anticipation notes that mature on December 20, 2024 issued for the purchase of the aforementioned property. A \$630,000 portion of the proceeds of the Series A Notes, along with \$570,000 available funds of the District will partially redeem and renew a \$1,200,000 portion of the outstanding bond anticipation notes that mature on July 10, 2025 for the purchase of the aforementioned property.

A capital project referendum in the amount of \$112.5 million and additional \$7.5 million energy performance contract were approved by the qualified voters of the District on October 18, 2022. This referendum includes the construction of a new Bus Garage/District Office facility on the purchased property at 1015 Watervliet Shaker Road and capital improvements to existing buildings. December 21, 2023 the District issued \$8,487,062 obligations, \$7,087,062 of which provided the initial borrowing for the energy performance contract. On July 10, 2024 the District issued \$31,000,000 bond anticipation notes to mature July 10, 2025 as the first borrowing against the \$112.5 capital project. A \$7,087,062 portion of the proceeds of the \$8,287,062 bond anticipation notes issued December 19, 2024 fully redeemed and renewed a \$7,087,062 portion of the outstanding \$8,487,062 bond anticipation notes that matured on December 20, 2024 issued for the energy performance contract project. A \$6,972,062 portion of the proceeds of the Series A Notes, along with \$115,000 available funds of the District will partially redeem and renew a \$7,087,062 portion of the outstanding bond anticipation notes that mature on July 10, 2025 for the energy performance contract project. A 73,115,000 portion of the proceeds of the Series A Notes, along with \$2,685,000 available funds of the District will partially redeem and renew the outstanding \$31,000,000 bond anticipation notes that mature on July 10, 2025 for the Capital Improvement Project and provide an additional \$39,800,000 in new money for said project.

On May 20, 2025 the qualified voters of the District approved a \$1,830,000 proposition for a school bus replacement plan to purchase 10 school buses of various sizes. Purchase includes a mix of full size, mid size, wheelchair-accessible, and small passenger vehicles along with a 24 passenger electric bus. The proceeds of the Series B Notes, along with \$866,834 available funds of the District will partially redeem and renewed \$3,222,775 outstanding bond anticipation notes issued for the purchase of school buses that mature on July 10, 2025 and will provide \$1,830,000 in new money for the aforementioned vehicle purchases.

Other than as stated above, the District has no other authorized capital projects, nor are any contemplated at the present time.

Cash Flow Borrowings

The School District, historically, does not issue tax anticipation notes or revenue anticipation notes, nor budget or deficiency notes. The District does not expect to issue revenue anticipation notes or tax anticipation notes, nor budget or deficiency notes, in the current fiscal year.

Other Obligations

The District currently has no outstanding lease purchase obligations.

Source: District officials.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Albany	12/31/2023	\$ 265,995,000 ⁽³⁾	\$ 55,705,000	\$ 210,290,000	13.75%	\$ 28,914,875
Schenectady	6/25/2024	70,605,000 ⁽³⁾	4,910,000	65,695,000	3.58%	2,351,881
Town of:						
Colonie	4/15/2025	122,751,051 ⁽³⁾	35,204,261	87,546,790	38.38%	33,600,458
Guilderland	12/31/2023	7,800,000 ⁽³⁾	7,750,000	50,000	0.08%	40
Niskayuna	1/30/2025	36,006,071 ⁽³⁾	7,679,710	28,326,361	15.29%	4,331,101
Village of:						
Colonie	5/31/2023	86,972 ⁽⁴⁾	- ⁽⁵⁾	86,972	100.00%	86,972
Total:						<u>\$ 69,285,327</u>

- (1) Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross Indebtedness sourced from local government data provided by the State Comptroller's office dated as of December 31, 2024.
- (5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 18, 2025:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 97,055,314	\$ 2,524.46	1.74%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	166,340,640	4,326.60	2.98

- (a) The current estimated population of the District is 38,446. (See "THE SCHOOL DISTRICT – Population" herein.)
- (b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$5,589,241,610. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
- (d) Estimated net overlapping indebtedness is \$69,285,327. (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.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

TAX MATTERS

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

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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

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

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

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the respective approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver opinions at the time of issuance of the Notes substantially in the forms set forth in “APPENDIX – E” and “APPENDIX – F” hereto.

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

Other than as noted below, 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.

On December 8, 2022, the District competitively sold bond anticipation notes, 2022 in the principal amount of \$1,900,000 to finance the purchase of 14 acres of real property. The \$1,900,000 bond anticipation notes were issued on December 22, 2022. The District provided a material event notice to EMMA on January 27, 2023.

On June 14, 2022, the District competitively sold school district serial bonds, 2022 in the principal amount of \$4,500,000 to finance Phase IV of the District’s capital project. The \$4,500,000 school district serial bonds were issued on June 28, 2022. The District provided a material event notice to EMMA on August 1, 2022.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

Moody's Investors Service ("Moody's") has assigned its underlying rating of "Aa3" to the District's outstanding bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, 99 Church Street - 9th Floor, New York, New York 10007, 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 outstanding bonds may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District's contact information is as follows: Anjelieceque Martinez, Business Administrator/District Treasurer, South Colonie Central School District, 102 Loralee Drive, Albany, New York 12205, Phone: (518) 869-3576 x0460, Fax: (518) 869-6481, Email: martineza@scolonie.org.

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

Dated: June 18, 2025

STEPHANIE COGAN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 8,810,343	\$ 10,050,303	\$ 11,227,235	\$ 13,581,325	\$ 11,360,303
Restricted Cash	5,650,262	6,187,923	7,188,562	8,565,398	12,539,758
State and Federal Aid Receivables	1,367,826	1,692,873	1,606,631	2,019,540	2,495,520
Due from Other Governments	17,650	16,182	9,511	8,088	55,047
Other Receivables	706,096	571,222	488,392	629,613	619,798
Due from Other Funds	2,487,667	2,440,758	2,475,757	1,699,738	2,491,551
Inventories	-	-	-	-	-
TOTAL ASSETS	\$ 19,039,844	\$ 20,959,261	\$ 22,996,088	\$ 26,503,702	\$ 29,561,977
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 550,960	\$ 778,663	\$ 563,369	\$ 1,445,988	\$ 585,045
Accrued Liabilities	-	-	-	-	-
Accrued Expenses	787,322	838,798	221,123	952,835	209,530
Agency Payroll Liabilities	-	391,518	413,257	425,927	574,402
Due to Other Funds	-	-	-	-	-
Due to Other Governments	7,207	116,237	27,656	2,150	3,205
Due to Retirement Systems	4,935,847	5,378,997	5,717,980	6,581,826	6,674,628
Other Liabilities	-	-	-	-	-
Deferred Revenues	6,873	11,920	6,479	258,490	255,840
TOTAL LIABILITIES	\$ 6,288,209	\$ 7,516,133	\$ 6,949,864	\$ 9,667,216	\$ 8,302,650
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Capital Reserve	1,403,673	1,503,818	2,103,973	2,005,159	3,922,772
Other	153,284	153,300	153,316	253,402	255,628
Unemployment & Disability Insurance	46,918	46,923	46,928	46,954	47,367
Workers' Compensation	380,293	380,333	380,372	380,578	633,042
Tax Certiorari	612,860	650,000	750,067	423,285	777,003
Reserve for Benefit Liability	418,875	818,919	819,003	1,519,464	1,532,812
Insurance Claims	47,636	47,641	47,646	47,672	48,091
Reserve for Retirement Contributions	2,586,723	2,586,990	2,887,257	3,888,884	5,323,044
Reserve for Administration Liability	-	-	-	-	-
Assigned	3,934,876	3,113,504	3,196,756	3,035,932	3,758,588
Unassigned	3,166,497	4,141,700	5,660,906	5,235,156	4,960,980
TOTAL FUND EQUITY	12,751,635	13,443,128	16,046,224	16,836,486	21,259,327
TOTAL LIABILITIES and FUND EQUITY	\$ 19,039,844	\$ 20,959,261	\$ 22,996,088	\$ 26,503,702	\$ 29,561,977

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 64,173,309	\$ 65,394,698	\$ 67,699,881	\$ 75,568,215	\$ 70,570,260
Other Real Property Tax Items	7,825,165	7,348,331	7,057,528	-	6,471,860
Charges for Services	2,032,281	1,822,042	1,591,349	1,408,487	1,995,803
Use of Money & Property	610,863	423,524	68,953	189,044	1,220,969
Sale of Property and Compensation for Loss	54,824	179,852	3,361	76,454	91,215
Miscellaneous	389,811	560,445	555,344	696,248	950,941
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	23,604,773	24,054,328	23,961,446	26,242,942	30,884,620
Revenues from Federal Sources	288,177	162,550	801,970	202,183	159,188
Total Revenues	<u>\$ 98,979,203</u>	<u>\$ 99,945,770</u>	<u>\$ 101,739,832</u>	<u>\$ 104,383,573</u>	<u>\$ 112,344,856</u>
Other Sources:					
Interfund Transfers	<u>6,320</u>	<u>252,644</u>	<u>290,356</u>	<u>184,088</u>	<u>325,053</u>
Total Revenues and Other Sources	<u>98,985,523</u>	<u>100,198,414</u>	<u>102,030,188</u>	<u>104,567,661</u>	<u>112,669,909</u>
<u>EXPENDITURES</u>					
General Support	\$ 8,366,342	\$ 9,050,480	\$ 8,786,787	\$ 8,837,135	\$ 10,200,837
Instruction	55,739,462	57,598,707	56,791,704	57,760,172	62,105,453
Pupil Transportation	3,821,195	3,844,803	3,624,412	4,235,544	4,498,831
Community Services	565,033	65,591	29,048	66,753	68,940
Employee Benefits	25,729,539	26,091,823	26,202,751	26,768,622	28,293,642
Debt Service	4,295,527	4,763,949	4,941,225	3,567,261	3,905,985
Total Expenditures	<u>\$ 98,517,098</u>	<u>\$ 101,415,353</u>	<u>\$ 100,375,927</u>	<u>\$ 101,235,487</u>	<u>\$ 109,073,688</u>
Other Uses:					
Interfund Transfers	<u>267,958</u>	<u>1,570,192</u>	<u>962,768</u>	<u>729,078</u>	<u>2,805,959</u>
Total Expenditures and Other Uses	<u>98,785,056</u>	<u>102,985,545</u>	<u>101,338,695</u>	<u>101,964,565</u>	<u>111,879,647</u>
Excess (Deficit) Revenues Over Expenditures	200,467	(2,787,131)	691,493	2,603,096	790,262
Other Changes in Fund Equity					
Project Close-Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	16,632,735	16,833,202	12,751,635	13,443,128	16,046,224
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 16,633,202</u>	<u>\$ 14,046,071</u>	<u>\$ 13,443,128</u>	<u>\$ 16,046,224</u>	<u>\$ 16,836,486</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:

	2024			2025	2026
	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 78,072,027	\$ 79,024,957	\$ 72,765,946	\$ 80,456,381	\$ 83,212,564
Other Real Property Tax Items	952,930	-	6,149,778	977,025	1,006,627
Charges for Services	2,023,776	1,523,776	2,062,204	1,398,950	1,388,500
Use of Money & Property	102,000	602,000	1,580,744	742,000	742,000
Sale of Property and Compensation for Loss	386,663	36,475	100,363	7,000	7,000
Miscellaneous	-	384,062	644,967	580,000	380,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	37,657,306	37,657,306	38,449,065	40,582,762	48,678,809
Revenues from Federal Sources	100,000	100,000	103,896	200,000	100,000
Total Revenues	<u>\$ 119,294,702</u>	<u>\$ 119,328,576</u>	<u>\$ 121,856,963</u>	<u>\$ 124,944,118</u>	<u>\$ 135,515,500</u>
Other Sources:					
Appropriated Reserves	2,900,000	3,035,932	-	250,000	250,000
Appropriated Fund Balance	-	-	-	3,591,000	3,785,000
Interfund Transfers	-	-	29,924	-	-
Total Revenues and Other Sources	<u>122,194,702</u>	<u>122,364,508</u>	<u>121,886,887</u>	<u>128,785,118</u>	<u>139,550,500</u>
<u>EXPENDITURES</u>					
General Support	\$ 11,016,601	\$ 11,151,104	\$ 10,345,276	\$ 11,469,981	\$ 12,286,280
Instruction	69,276,419	69,846,376	67,469,925	72,066,333	74,594,780
Pupil Transportation	5,131,588	4,953,013	4,538,172	5,144,600	5,332,100
Community Services	89,000	89,000	67,013	96,400	88,400
Employee Benefits	32,506,880	31,905,801	30,650,870	35,585,440	38,355,291
Debt Service	3,909,214	3,929,214	3,927,674	4,017,364	8,488,649
Total Expenditures	<u>\$ 121,929,702</u>	<u>\$ 121,874,508</u>	<u>\$ 116,998,930</u>	<u>\$ 128,380,118</u>	<u>\$ 139,145,500</u>
Other Uses:					
Project Close Out	-	-	-	-	-
Interfund Transfers	265,000	490,000	465,116	405,000	405,000
Total Expenditures and Other Uses	<u>122,194,702</u>	<u>122,364,508</u>	<u>117,464,046</u>	<u>128,785,118</u>	<u>139,550,500</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,422,841</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	-	-	16,836,486	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,259,327</u>	<u>\$ -</u>	<u>\$ -</u>

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

APPENDIX - B
South Colonie CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 1,800,000	\$ 664,794.50	\$ 2,464,794.50
2026	1,860,000	596,478.50	2,456,478.50
2027	1,930,000	524,771.50	2,454,771.50
2028	2,005,000	450,082.50	2,455,082.50
2029	2,080,000	371,724.00	2,451,724.00
2030	1,790,000	289,646.00	2,079,646.00
2031	1,860,000	217,011.00	2,077,011.00
2032	1,530,000	151,385.00	1,681,385.00
2033	1,130,000	104,477.00	1,234,477.00
2034	810,000	75,912.00	885,912.00
2035	830,000	55,290.00	885,290.00
2036	855,000	34,136.00	889,136.00
2037	370,000	12,284.00	382,284.00
TOTALS	\$ 18,850,000	\$ 3,547,992.00	\$ 22,397,992.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	\$4,155,000 2014 DASNY			\$10,940,000 2018 DASNY		
	6/15	12/15 & 6/15	Total	6/15	12/15 & 6/15	Total
	Principal	Interest		Principal	Interest	
2025	\$ 320,000	\$ 55,787.50	\$ 375,787.50	\$ 825,000	\$ 368,875.00	\$ 1,193,875.00
2026	330,000	46,187.50	376,187.50	865,000	326,625.00	1,191,625.00
2027	340,000	35,462.50	375,462.50	905,000	282,375.00	1,187,375.00
2028	350,000	24,412.50	374,412.50	950,000	236,000.00	1,186,000.00
2029	360,000	12,600.00	372,600.00	1,000,000	187,250.00	1,187,250.00
2030	-	-	-	1,050,000	136,000.00	1,186,000.00
2031	-	-	-	1,105,000	82,125.00	1,187,125.00
2032	-	-	-	755,000	35,625.00	790,625.00
2033	-	-	-	335,000	8,375.00	343,375.00
TOTAL	\$ 1,700,000	\$ 174,450.00	\$ 1,874,450.00	\$ 7,790,000	\$ 1,663,250.00	\$ 9,453,250.00

Fiscal Year Ending June 30th	\$6,500,000 2021 Capital Project			\$4,500,000 2022 Capital Project		
	6/15	12/15 & 6/15	Total	6/15	12/15 & 6/15	Total
	Principal	Interest		Principal	Interest	
2025	\$ 400,000	\$ 107,000.00	\$ 507,000.00	\$ 255,000	\$ 133,132.00	\$ 388,132.00
2026	405,000	99,000.00	504,000.00	260,000	124,666.00	384,666.00
2027	415,000	90,900.00	505,900.00	270,000	116,034.00	386,034.00
2028	425,000	82,600.00	507,600.00	280,000	107,070.00	387,070.00
2029	430,000	74,100.00	504,100.00	290,000	97,774.00	387,774.00
2030	440,000	65,500.00	505,500.00	300,000	88,146.00	388,146.00
2031	450,000	56,700.00	506,700.00	305,000	78,186.00	383,186.00
2032	460,000	47,700.00	507,700.00	315,000	68,060.00	383,060.00
2033	470,000	38,500.00	508,500.00	325,000	57,602.00	382,602.00
2034	475,000	29,100.00	504,100.00	335,000	46,812.00	381,812.00
2035	485,000	19,600.00	504,600.00	345,000	35,690.00	380,690.00
2036	495,000	9,900.00	504,900.00	360,000	24,236.00	384,236.00
2037	-	-	-	370,000	12,284.00	382,284.00
TOTAL	\$ 5,350,000	\$ 720,600.00	\$ 6,070,600.00	\$ 4,010,000	\$ 989,692.00	\$ 4,999,692.00

MATERIAL EVENT NOTICES

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

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

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

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

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.

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

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

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

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

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

**SOUTH COLONIE CENTRAL SCHOOL DISTRICT
ALBANY AND SCHENECTADY COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

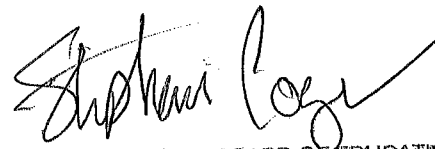
JUNE 30, 2024

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.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

A handwritten signature in black ink, appearing to read "Stephen Coyle", is written over a faint, circular official seal.

PRESIDENT, BOARD OF EDUCATION

APPROVED BY
BOARD OF EDUCATION

10/15/2024

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2024

	<u>Page</u>
Management's Discussion and Analysis (Unaudited)	1-13
Independent Auditor's Report	14-16
Government-wide Financial Statements	
Statement of Net Position (Deficit)	17
Statement of Activities	18
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of Governmental Fund Balances to Net Position (Deficit) of Governmental Activities	20
Statement of Revenue, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds	21
Reconciliation of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances (Deficit) to the Statement of Activities	22
Notes to Financial Statements	23-53
Required Supplementary Information	
1. Schedule of General Fund Revenue and Expenditures - Budget and Actual	54-55
2. Schedule of Funding Progress - Other Postemployment Benefit Plans	56
3. Schedule of Proportionate Share of Net Pension Assets/Liability	57
4. Schedule of District Contributions - Pension Plans	58
Other Supplementary Information	
5. Schedule of Changes from Adopted Budget to Final Budget and the Real Property Tax Limit	59
6. Capital Projects Fund - Summary Statement of Project Expenditures	60
7. Schedule of Investment in Capital Assets, Net of Related Debt	61
8. Combined Balance Sheet - Other Special Revenue Funds	62
9. Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Other Special Revenue Funds	63

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2024

Federal Award Program Information

Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards* 64-65

Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance 66-68

Schedule of Expenditures of Federal Awards 69

Notes to Schedule of Expenditures of Federal Awards 70

Schedule of Findings and Questioned Costs 71

Federal Award Findings and Questioned Costs 72

Extraclassroom Activity Funds

Independent Auditor's Report 73-74

Statement of Assets and Fund Balances Resulting from Cash Transactions 75

Statement of Cash Receipts and Disbursements 76-78

Note to Financial Statements 79

Governance Letter 80-82

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024

This section of the South Colonie Central School District's financial report presents its management's discussion and analysis of financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Net position computed in accordance with GASB No. 34 decreased \$22.0 million or 8.3%. The decrease is primarily attributable to the net impact of the postemployment benefit adjustment;
- Governmental revenues increased \$6.9 million or 5.6%;
- The District has received AA3 bond rating from Moody's; and
- The District continued to offer all programs, maintaining its core academic programs, while maintaining fund balances at levels allowed by state law.

OVERVIEW OF THE FINANCIAL STATEMENTS

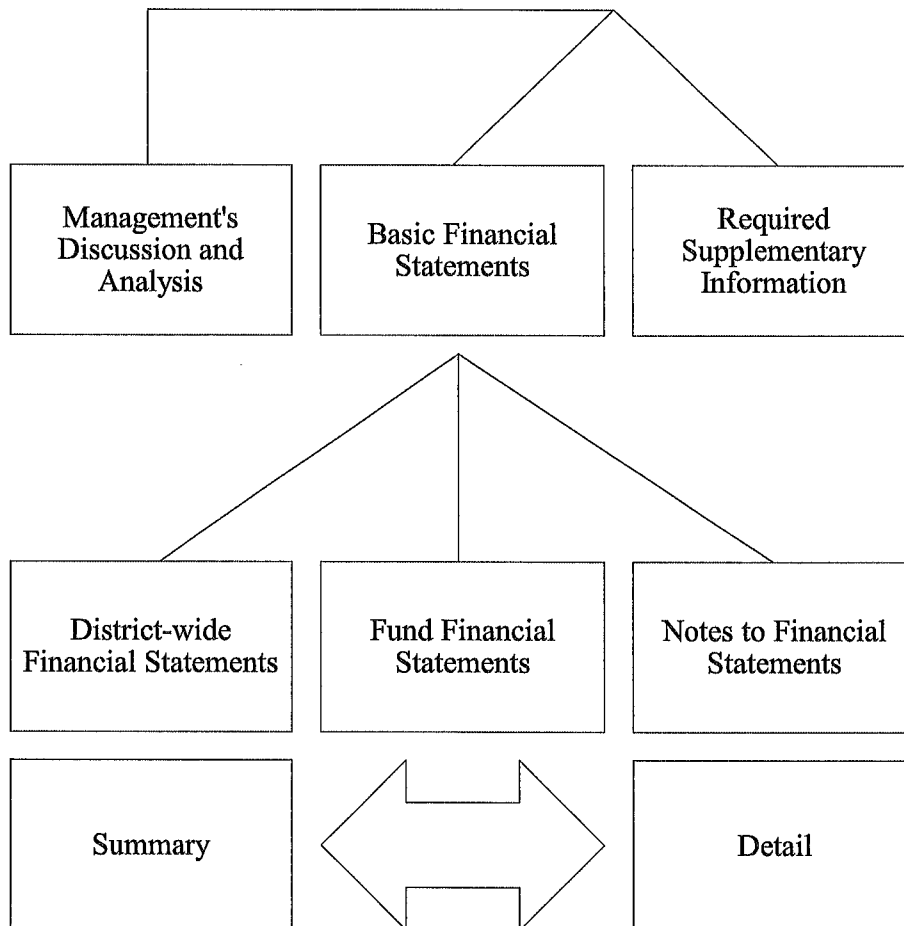
This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The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

- The first two statements are ***district-wide financial statements*** that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are ***fund financial statements*** that focus on *individual parts* of the District, reporting the operations in *more detail* than the entity-wide statements.
- The ***governmental fund statements*** tell how basic services such as instruction and support functions were financed in the *short-term* as well as what remains for future spending.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

**Table A-1: Organization of South Colonie Central School District's
Comprehensive Annual Financial Report**



SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Table A-2 Summarizes the major features of the District's financial statements, including the portion of the District's activities covered and the types of information contained. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-2: Major Features of the Entity-wide and Fund Financial Statements

<u>Description</u>	<u>Entity-wide Statements</u>	<u>Fund Financial Statements</u> <u>Governmental</u>
1. Scope	Entire district (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction
2. Required financial statements	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances
3. Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus
4. Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
5. Type of inflow and outflow information	All revenue and expenditures during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenue and expenditures are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

- Over time, increases and decreases in net position is an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

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

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

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

FUND FINANCIAL STATEMENTS

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

The District has one kind of fund:

- ***Governmental funds:*** Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information on the next page of the governmental fund statements explains the relationship (or differences) between them. In summary, the governmental fund statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, capital project funds and other special revenue funds. Required statements are the Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balances.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position computed in accordance with GASB No. 34 decreased \$22.0 million, or 8.3%, to a deficit of \$285.2 million in 2024 as detailed in Tables A-3 and A-4.

Table A-3: Condensed Statement of Net Position - Governmental Activities
(in Thousands)

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>
Current Assets	\$ 35,055	\$ 31,301
Noncurrent and Capital Assets, Net of Depreciation	<u>73,154</u>	<u>66,540</u>
Total Assets	<u>108,209</u>	<u>97,841</u>
Deferred Outflows of Resources	<u>65,487</u>	<u>100,103</u>
Current Liabilities	23,567	16,240
Long-Term Liabilities	<u>357,363</u>	<u>353,435</u>
Total Liabilities	<u>380,930</u>	<u>369,675</u>
Deferred Inflows of Resources	<u>77,977</u>	<u>91,446</u>
Net Position		
Investment in Capital Assets, Net of Related Debt	33,779	32,013
Restricted for Reserves	12,290	8,565
Unassigned (Deficit)	<u>(331,280)</u>	<u>(303,755)</u>
Total Net Position	<u>\$ (285,211)</u>	<u>\$ (263,177)</u>

CHANGES IN NET POSITION

The District's total fiscal year 2024 revenue totaled \$131.0 million as compared to \$124.1 million for 2023 (See Table A-4). Property taxes and state formula aid accounted for most of the District's revenue by contributing approximately 89.5% of every dollar raised for 2024 (See Table A-5). The remainder came from fees charged for services, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled \$153.1 million for fiscal year 2024 as compared to \$146.1 million for fiscal year 2023. These expenditures are predominately related to general instruction (78.1%) and student support services and transporting students (5.1%) (See Table A-6). The District's administrative, business and operating activities accounted for 11.7% of total costs.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

**Table A-4: Changes in Net Position from Operating Results
(in Thousands)**

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>
Revenue		
Program Revenue		
Charges for Services	\$ 2,575	\$ 2,983
Operating Grants	8,362	10,398
General Revenue		
Property Taxes	78,916	77,042
State Formula Aid	38,449	30,884
Investment Earnings	1,582	1,222
Other	<u>1,165</u>	<u>1,590</u>
Total Revenue	<u>131,049</u>	<u>124,119</u>
Expenditures		
Instruction	119,522	113,605
Pupil Transportation	7,770	7,587
Administration, Business and Operations	17,862	17,423
Other, Including Depreciation	<u>7,929</u>	<u>7,465</u>
Total Expenditures	<u>153,083</u>	<u>146,080</u>
Decrease in Net Position	<u><u>\$ (22,034)</u></u>	<u><u>\$ (21,961)</u></u>

Table A-5: Sources of Revenue for Fiscal Year 2024

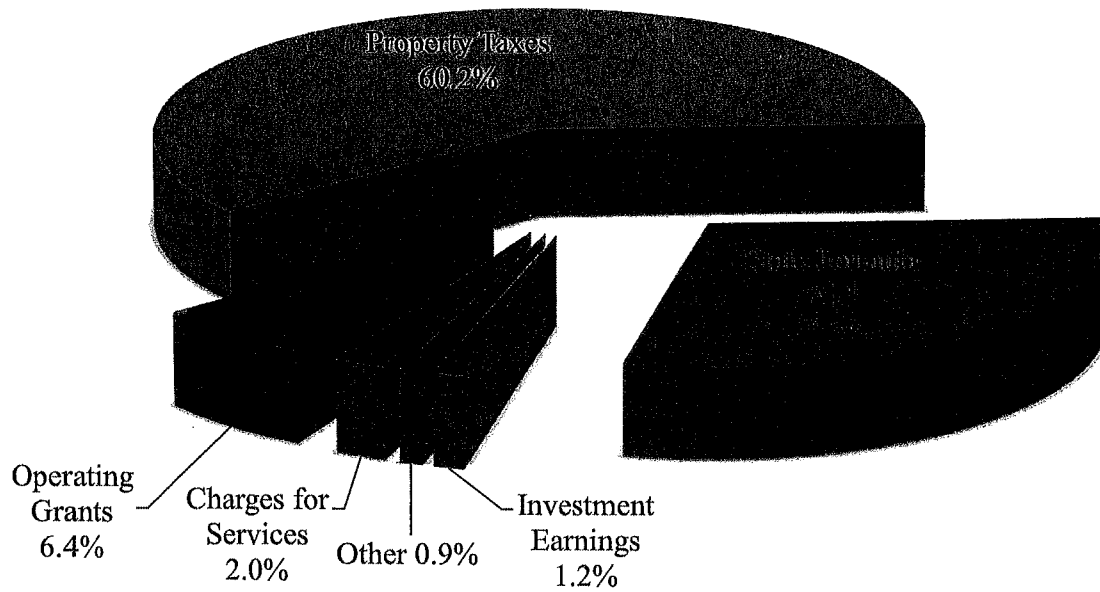
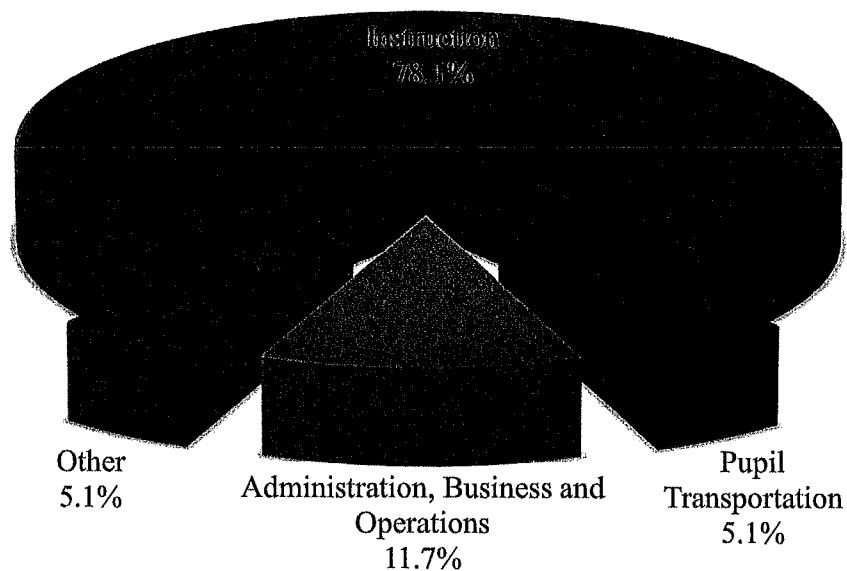


Table A-6: Expenditures for Fiscal Year 2024



SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

GOVERNMENTAL ACTIVITIES

Revenue for the District's governmental activities totaled \$131.1 million while total expenditures equaled \$153.1 million in 2024. Therefore, the decrease in net position for governmental activities was \$22.0 million in 2024. The maintenance of the District's financial condition is dependent upon:

- Continued leadership of the District's board;
- Approval of the District's proposed annual budget;
- Continued state and federal aid

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

Table A-7: Net Cost of Governmental Activities
(in Thousands)

	<u>Fiscal Year 2024</u>		<u>Fiscal Year 2023</u>	
	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
Instruction	\$ 119,522	\$ 111,655	\$ 113,605	\$ 102,888
Pupil Transportation	7,770	7,642	7,587	7,466
Administration, Business and Operations	17,862	17,862	17,423	17,423
Other	<u>7,929</u>	<u>4,986</u>	<u>7,465</u>	<u>4,922</u>
Total	<u>\$ 153,083</u>	<u>\$ 142,145</u>	<u>\$ 146,080</u>	<u>\$ 132,699</u>

The cost of all governmental activities in 2024 was \$153.1 (Statement of Activities-Expenditures column).

- The users of the District's programs financed some of the cost (\$2.6 million) in 2024 (Statement of Activities-Charges for Services and Sales column).
- In 2024, the federal and state governments subsidized certain programs with grants and contributions (\$8.3 million) (Statement of Activities-Operating Grants column).
- Most of the District's net costs (\$142.1 million) were financed by District taxpayers and state and federal aid in 2024 (Statement of Activities-Net (Expenditures) Revenue and Change in Net Position column).

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The general fund equity increased by \$4,422,841 and \$790,262 in 2024 and 2023, respectively. The school lunch fund equity increased by \$362,118 and \$345,548 in 2024 and 2023, respectively. The capital projects fund equity decreased by \$8,344,116 and \$5,438,465 in 2024 and 2023, respectively.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its budget several times. These budget amendments fall into two categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the year to reflect the actual beginning account balances and encumbrances carried over from the prior year.
- Changes made to account for significant events.

The District had two amendments during fiscal year 2024. The original budget was amended to include encumbrances carried over from the prior year of \$135,932. Amendments totaling \$33,874 for miscellaneous items increased miscellaneous revenue.

No other budgetary variances are considered to be significant during fiscal year 2024.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following table reflects the total cumulative cost of various building renovations and additions, technology and equipment expenditures through the end of fiscal year 2024 and 2023:

**Table A-8: Capital Assets
(in Thousands)**

<u>Category</u>	<u>Fiscal Year-End 2024</u>	<u>Fiscal Year-End 2023</u>
Land and Land Improvements	\$ 1,992	\$ 1,992
Buildings	120,208	119,791
Machinery and Equipment	12,291	11,031
Vehicles	9,432	8,333
Construction in Progress	16,903	8,637
Total	<u>\$ 160,826</u>	<u>\$ 149,784</u>

Long-Term Debt

At fiscal year-end 2024 and 2023, the District had \$18.9 and \$20.6 million, respectively, in general obligation bonds outstanding. More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements. During fiscal years ended 2024 and 2023, the District paid down its debt, retiring \$1.7 and \$2.3 million of outstanding bonds, respectively.

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 may impact its financial position in the future:

Public school districts in New York State continue to operate under a school tax levy cap which limits the amount of tax revenue that can be raised each year. Tax levy increases are limited to the lesser of two percent or the rate of inflation, subject to exemptions and other adjustments. The tax levy limit impacts the District's ability to raise revenue to support school programs. The rate of inflation this year is anticipated to exceed the allowable levy limit. The property assessment base has remained stable with modest increases. It is anticipated the outcome of current property assessment challenges will have a minimal effect on the School District's overall tax base.

District enrollment is expected to remain stable. The District has experienced fluctuation in costs for health insurance and pension contributions, at times exceeding the rate of inflation. Program and student support service needs, mandates and new academic standards at the State and Federal level may require additional resources. New York State's commitment to fully fund Foundation Aid, coupled with the allocation of over \$9 million dollars in Federal Stimulus funds over the next several years will help to stabilize revenues and provide funding to meet program and operational needs. Going forward, the allocation of State and Federal support to schools remains a critical factor in maintaining the District's financial position. Collectively, these factors will affect the District's current and future operating budgets.

To respond to the changing environment, the School District continues to engage in programmatic and operational review, as it seeks opportunities for technology integration, shared services, re-allocation of resources and greater efficiency district-wide. The School District is embarking on a comprehensive capital project, approved by the voters in October 2022, to improve facilities for today's students, teachers, and staff, and the next generation of South Colonie students. To promote long-term fiscal sustainability, the District continues to explore cost savings measures and engage in long-term planning for contractual wages and benefits. The School District continually strives to provide the best possible educational program for our students, moderate tax increases for the school community and protect the financial integrity of the District.

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 with the money it receives. If you have questions about this report or need additional financial information, please contact:

South Colonie Central School District
Attn: Jacqlene McAllister
Assistant Superintendent for Management Services and Strategic Planning
102 Loralee Drive
Albany, New York 12205
(518) 869-3576

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2024

Principal Officers Who Served

Board of Education

Mr. Brian Casey, President
Ms. Stephanie Cogan, Vice President
Ms. Rose Gigliello
Mr. Christopher Larrabee
Mr. David Kiehle
Mr. Robert Mesick
Mr. Michael Keane
Mr. James (Tim) Ryan
Mr. Thomas Blakley

Superintendent

Dr. David Perry

Deputy Superintendent

Mr. Timothy Backus

**Assistant Superintendent for Management
Services and Strategic Planning**

Ms. Jacqlene McAllister

**Assistant Superintendent for Human
Resources and Safe Schools**

Mr. Christopher Robilotti

Business Administrator/District Treasurer

Ms. Anjelieeque Martinez

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACK.CPA
WWW.CUSACK.CPA

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
South Colonie Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of the South Colonie Central School District ("the District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the South Colonie Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the South Colonie Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the South Colonie Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Colonie Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 South Colonie Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the South Colonie Central School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-13 and budgetary comparison information, schedule of funding progress - other postemployment benefit plans, schedule of proportionate share of net pension assets/liability, and schedule of district contributions - pension plans on pages

54-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Colonie Central School District's basic financial statements. The accompanying other supplementary information on pages 59-63 and schedule of expenditures of federal awards on page 69, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024, on our consideration of the South Colonie Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the South Colonie Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South Colonie Central School District's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 8, 2024

SOUTH COLONIE CENTRAL SCHOOL DISTRICT***STATEMENT OF NET POSITION (DEFICIT)******JUNE 30, 2024*****ASSETS AND DEFERRED OUTFLOWS OF RESOURCES****Current Assets:**

Unrestricted Cash	\$ 16,644,211
Restricted Cash	12,539,758
State and Federal Aid Receivable	5,108,630
Due from Other Governments	55,047
Other Receivables - Net	631,440
Inventories	76,126
Total Current Assets	<u>35,055,212</u>

Noncurrent Assets:

Depreciable Capital Assets - Net	46,040,233
Non-depreciable Capital Assets	18,895,761
Right of Use Assets	74,319
Due from Health Insurance Consortium	<u>8,144,096</u>
Total Noncurrent Assets	<u>73,154,409</u>

Deferred Outflows of Resources:

Related to Pensions	26,715,776
Related to OPEB	<u>38,770,751</u>
Total Deferred Outflows of Resources	<u>65,486,527</u>

Total Assets and Deferred Outflows of Resources \$ 173,696,148

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)**Current Liabilities:**

Accounts Payable	\$ 2,413,621
Bond Anticipation Notes	11,112,148
Current Portion of Bonds Payable	1,800,000
Current Portion of Operating Leases Payable	74,319
Accrued Interest Payable	372,705
Due to Other Governments	3,245
Due to Retirement Systems	6,674,628
Accrued Expenses	230,919
Agency Payroll Liabilities	574,402
Unearned Revenue	<u>311,320</u>
Total Current Liabilities	<u>23,567,307</u>

Noncurrent Liabilities:

Bonds Payable	17,050,000
Postemployment Benefits	328,541,243
Workers' Compensation	774,660
Proportionate Share of Net Pension Liability	8,022,844
Compensated Absences	1,779,727
Unamortized Bond Premium	<u>1,194,646</u>
Total Noncurrent Liabilities	<u>357,363,120</u>

Deferred Inflows of Resources:

Related to Pensions	4,512,253
Related to OPEB	<u>73,464,661</u>
Total Deferred Inflows of Resources	<u>77,976,914</u>

Net Position (Deficit):

Invested in Capital Assets, Net of Related Debt	33,779,200
Restricted for Reserves	12,539,759
Unassigned Deficit	<u>(331,530,152)</u>
Total Net Position (Deficit)	<u>(285,211,193)</u>

Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit) \$ 173,696,148

SOUTH COLONIE CENTRAL SCHOOL DISTRICT**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenditures</u>	<u>Program Revenue</u>		<u>Net (Expenditures) Revenue and Change in Net Position</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants</u>	
General Support	\$ 17,862,277	\$ -	\$ -	\$ (17,862,277)
Instruction	119,521,704	2,062,204	5,804,809	(111,654,691)
Pupil Transportation	7,769,573	-	127,476	(7,642,097)
Community Services	111,595	-	-	(111,595)
Debt Service - Interest	822,812	-	-	(822,812)
Cost of Cafeteria Sales	2,580,630	512,624	2,430,124	362,118
Depreciation - Unallocated	<u>4,414,190</u>	<u>-</u>	<u>-</u>	<u>(4,414,190)</u>
Total Functions and Programs	<u>\$ 153,082,781</u>	<u>\$ 2,574,828</u>	<u>\$ 8,362,409</u>	<u>(142,145,544)</u>
General Revenue				
Real Property Taxes				78,915,724
Use of Money and Property				1,581,899
Sale of Property and Compensation for Loss				100,363
Miscellaneous				960,469
State Aid				38,449,065
Federal Aid				<u>103,896</u>
Total General Revenue				<u>120,111,416</u>
Change in Net Position				(22,034,128)
Net Position (Deficit), Beginning of Year				<u>(263,177,065)</u>
Net Position (Deficit), End of Year				<u>\$ (285,211,193)</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT**BALANCE SHEET - GOVERNMENTAL FUNDS****JUNE 30, 2024**

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Other Special Revenue</u>	<u>Total Governmental Funds</u>
Assets						
Unrestricted Cash	\$ 11,360,303	\$ 91,873	\$ 2,335,853	\$ 2,496,323	\$ 359,859	\$ 16,644,211
Restricted Cash	12,539,758	-	-	-	-	12,539,758
State and Federal Aid Receivable	2,495,520	2,441,063	172,047	-	-	5,108,630
Due From Other Governments	55,047	-	-	-	-	55,047
Other Receivables, Net	619,798	11,642	-	-	-	631,440
Due From Other Funds	2,491,551	-	-	-	-	2,491,551
Inventories	-	-	76,126	-	-	76,126
Total Assets	<u>\$ 29,561,977</u>	<u>\$ 2,544,578</u>	<u>\$ 2,584,026</u>	<u>\$ 2,496,323</u>	<u>\$ 359,859</u>	<u>\$ 37,546,763</u>
Liabilities						
Accounts Payable	\$ 585,045	\$ 32,045	\$ 71,980	\$ 1,724,551	\$ -	\$ 2,413,621
Bond Anticipation Notes	-	-	-	11,112,148	-	11,112,148
Due to Other Funds	-	2,491,551	-	-	-	2,491,551
Due to Other Governments	3,205	-	40	-	-	3,245
Due to Retirement Systems	6,674,628	-	-	-	-	6,674,628
Accrued Expenses	209,530	9,127	12,262	-	-	230,919
Agency Payroll Liabilities	574,402	-	-	-	-	574,402
Unearned Revenue	255,840	11,855	43,625	-	-	311,320
Total Liabilities	<u>8,302,650</u>	<u>2,544,578</u>	<u>127,907</u>	<u>12,836,699</u>	<u>-</u>	<u>23,811,834</u>
Fund Balance						
Nonspendable:						
Inventories	-	-	76,126	-	-	76,126
Restricted:						
Workers Compensation Reserve	633,042	-	-	-	-	633,042
Unemployment Insurance Reserve	47,367	-	-	-	-	47,367
Reserve for Retirement Contributions	5,323,044	-	-	-	-	5,323,044
Insurance Reserve	48,091	-	-	-	-	48,091
Reserve for Tax Certiorari	777,003	-	-	-	-	777,003
Reserve for Employee Benefit	-	-	-	-	-	-
Accrued Liability	1,532,812	-	-	-	-	1,532,812
Capital Reserve	3,922,772	-	-	-	-	3,922,772
Other Restricted Fund Balance	255,628	-	-	-	-	255,628
Total Restricted Fund Balance	<u>12,539,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,539,759</u>
Assigned:						
Encumbrances	167,588	-	-	-	-	167,588
Non-General Funds	-	-	2,379,993	-	359,859	2,739,852
Designated for Subsequent Year's Expenditures	3,591,000	-	-	-	-	3,591,000
Total Assigned Fund Balance	<u>3,758,588</u>	<u>-</u>	<u>2,379,993</u>	<u>-</u>	<u>359,859</u>	<u>6,498,440</u>
Unassigned	<u>4,960,980</u>	<u>-</u>	<u>-</u>	<u>(10,340,376)</u>	<u>-</u>	<u>(5,379,396)</u>
Total Fund Balance	<u>21,259,327</u>	<u>-</u>	<u>2,456,119</u>	<u>(10,340,376)</u>	<u>359,859</u>	<u>13,734,929</u>
Total Liabilities and Fund Balance	<u>\$ 29,561,977</u>	<u>\$ 2,544,578</u>	<u>\$ 2,584,026</u>	<u>\$ 2,496,323</u>	<u>\$ 359,859</u>	<u>\$ 37,546,763</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

TOTAL BALANCES FOR GOVERNMENTAL FUNDS	\$ 13,734,929
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Right of Use Assets	74,319
Operating Lease Payable	(74,319)
Net Capital assets that were acquired or disposed of in current and prior periods are recognized as governmental fund economic resources net of accumulated depreciation.	64,935,994
Bonds payable are long term liabilities and are not reported in the governmental funds statements.	(18,850,000)
Bond premium is reported in the governmental funds as revenue in the year received but is reported as a liability in the district-wide statements to be amortized over life of bond.	(1,194,646)
Workers' Compensation liabilities are long-term liabilities and are not reported in the governmental funds statement.	(774,660)
Compensated absences are long-term liabilities and are not reported in the governmental funds statement.	(1,779,727)
Interest payable at June 30, 2024 is recognized in the district-wide statements under full accrual accounting. No accrual is recorded in the governmental fund statements for interest that was not paid from current financial resources.	(372,705)
Postemployment benefit liability and deferred inflows/outflows of resources related to postemployment benefits are not recorded in the governmental funds, but are reflected in the statement of net position.	(363,235,153)
Net pension assets/liabilities and deferred inflows/outflows of resources related to pensions are not recorded in the governmental funds, but are reflected in the statement of net position.	14,180,679
Long-term receivable due from health insurance consortium.	<u>8,144,096</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (285,211,193)</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Other Special Revenue</u>	<u>Total Governmental Funds</u>
Revenue						
Real Property Taxes	\$ 72,765,946	\$ -	\$ -	\$ -	\$ -	\$ 72,765,946
Other Real Property Tax Items	6,149,778	-	-	-	-	6,149,778
Charges for Services	2,062,204	-	-	-	-	2,062,204
Use of Money and Property	1,580,744	-	-	-	1,155	1,581,899
Sale of Property and Compensation for Loss	100,363	-	-	-	-	100,363
Miscellaneous	644,967	286,809	5,533	-	218,165	1,155,474
State Aid	38,449,065	1,903,643	819,835	-	-	41,172,543
Federal Aid	103,896	3,667,064	1,610,289	-	-	5,381,249
Sales	-	-	507,091	-	-	507,091
Total Revenue	<u>121,856,963</u>	<u>5,857,516</u>	<u>2,942,748</u>	<u>-</u>	<u>219,320</u>	<u>130,876,547</u>
Other Sources						
Interfund Transfers	<u>29,924</u>	<u>365,116</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>495,040</u>
Total Revenue and Other Sources	<u>121,886,887</u>	<u>6,222,632</u>	<u>2,942,748</u>	<u>100,000</u>	<u>219,320</u>	<u>131,371,587</u>
Expenditures						
General Support	10,345,276	116,825	-	-	219,303	10,681,404
Instruction	67,469,925	5,360,878	848,482	-	-	73,679,285
Pupil Transportation	4,538,172	127,476	-	-	-	4,665,648
Community Services	67,013	-	-	-	-	67,013
Employee Benefits	30,650,870	589,020	278,644	-	-	31,518,534
Debt Service	3,927,674	-	-	-	-	3,927,674
Cost of Cafeteria Sales	-	-	1,211,227	-	-	1,211,227
Capital Outlay	-	-	-	9,784,704	-	9,784,704
Other Expenses	-	-	242,277	-	-	242,277
Total Expenditures	<u>116,998,930</u>	<u>6,194,199</u>	<u>2,580,630</u>	<u>9,784,704</u>	<u>219,303</u>	<u>135,777,766</u>
Other Uses						
Interfund Transfers	<u>465,116</u>	<u>28,433</u>	<u>-</u>	<u>1,491</u>	<u>-</u>	<u>495,040</u>
Total Expenditures and Other Uses	<u>117,464,046</u>	<u>6,222,632</u>	<u>2,580,630</u>	<u>9,786,195</u>	<u>219,303</u>	<u>136,272,806</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>4,422,841</u>	<u>-</u>	<u>362,118</u>	<u>(9,686,195)</u>	<u>17</u>	<u>(4,901,219)</u>
Other Financing Sources						
BAN Redeemed From Appropriations	-	-	-	1,267,309	-	1,267,309
Premium on BANs	-	-	-	74,770	-	74,770
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,342,079</u>	<u>-</u>	<u>1,342,079</u>
Net Change in Fund Balance	4,422,841	-	362,118	(8,344,116)	17	(3,559,140)
Fund Balance (Deficit), Beginning of Year	<u>16,836,486</u>	<u>-</u>	<u>2,094,001</u>	<u>(1,996,260)</u>	<u>359,842</u>	<u>17,294,069</u>
Fund Balance (Deficit), End of Year	<u>\$ 21,259,327</u>	<u>\$ -</u>	<u>\$ 2,456,119</u>	<u>\$ (10,340,376)</u>	<u>\$ 359,859</u>	<u>\$ 13,734,929</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICIT) TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (3,559,140)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as additions to capital assets under the full accrual basis of accounting.	11,500,134
Depreciation expense is recorded under the full accrual basis of accounting.	(4,414,190)
Loss on asset disposition is recorded under the full accrual basis of accounting.	(24,972)
Interest (expense) benefit is reported in the governmental funds as the amount paid during the year. Adjustments are made to record the accrued interest expense under the full accrual basis of accounting.	41,018
The net workers' compensation liability change in balance is reported as an (increase)/reduction of liability when incurred/paid under full accrual accounting.	76,030
The net compensated absences change in balance is reported as an (increase)/reduction of liability when incurred/paid under full accrual accounting.	45,956
The current year's various debt principal payments are recognized as a reduction of liability when paid and are not reported as expenditures in the district-wide statements.	1,720,000
Certain postemployment benefits are recognized as an expense in the statement of activities under full accrual accounting.	(4,645,382)
Certain changes to pension expense are not reflected in the governmental funds, but are reflected in the statement of activities.	(22,549,908)
Decrease in long-term receivable due from consortium.	(347,003)
Amortization of bond premium is recorded as an offset to expense under the full accrual basis of accounting.	<u>123,329</u>
Change in Net Position (Deficit) of Governmental Activities	<u>\$ (22,034,128)</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 9 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 School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial statements include all funds of the School District as well as the component units and other organizational entities determined to be includible in the School District's financial reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on criteria set forth in GASB Statement 61, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of the activity included in the School District's reporting entity:

The Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the South Colonie Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Agency Funds of the School District. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at pages 73-79 of this document.

B. Joint Ventures

BOCES

The School District is a component district in Capital Region BOCES. 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 BOCES component.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Ventures (Continued)

BOCES (Continued)

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law.

During the year ended June 30, 2024, the School District was billed approximately \$4,627,620 related to Capital Region BOCES administrative and program costs. The financial statements for the Capital Region BOCES are available from the BOCES administrative offices at 900 Watervliet-Shaker Road, Albany, New York 12205. The School District's share of BOCES income amounted to approximately \$1,815,211.

C. Basis of Presentation

The School District's financial statements are presented on a government-wide and governmental fund basis in accordance with GASB Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. As a result, these financial statements include a management discussion and analysis of the School District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the School District's activities.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Government-wide Financial Statements

The government-wide financial statements present aggregated information for the overall government on a full accrual, economic resource basis. This government-wide focus is more on the sustainability of the School District as an entity and the change in the School District's net assets resulting from the current year's activities. Internal fund transactions, including, but not limited to, operating transfers, receivables and payables have been eliminated. Government-wide financial statements include a statement of net position and a statement of activities.

The statement of net position recognizes all current and non-current assets including capital assets as well as long-term debt and obligations. The School District's net position is reported in three parts: invested in capital assets, net of related debt and accumulated depreciation; restricted net assets due to legal limitations imposed on their use by legislation or external restrictions by other position; and unrestricted net position.

The statement of activities presents a comparison between direct expenses (including depreciation) and related program revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services are allocated among the programs and functions using appropriate allocation methods such as payroll costs and square footage. Program revenue includes charges paid by the recipient for the 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. The School District's primary program revenue is operating grants. Revenue which is not classified as program revenue is presented as general revenue and consist primarily of property taxes, investment earnings, and state and federal aid.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Basic Financial Statements - Fund Financial Statements

The fund financial statements provide information about the School District's funds. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The focus of governmental fund financial statements is on major funds rather than reporting funds by type with each major fund presented in a separate column. The following funds are used by the School District.

- 1) General - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.
- 2) Special Aid and School Lunch - is used to account for the proceeds of specific revenue sources such as federal and state grants, that are legally restricted to expenditures for specified purposes, school lunch operations, and other activities whose funds are restricted as to use, other than expendable trusts or major capital projects. These legal restrictions may be imposed by either governments that provide the funds or outside parties.
- 3) Capital Project Funds - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.
- 4) Other Special Revenue - These funds are used to account for trust endowment activity for scholarship and awards and extraclassroom activity.

Government-wide and Fiduciary Fund Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenditures are recorded at the time the liabilities are incurred regardless of when the related cash flows take place. Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property and utility taxes, grants and donations. On an accrual basis, revenue from nonexchange transactions are recognized in the fiscal year for which the taxes are levied or the underlying transaction takes place. Revenue from grants and donations are recognized in the fiscal year in which the eligibility requirements have been satisfied. This approach differs from the manner in which governmental fund financial statements are prepared. The governmental fund financial statements are reconciled to the government-wide financial statements in separate financial statements.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus

The basis of accounting determines when revenue and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. Measurement focus is the determination of what is measured. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and interfund balances are included in the fund types on the balance sheet. Operating statements of these fund types present increases (*i.e.*, revenue and other financing sources) and decreases (*i.e.*, expenditures and other financing uses) in fund equity.

Governmental Fund Financial Statements

Modified Accrual Basis - accounting principles generally accepted in the United States of America and the New York State Uniform System of Accounts for School Districts require that the School District use the modified accrual basis of accounting for recording transactions in its governmental fund types and expendable trust and agency funds as applicable. Under this basis of accounting, revenue is recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition for governmental fund revenue. Material revenue that is susceptible to accrual include charges for services, intergovernmental revenue and operating transfers. If expenditures are the prime factor for determining eligibility, revenue from federal and state grants are accrued when the expenditure is made. Expenditures are recorded when the fund liability is incurred except that:

- 1) Expenditures for prepaid items are recognized at the time of disbursement when the School District is liable for payment.
- 2) Principal and interest on long-term debt is recognized as an expenditure when due.
- 3) Interest on short-term debt is recognized as an expenditure when due.
- 4) Pension costs are recognized as an expenditure when billed by the State.
- 5) Compensated absences for vacation leave and other compensated absences with similar characteristics should be accrued as a liability when expected to be paid in the following year.
- 6) Certiorari claims paid and real estate tax reductions are recognized as expenditures upon receipt of court orders.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Accounts Receivable

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

Inventories

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase.

Capital Assets and Depreciation

Capital assets are reported at actual or estimated historical cost based on appraisal or deflated current replacement cost. Contributed assets are reported at estimated fair market values at the time received.

Capital assets with a minimum depreciable base of \$1,000 are depreciated in the government-wide financial statements using the straight-line method, and capital assets below this threshold being expensed in the year acquired. Estimated useful lives of the various classes of depreciable assets are as follows: buildings - 15 to 30 years, building improvements - 10 to 30 years, land improvements - 15 to 20 years, machinery and equipment - 10 to 20 years, vehicles and trucks - 5 to 10 years, and equipment and furniture - 5 to 15 years.

Short-Term Debt

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

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 postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Accrued Liabilities and Long-Term Obligations (Continued)

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

Unearned Revenue and Deferred Outflows and Inflows of Resources

The School 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 School District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the School District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has items that qualify for reporting in this category, relating to pensions and postemployment benefits, which are detailed in the applicable footnotes.

Unearned Revenue and Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of net position reports 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 School District has items that qualify for reporting in this category, relating to pensions and postemployment benefits, which are detailed in the applicable footnotes.

Postemployment Benefits

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits by the School District is in the same proportion of current employees as stated in the various contracts. The School District recognizes the cost of providing health insurance by recording insurance premiums (for retirees and their dependents) as an expenditure in the year paid. (See Note 8 for additional information on GASB 75).

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Fund Balance-Reservations and Designations

The School District has implemented GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

1) Assigned Fund Balance Policy

The School District's Assigned Fund Balance is a fund balance reporting occurring by School Board Administration authority, under the direction of the Business Administrator/District Treasurer.

The Administration's accounting software utilizes encumbrance-based accounting. As of June 30, 2024, there was a cumulative \$167,588 in non-restricted encumbrances included in the general assigned fund balance. Additionally, \$3,591,000 has been appropriated for the ensuing year's budget.

2) Order of Fund Balance Spending Policy

The School 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.

3) Categories

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.

Restricted fund balance includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District Board and contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements such as the award of a bid by the School District Board.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Fund Balance-Reservations and Designations (Continued)

3) Categories (Continued)

Assigned fund balance includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the School District or designated by the School District Board for the ensuing year's budget.

Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

4) Unassigned Fund Balance

NYS Real Property Tax Law §1318 restricts the unreserved, unassigned fund balance of the General Fund to an amount not greater than 4% of the School District's budget for the ensuing fiscal year.

5) Restricted Fund Balance

Fund balance restrictions are created to satisfy legal restrictions or plan for future expenditures. The following restricted funds are available to school districts within the State of New York. These restricted funds are established through Board action or voter approval and a separate identity must be maintained for each restriction. Earnings on the invested resources become part of the respective restricted funds; however, separate bank accounts are not necessary for each restricted fund. The following is a description of the restrictions utilized by the School District.

Reserve for Retirement Contributions

Authorized by General Municipal Law §6-r, the Retirement Contribution Reserve is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. An additional teacher's retirement reserve has also been established. This reserve is accounted for in the General Fund.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Fund Balance-Reservations and Designations (Continued)

5. Restricted Fund Balance (Continued)

Reserved for Tax Certiorari

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

Reserve for Employee Benefit Accrued Liability

Reserve for Employee Benefit Accrued Liability (General Municipal Law §6-p) is used to reserve funds for the payment of accrued employee benefits 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 services and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

Reserve for Insurance Claims and Workers Compensation

The School District is insured through a self-insurance plan for workers' compensation and administrators disability (General Municipal Law §6-j). Additionally, the School District has provided for a reserve for unemployment insurance 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 reserves are funded annually through budgetary provisions in the General Fund and, in the opinion of management, are adequate to fund the eventual loss on claims arising prior to year end.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Fund Balance-Reservations and Designations (Continued)

5. Restricted Fund Balance (Continued)

Capital Reserve Fund

Capital Reserve Fund According to Education Law §3651, expenditures made from the capital reserve fund must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

E. Budgetary Procedures and Budgetary Accounting

1) Budget Policies

The budget policies are as follows:

- a. The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education and approved by the voters within the School District.
- c. Appropriations are adopted at the program level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year end unless expended or encumbered. 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 of \$33,874 occurred during the year (Schedule #5).

2) Budget Basis of Accounting

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Premium on Installment Purchase Debt

The School District was issued serial bonds at an original issue premium of \$1,849,961. The premium is amortized over the life of the debt using the effective interest method.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 for collection during the period from September 1 through October 31.

Enforcement

Uncollected real property taxes are subsequently enforced by the counties of Albany and Schenectady, in which the School District is located. An amount representing uncollected real property taxes transmitted to each county for enforcement is paid to the School District no later than the forthcoming April 1.

Deficit Fund Balances

Capital projects funds has a deficit of \$10,340,376 which will be eliminated with future bond issues.

Interfund Transfers

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

In the District-wide 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.

Future Changes in Accounting Standards

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance. The School District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY (CONTINUED)

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported could differ from the estimates.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through October 8, 2024, the date the financial statements were available to be issued. No such events or transactions were noted.

3. CASH AND INVESTMENTS

A. Cash

The School District's aggregate bank balances are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the School District's agent in the School District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the School District's name, or (3) uncollateralized. Total bank balances at June 30, 2024 were \$35,071,829. The bank balance is fully insured by the FDIC or FSLIC, or collateralized by securities held by a third party in the School District's name.

B. Investment and Deposit Policy

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

C. Interest Rate Risk

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

3. CASH AND INVESTMENTS (CONTINUED)

D. Credit Risk

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

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

E. Custodial Credit Risk

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

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

4. DUE FROM HEALTH INSURANCE TRUST AND WORKERS' COMPENSATION ACCRUAL

Health Insurance Trust

The School District is a member in the Capital Area Schools Health Insurance Consortium (the "Consortium"). The Consortium is considered a public entity risk pool which is defined as a cooperative group of governmental entities joining together to finance an exposure, liability or risk, and is tax-exempt under Section 511(c)(9) of the Internal Revenue Code. The Consortium includes New York public school districts located in Albany, Fulton, Montgomery, Rensselaer, Schenectady, Schoharie and Washington Counties. The Consortium was formed May 1, 1994, to allow member schools to obtain health insurance and prescription drug benefits at lower cost through a pooled purchasing arrangement. The Consortium procures group insurance contracts with insurance carriers for medical, prescription drug and dental benefits, in which the Consortium is not liable for any medical, dental or prescription drug claims. However, the Consortium also maintains a self-insured prescription drug plan for which the individual members are liable for any claims in excess of the balances maintained by the Consortium. As of June 30, 2024, the School District's prescription drug and dental plan account balance maintained by the Consortium is \$3,460,878 of which \$653,568 is estimated as the outstanding estimated liability for the self-insured prescription drug and dental plan. The excess balance of \$2,807,310 has been recorded as Due from Health Insurance Trust on the statement of net position (deficit). The School District also has a premium settlement recovery fund with the Consortium in the amount of \$5,366,786 as of June 30, 2024.

Due from Health Insurance Trust consists of the following:

Excess deposits for self-insured drug and dental plan	\$ 2,807,310
Premium settlement recovery fund	<u>5,336,786</u>
	<u>\$ 8,144,096</u>

The School District, through its health insurance trusts and workers' compensation plan, establishes a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the School District:

	<u>Prescription Drug and Dental</u>	<u>Workers' Compensation</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 609,878	\$ 850,690
Incurred claims and claim adjustment expenses	7,275,904	392,595
Payments made for claims during the current year	<u>(7,232,214)</u>	<u>(468,625)</u>
Total unpaid claim adjustment expenses at end of year	<u>\$ 653,568</u>	<u>\$ 774,660</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT***NOTES TO FINANCIAL STATEMENTS (CONTINUED)******JUNE 30, 2024*****5. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS**

Interfund receivables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. Transactions are recorded in the accounting system and payments between funds are made.

Interfund balances at June 30, 2024 and for the year then ended are as follows:

	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 29,924	\$ 465,116	\$ 2,491,551	\$ -
Special Aid Fund	365,116	28,433	-	2,491,551
Capital Projects	100,000	1,491	-	-
Total	<u>\$ 495,040</u>	<u>\$ 495,040</u>	<u>\$ 2,491,551</u>	<u>\$ 2,491,551</u>

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 1,992,456	\$ -	\$ -	\$ 1,992,456
Buildings	119,791,297	416,466	-	120,207,763
Machinery and Equipment	11,031,344	1,395,897	(136,584)	12,290,657
Vehicles	8,333,213	1,421,015	(322,722)	9,431,506
Construction in Progress	<u>8,636,549</u>	<u>9,784,704</u>	<u>(1,517,948)</u>	<u>16,903,305</u>
	<u>149,784,859</u>	<u>13,018,082</u>	<u>(1,977,254)</u>	<u>160,825,687</u>
Less Accumulated Depreciation:				
Buildings	79,424,712	3,009,899	-	82,434,611
Machinery and Equipment	7,710,889	770,319	(111,612)	8,369,596
Vehicles	<u>4,774,236</u>	<u>633,972</u>	<u>(322,722)</u>	<u>5,085,486</u>
	<u>91,909,837</u>	<u>\$ 4,414,190</u>	<u>\$ (434,334)</u>	<u>95,889,693</u>
Net Capital Assets	<u>\$ 57,875,022</u>			<u>\$ 64,935,994</u>

GASB Statement No. 34 requires the School District to record capital assets in the financial statements, and to reflect depreciation on its capital assets. The School District's capitalization policy increases the capitalization threshold to \$5,000 for financial reporting purposes. Capital assets below this threshold are now recorded as an expense in the year acquired. Any construction in progress completed during the year has been reclassified to the appropriate capital asset category and reflected as a transfer.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM

Teachers' Retirement System

Plan Description

As an employer, the School District makes contributions to the New York State Teachers' Retirement System (the "System), a cost-sharing, multiple-employer defined benefit pension plan administered by the New York State Teachers' Retirement Board. The System provides retirement, disability and death 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 issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395, or by referring to the System's website at www.nystrs.org.

Funding Policy

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate applicable to member salaries and adopted annually by the Retirement Board. The actuarially determined contribution rate applicable to 2022-23 member salaries was 9.8%. Tier 3 and 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The School District is required to contribute at an actuarially determined rate. The approximate required contributions and contribution percentage rates for the current year and two preceding years were as follows:

	<u>Contribution</u>	<u>Rate</u>
2024	\$ 5,527,668	9.76%
2023	\$ 4,944,101	10.29%
2022	\$ 4,604,970	9.80%

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

Employees' Retirement System

Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds.

The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the New York State and Local Employees' Retirement Systems, 110 State Street, Albany, NY 12244, or by referring to www.state.ny.us/retire/publications/index.php.

Funding Policy

The System is noncontributory except for the employees who joined the System 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 must contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The School District is required to contribute at an actuarially determined rate. The required contributions and contribution percentage rates for the current year and two preceding years were as follows:

	<u>Contribution</u>	<u>Average Rate</u>
2024	\$ 1,482,015	14.60%
2023	\$ 1,329,403	12.32%
2022	\$ 1,831,564	11.40%

The School District's contributions made to the Systems were equal to 100 percent of the contributions required for each year.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****JUNE 30, 2024****7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)***Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2024, the School District reported a liability of \$3,326,054 (TRS) for its proportionate share of the net pension asset/liability. At June 30, 2024, the District reported a liability of \$4,696,790 (ERS) for its proportionate share of the net pension liability. The net pension liability (ERS) was measured as of March 31, 2024 and (TRS) June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportion was .29% for TRS and .03% for ERS.

For the year ended June 30, 2024, the School District recognized pension expense of \$9,296,739 for TRS and \$2,330,958 for ERS.

At June 30, 2024, the School District reported deferred outflows of resources related to pensions from the following sources:

	<u>TRS</u>	<u>ERS</u>	<u>Total Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 8,064,795	\$ 1,512,832	\$ 9,577,627
Changes of assumptions	7,160,895	1,775,751	8,936,646
Net difference between projected and actual earning on pension plan investments	1,700,213	-	1,700,213
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,988	588,862	618,850
School District's contributions subsequent to the measurement date	<u>5,430,546</u>	<u>451,894</u>	<u>5,882,440</u>
	<u>\$ 22,386,437</u>	<u>\$ 4,329,339</u>	<u>\$ 26,715,776</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****JUNE 30, 2024****7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)***Pension Assets, Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

At June 30, 2024, the School District reported deferred inflows of resources related to pensions from the following sources:

	<u>TRS</u>	<u>ERS</u>	<u>Total Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,931	\$ 128,069	\$ 148,000
Changes of assumptions	1,560,678	-	1,560,678
Net difference between projected and actual earnings on pension plan investments	-	2,294,357	2,294,357
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>455,525</u>	<u>53,693</u>	<u>509,218</u>
	<u>\$ 2,036,134</u>	<u>\$ 2,476,119</u>	<u>\$ 4,512,253</u>

The net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2025	\$ 7,135,283	
June 30, 2026	(2,423,793)	
June 30, 2027	14,351,372	
June 30, 2028	2,398,240	
June 30, 2029	280,045	
Thereafter	<u>462,376</u>	
	<u>\$ 22,203,523</u>	
	<u>TRS</u>	<u>ERS</u>
Covered Payroll	<u>\$ 58,440,748</u>	<u>\$ 14,776,857</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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

TRS Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2024. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected salary increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually
Investment rate of return	6.95% compounded annually, net of pension plan investment expense, including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2021, applied on a generational basis.

The June 30, 2022 demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment date and plan performance.

7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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

ERS Actuarial Assumptions

The total pension liability at June 30, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuation were as follows:

Inflation rate	2.9%
Salary increase	4.4%
Projected COLA	1.5%
Investment Rate of Return	5.9%

Annuitant mortality rates are based on April 1, 2015 - April 1, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - April 1, 2020.

Long-Term Expected Rate of Return

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for TRS and ERS are as follows:

<u>Asset Class</u>	<u>TRS</u>	<u>ERS</u>
Domestic equity	6.8%	4.00%
International equity	7.6%	6.65%
Global equities	7.2%	0%
Real estate	6.3%	4.60%
Private equities	10.1%	7.25%
Domestic fixed income securities	2.2%	1.50%
Global fixed income securities	1.6%	0%
Private debt	6.0%	0%
Real estate debt	3.2%	0%
High-yield fixed income securities	4.4%	0%
Cash	.3%	.25%
Opportunistic portfolio	0%	5.25%
Real assets	0%	5.79%
Credit	0%	5.40%

Discount Rate

The discount rate used to calculate the total pension liability was 6.95% for TRS and the local pension liability was 5.9% for ERS. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

7. DUE TO TEACHERS' AND EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

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

Sensitivity of the Proportionate Share of the Net Pension Assets/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 6.95% (TRS) and 5.9% (ERS) 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 or 1 percentage point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Assumption</u>	<u>1%</u> <u>Increase</u>
<u>TRS</u>			
Employers' proportionate share of the net pension asset (liability)	<u>\$ (50,657,485)</u>	<u>\$ (3,326,054)</u>	<u>\$ 36,481,727</u>

<u>ERS</u>			
Employers' proportionate share of the net pension asset (liability)	<u>\$ (14,767,186)</u>	<u>\$ (4,696,790)</u>	<u>\$ 3,714,081</u>

Pension Plan Fiduciary Net Position

The components of the net pension asset (TRS) and liability (ERS) of the employer as of June 30, 2023 and March 31, 2024, respectively, were as follows (in thousands):

	<u>TRS</u>	<u>ERS</u>
Employer's total pension liability	\$ (138,365,122)	\$ (240,696,851)
Plan fiduciary net position	<u>137,221,537</u>	<u>225,972,801</u>
Employers' net pension liability	<u>\$ (1,143,585)</u>	<u>\$ (14,724,050)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	<u>99.20%</u>	<u>93.88%</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

8. POSTEMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

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

Benefits Provided - The School District provides healthcare 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 School District offices and are available upon request.

Employees Covered by Benefit Terms - At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	579
Active employees	<u>780</u>
	<u><u>1,359</u></u>

B. Total OPEB Liability

The School District's total OPEB liability of \$328,541,243 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary Increases, Including Wage Inflation	Varied by years of service and retirement system
Discount Rate	4.21%
Healthcare Cost Trend Rates	6.5% for 2024 decreasing to an ultimate rate of 4.14% by 2026.
Retirees' Share of Benefit-Related Costs	6.5% for 2024 decreasing to an ultimate rate of 4.14% by 2026.

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

8. POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Mortality rates were based on the April 1, 2010 - March 31, 2015 NYSLRA experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period April, 2010 - March 31, 2015.

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$318,140,383</u>
<u>Changes for the Year -</u>	
Service Cost	9,493,240
Interest	13,379,707
Difference between expected and actual experience	(733,986)
Changes in assumptions or other inputs	(4,323,537)
Benefit Payments	<u>(7,414,564)</u>
Net Changes	<u>10,400,860</u>
Balance at June 30, 2024	<u>\$328,541,243</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13 percent in 2023 to 4.21 percent in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21 percent) or 1 percentage point higher (5.21 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 388,968,812</u>	<u>\$ 328,541,243</u>	<u>\$ 280,721,556</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

8. POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Total OPEB Liability (Continued)

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 School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5 percent) or 1 percentage point higher (7.5 percent) than the current healthcare care trend rate:

	<u>1% Decrease</u>	<u>Healthcare Trends (6.5%)</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 272,161,482	\$ 328,541,243	\$ 402,219,770

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$29,964,472. At June 30, 2024, the School District reported deferred inflows and deferred outflows of resources related to OPEB of \$73,464,661 and \$38,770,751, respectively, relating to changes of assumptions or other inputs.

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

<u>Year Ending June 30,</u>	<u>Net Amount of Deferred (Inflows) and Outflows</u>
2025	\$ 8,232,767
2026	(14,314,857)
2027	(13,726,631)
2028	(13,726,631)
2029	(1,158,558)
	<u>\$ (34,693,910)</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

9. INDEBTEDNESS

A. Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes are classified as part of the Capital Projects Fund. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

Interest on short-term debt for the year was \$127,726.

The following is a summary of maturities and interest rates of the School District's short-term note indebtedness:

<u>Type</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest</u>	<u>Outstanding June 30, 2024</u>
Bond Anticipation Note	08/10/2023	08/10/2024	4.50%	\$ 2,625,086
Bond Anticipation Note	12/21/2023	12/21/2024	4.25%	8,487,062
				<u>\$ 11,112,148</u>

B. Long-Term Debt

Serial Bonds and Installment Purchase Debt

The School District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the School District, are recorded in the General Long-Term Debt Account Group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

Interest paid in Governmental Funds	\$ 736,104
Less: interest accrued in the prior year	(413,723)
Plus: interest accrued in the current year	<u>372,705</u>
Total long-term debt interest expense included in the statement of activities	<u>\$ 695,086</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****JUNE 30, 2024****9. INDEBTEDNESS (CONTINUED)****C. Changes**

The following is a summary of changes to the School District's indebtedness during the year ended June 30, 2024:

	<u>Balance, June 30, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Other</u>	<u>Balance, June 30, 2024</u>
Bonds	\$ 20,570,000	\$ -	\$ (1,720,000)	\$ -	\$ 18,850,000
Bond Anticipation Notes	3,974,395	11,112,148	(3,974,395)	-	11,112,148
Operating Leases Payable	174,000	-	-	(99,681)	74,319
Postemployment Benefits	318,140,383	-	-	10,400,860	328,541,243
Net Pension Liability	12,375,806	-	-	(4,352,962)	8,022,844
Compensated Absences	1,825,683	-	-	(45,956)	1,779,727
Workers' Compensation	850,690	-	-	(76,030)	774,660
	<u>\$ 357,910,957</u>	<u>\$ 11,112,148</u>	<u>\$ (5,694,395)</u>	<u>\$ 5,826,231</u>	<u>\$ 369,154,941</u>

Additions and deletions to compensated absences are shown net as it is impractical to determine these amounts separately.

D. Maturity

The following is a summary of maturities and interest rates of the School District's long-term note indebtedness:

	<u>Type</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest</u>	<u>Outstanding June 30, 2024</u>
District-Wide Renovation	Serial Bond	06/10/2014	06/15/2029	2% - 5%	\$ 1,700,000
District-Wide Renovation	Serial Bond	07/02/2018	07/01/2032	5%	7,790,000
District-Wide Renovation	Serial Bond	06/30/2021	06/30/2036	2%	5,350,000
District-Wide Renovation	Serial Bond	06/28/2022	06/28/2037	3.32%	4,010,000
					<u>\$ 18,850,000</u>

Debt service requirements for general obligation bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2024-2025	\$ 1,800,000	\$ 664,795
2025-2026	1,860,000	596,479
2026-2027	1,930,000	524,771
2027-2028	2,005,000	450,082
2028-2029	2,080,000	371,724
2029-2034	7,120,000	838,431
2034-2037	2,055,000	101,710
	<u>\$ 18,850,000</u>	<u>\$ 3,547,992</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

9. INDEBTEDNESS (CONTINUED)

E. Operating Leases Payable

The District leases various equipment from Capital Region BOCES.

Operating leases payable and the related right-of-use assets are as follows:

2025	\$ 75,372
Amount Representing Interest	<u>(1,053)</u>
Long-Term Obligations	<u><u>\$ 74,319</u></u>

10. OTHER

Contingencies and Commitments

Litigation

The School District is a defendant in various legal actions which are pending litigation. Legal counsel has reviewed the contingent liability to the School District for each of these various lawsuits. Legal counsel is of the opinion that the outcome of this litigation will not materially affect the financial position of the School District.

Compensated Absences

The School District does not accrue a liability for accumulating nonvesting sick leave since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 16, the value for accumulating, nonvesting sick leave is considered a contingent liability.

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

Other - Risk Financing and Related Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees and natural disasters. The School District insures through commercial insurance companies for the following:

Health Insurance
Life Insurance
Commercial Property

Settled claims have not exceeded this commercial coverage in any of the past three years.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

10. OTHER (CONTINUED)

Other - Risk Financing and Related Insurance (Continued)

Because of the prohibitive cost of certain insurance, the School District established self-insurance reserves to account for and finance its uninsured risks of loss and associated expenses attributing to unemployment, disability and workers compensation claims and judgements. The School District is represented by third-party administrators who process claim payments. At June 30, 2024, the School District has paid substantially all incurred claims, including incurred but not reported claims, and has provided reserves for potential additional assessments as designations of the School District's general fund equity.

Union Contracts

School District employees are represented by collective bargaining agents. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
Administrators (SCAA)	6/30/2028
Confidential Unit	6/30/2029
CSEA	6/30/2027
District Office Administrators	6/30/2026
SASIE	6/30/2026
SCTA	6/30/2028
Superintendent	6/30/2029
Support Staff Supervisors & Technicians	6/30/2029
Teaching Assistants	6/30/2028
Teamsters	6/30/2026
UPSEU Unit	6/30/2029
School Business Administrator	6/30/2027

11. TAX ABATEMENT

The School District enters into Payment in Lieu of Taxes ("PILOTS") agreements with some local businesses. PILOTS are often included as part of an Industrial Development Agency ("IDA") agreement with a commercial or industrial development for the purpose of attracting or retaining business within their jurisdictions. PILOT agreements normally provide for payments of amount lesser than would have been collected for real estate taxes for a number of years.

For the year ended June 30, 2024, the School District recognized \$949,339 in PILOT revenue under PILOT agreements. Abated property taxes amounted to \$67,289 under this program.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF GENERAL FUND REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 1

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Current Year's Revenue</u>	<u>Over (Under) Revised Budget</u>
Revenue				
Local Sources				
Real Property Taxes and Tax Items	\$ 79,024,957	\$ 79,024,957	\$ 78,915,724	\$ (109,233)
Charges for Services	1,523,776	1,523,776	2,062,204	538,428
Use of Money and Property	602,000	602,000	1,580,744	978,744
Sale of Property and Compensation for Loss	7,000	36,475	100,363	63,888
Miscellaneous	379,663	384,062	644,967	260,905
State Aid				
Basic Formula	30,206,063	30,206,063	28,374,663	(1,831,400)
Lottery Aid	5,236,021	5,236,021	7,434,574	2,198,553
BOCES Aid	1,351,222	1,351,222	1,815,211	463,989
Textbooks	295,000	295,000	296,551	1,551
All Other Aid:				
Computer Software and Hardware Aid, Library Aid, Tuition and Transportation for Students with Disabilities, and Homeless Incarcerated Youth Aid	569,000	569,000	528,066	(40,934)
Federal Aid	<u>100,000</u>	<u>100,000</u>	<u>103,896</u>	<u>3,896</u>
Total Revenue	119,294,702	119,328,576	121,856,963	2,528,387
Other Sources				
Interfund Transfer	<u>-</u>	<u>-</u>	<u>29,924</u>	<u>29,924</u>
Total Revenue and Other Sources	119,294,702	119,328,576	<u>\$ 121,886,887</u>	<u>\$ 2,558,311</u>
Appropriated Fund Balance	<u>2,900,000</u>	<u>3,035,932</u>		
Total Revenue and Appropriated Fund Balance	<u>\$ 122,194,702</u>	<u>\$ 122,364,508</u>		

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF GENERAL FUND REVENUE AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 1 (Continued)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
Expenditures					
General Support					
Board of Education	\$ 89,600	\$ 104,100	\$ 90,393	\$ -	\$ 13,707
Central Administration	286,650	296,650	294,916	-	1,734
Finance	1,059,050	1,045,614	1,019,282	-	26,332
Staff	757,406	750,971	671,078	-	79,893
Central Services	7,738,495	7,856,133	7,191,736	60,108	604,289
Special Items	1,085,400	1,097,636	1,077,871	-	19,765
Instruction					
Administration and Improvement	3,199,060	3,617,549	3,563,190	-	54,359
Teaching - Regular School Program for Children with Handicapping Conditions	38,366,881	38,962,962	38,525,839	35,571	401,552
English as a New Language	17,441,164	16,901,411	15,876,289	-	1,025,122
Occupational Education	1,212,500	1,215,300	1,083,854	-	131,446
Teaching - Special Schools	461,835	461,835	457,164	-	4,671
Instructional Media	849,392	871,992	842,481	-	29,511
Pupil Services	2,475,919	2,495,561	2,257,902	25,271	212,388
	5,269,668	5,319,766	4,863,206	265	456,295
Pupil Transportation	5,131,588	4,953,013	4,538,172	46,373	368,468
Community Services	89,000	89,000	67,013	-	21,987
Employee Benefits	32,506,880	31,905,801	30,650,870	-	1,254,931
Debt Service					
BANS/Bonds - Principal	2,987,310	2,987,310	2,987,310	-	-
BANS/Bonds - Interest	865,104	865,104	863,830	-	1,274
Leases - Principal	56,800	76,800	76,534	-	266
Total Expenditures	121,929,702	121,874,508	116,998,930	167,588	4,707,990
Other Uses					
Interfund Transfer	265,000	490,000	465,116	-	24,884
Total Expenditures and Other Uses	<u>\$ 122,194,702</u>	<u>\$ 122,364,508</u>	<u>117,464,046</u>	<u>\$ 167,588</u>	<u>\$ 4,732,874</u>
Excess of Revenue Over Expenditures			<u>\$ 4,422,841</u>		

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Schedule 2 June 30, 2018</u>
Measurement date							
Total OPEB liability:							
Service cost	\$ 9,493,240	\$ 9,719,501	\$ 14,531,480	\$ 14,143,119	\$ 9,018,883	\$ 5,399,096	\$ 5,622,419
Interest	13,379,707	11,101,387	8,424,388	8,407,414	9,999,511	8,012,193	7,310,155
Changes in benefit terms	-	(823,648)	-	(3,838,125)	-	(3,246,772)	-
Difference between expected and actual experience	(733,986)	17,533,724	(584,544)	(12,919,333)	(769,294)	(1,058,574)	-
Changes of assumptions or other inputs	(4,323,537)	(19,743,192)	(87,391,960)	9,389,997	77,736,605	71,123,974	(10,305,558)
Benefit payments	<u>(7,414,564)</u>	<u>(6,991,991)</u>	<u>(6,209,279)</u>	<u>(5,751,412)</u>	<u>(5,374,302)</u>	<u>(6,602,881)</u>	<u>(3,833,765)</u>
Net change in total OPEB liability	10,400,860	10,795,781	(71,229,915)	9,431,660	90,611,403	73,627,036	(1,206,749)
Total OPEB liability, beginning of year	<u>318,140,383</u>	<u>307,344,602</u>	<u>378,574,517</u>	<u>369,142,857</u>	<u>278,531,454</u>	<u>204,904,418</u>	<u>206,111,167</u>
Total OPEB liability, end of year	<u>\$ 328,541,243</u>	<u>\$ 318,140,383</u>	<u>\$ 307,344,602</u>	<u>\$ 378,574,517</u>	<u>\$ 369,142,857</u>	<u>\$ 278,531,454</u>	<u>\$ 204,904,418</u>
Covered payroll	<u>\$ 66,226,371</u>	<u>\$ 61,101,782</u>	<u>\$ 57,996,773</u>	<u>\$ 54,642,523</u>	<u>\$ 56,809,683</u>	<u>\$ 50,235,623</u>	<u>\$ 54,881,820</u>
Total OPEB liability as a percentage of covered payroll	<u>496.10%</u>	<u>520.7%</u>	<u>529.9%</u>	<u>692.82%</u>	<u>649.8%</u>	<u>554.5%</u>	<u>373.36%</u>

Note: 10 years of historical information will not be available upon implementation in 2021. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION ASSETS/LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 3

TRS	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension asset (liability)	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	0.27%	0.27%	0.27%
Proportionate share of net pension asset (liability)	\$ 3,376,054	\$ (5,464,669)	\$ 49,333,796	\$ (7,840,863)	\$ 7,252,883	\$ 5,072,762	\$ 2,112,390	\$ (2,916,304)	\$ 28,363,415	\$ 30,484,992
Covered payroll	\$ 58,440,748	\$ 55,412,086	\$ 49,935,411	\$ 47,860,653	\$ 47,435,862	\$ 44,025,339	\$ 46,445,788	\$ 44,742,882	\$ 42,658,297	\$ 41,410,521
Proportionate share of net pension asset (liability) as a percentage of covered payroll	5.7%	9.9%	98.8%	16.4%	15.3%	11.5%	4.5%	6.5%	66.5%	73.6%
Plan fiduciary net position as a percentage of total pension asset (liability)	99.2%	98.6%	113.2%	97.8%	102.2%	101.53%	100.66%	99.0%	110.5%	111.5%
ERS	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
District's proportion of the net pension asset (liability)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%
Proportionate share of net pension asset (liability)	\$ 4,696,790	\$ (6,911,137)	\$ 2,682,025	\$ (32,199)	\$ (8,676,804)	\$ (2,431,869)	\$ (1,102,642)	\$ (3,119,651)	\$ (5,708,433)	\$ (1,258,397)
Covered payroll	\$ 14,776,857	\$ 14,108,496	\$ 15,046,478	\$ 14,060,689	\$ 15,378,454	\$ 13,328,068	\$ 11,603,429	\$ 10,888,417	\$ 10,496,685	\$ 11,105,861
Proportionate share of net pension liability as a percentage of covered payroll	31.8%	49.0%	17.8%	0.20	56.4%	18.2%	9.5%	28.7%	54.4%	11.3%
Plan fiduciary net position as a percentage of total pension liability	93.90%	90.78%	103.65%	99.95%	86.39%	96.27%	98.0%	94.7%	90.6%	98.4%

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION PLANS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 4

TRS	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 5,527,668	\$ 4,944,101	\$ 4,604,970	\$ 4,267,142	\$ 4,948,728	\$ 4,478,164	\$ 5,161,433	\$ 5,571,397	\$ 7,190,636	\$ 6,569,084
Contributions in relation to the contractually required contribution	5,527,668	4,944,101	4,604,970	4,267,142	4,948,728	4,478,164	5,161,433	5,571,397	7,190,636	6,569,084
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered-employee payroll	\$ 58,440,748	\$ 55,412,086	\$ 49,935,411	\$ 47,860,653	\$ 47,435,862	\$ 44,025,339	\$ 46,445,788	\$ 44,742,882	\$ 42,658,297	\$ 41,411,521
Contributions as a percentage of covered-employee payroll	9.5%	8.9%	9.2%	8.9%	10.4%	10.2%	11.1%	12.5%	16.9%	15.9%
ERS	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Contractually required contribution	\$ 1,482,015	\$ 1,328,531	\$ 1,831,599	\$ 1,720,892	\$ 1,721,720	\$ 1,730,314	\$ 1,703,253	\$ 1,657,027	\$ 1,916,083	\$ 2,120,334
Contributions in relation to the contractually required contribution	1,482,015	1,328,531	1,831,599	1,720,892	1,721,720	1,730,314	1,703,253	1,657,027	1,916,083	2,120,334
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered-employee payroll	\$ 14,776,857	\$ 14,108,496	\$ 15,046,478	\$ 14,060,689	\$ 15,378,454	\$ 13,328,068	\$ 11,603,429	\$ 10,888,417	\$ 10,496,685	\$ 11,105,801
Contributions as a percentage of covered-employee payroll	10.0%	9.4%	12.2%	12.2%	11.2%	13.0%	14.7%	15.2%	18.3%	19.1%

OTHER SUPPLEMENTARY INFORMATION

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 5

Change from Adopted Budget to Revised Budget

Adopted Budget	\$ 122,194,702
Add: Prior Year's Encumbrances	<u>135,932</u>
Original Budget	122,330,634
Budget Revision:	
Miscellaneous	<u>33,874</u>
Final Budget	<u><u>\$ 122,364,508</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget	<u><u>\$ 128,785,118</u></u>
Maximum allowed (4% of 2024-25 budget)	<u><u>\$ 5,151,405</u></u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 3,758,588
Unassigned fund balance	<u>4,960,980</u>
Total unrestricted fund balance	<u>8,719,568</u>

Less:	
Appropriated fund balance	3,591,000
Encumbrances included in assigned fund balance	<u>167,588</u>
Total adjustments	<u>3,758,588</u>

General Fund Fund Balance Subject to §1318 of Real Property Tax Law	<u><u>\$ 4,960,980</u></u>
---	----------------------------

Actual percentage	<u><u>3.85%</u></u>
-------------------	---------------------

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2024

Schedule 6

Project Title	Expenditures to Date*				Unexpended (Overexpended) Balance
	Original Appropriation	Revised Appropriation	Prior Year	Current Year	
Buses	\$ 1,318,000	\$ 1,318,000	\$ -	\$ 1,317,950	\$ 50
Smart Schools Bond Act	2,051,700	1,251,700	944,337	102,218	205,145
Colonie Central High School	276,108	4,134,107	3,281,427	848,472	4,208
Sand Creek	140,476	1,319,530	1,175,062	143,904	564
Veeder	9,688	72,769	62,516	3,045	7,208
Lisa Kill A/C and Floor Capital Outlay	100,000	100,000	99,976	24	-
Colonie High School Main Cafeteria	100,000	100,000	-	100,000	-
Next Generation- Transportation Department	244,715	2,321,572	2,064,285	141,950	115,337
Next Generation- Colonie High School	3,008,794	8,188,185	580,080	1,421,526	6,186,579
Next Generation- Lisha Kill Middle School	706,959	730,567	146,653	307,800	276,114
Next Generation- Sand Creek Middle School	487,913	500,760	96,358	213,092	191,310
Next Generation- Forest Park Elementary	108,426	110,667	20,659	47,354	42,654
Next Generation- Roesleville Elementary	162,638	165,874	30,989	71,031	63,854
Next Generation- Shaker Road Elementary	623,445	638,780	122,182	272,285	244,313
Next Generation- Veeder Elementary	27,107	29,550	6,860	11,838	10,852
Next Generation- Saddlewood Elementary	27,107	27,855	5,165	11,838	10,852
EPC Project - Colonie High School	2,769,941	2,769,941	-	1,573,174	1,196,767
EPC Project - Lisha Kill Middle School	639,163	639,163	-	380,587	258,576
EPC Project - Veeder Elementary	717,765	717,765	-	517,274	200,491
EPC Project - Saddlewood Elementary	377,462	377,462	-	259,473	117,989
EPC Project - Shaker Road Elementary	499,025	499,025	-	343,848	155,177
EPC Project - Forest Park Elementary	514,957	514,957	-	367,428	147,529
EPC Project - Sand Creek Middle School	1,020,424	1,020,424	-	678,165	342,259
EPC Project - Roesleville Elementary	315,451	315,451	-	193,269	122,182
EPC Project - DO	232,874	232,874	-	49,732	183,142
Next Generation - Transportation Department	2,405,402	2,405,402	-	408,918	1,996,484
	<u>\$ 18,885,540</u>	<u>\$ 30,502,380</u>	<u>\$ 8,636,549</u>	<u>\$ 9,786,195</u>	<u>\$ 12,079,636</u>

*Includes interfund transfers

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 7

Capital Assets, Net	\$ 64,935,994
----------------------------	----------------------

Deduct:

Short-term portion of bonds payable	\$ 1,800,000	
Long-term portion of bonds payable	17,050,000	
Short-term bond anticipation notes payable	11,112,148	
Unamortized bond premium	<u>1,194,646</u>	<u>31,156,794</u>

Investment in Capital Assets, Net of Related Debt	<u>\$ 33,779,200</u>
--	-----------------------------

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 8

	Extraclassroom Activity <u>Funds</u>	Trust Endowment <u>Funds</u>	<u>Total</u>
Assets:			
Cash	<u>\$ 229,541</u>	<u>\$ 130,318</u>	<u>\$ 359,859</u>
Fund Balance:			
Assigned	<u>\$ 229,541</u>	<u>\$ 130,318</u>	<u>\$ 359,859</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 9

	Extraclassroom Activity <u>Funds</u>	Trust Endowment <u>Funds</u>	<u>Total</u>
Revenues:			
Contributions	\$ 182,167	\$ 35,998	\$ 218,165
Interest	<u>-</u>	<u>1,155</u>	<u>1,155</u>
Total Revenues	<u>182,167</u>	<u>37,153</u>	<u>219,320</u>
Expenditures:			
Program Expense	<u>178,038</u>	<u>41,265</u>	<u>219,303</u>
Excess (Deficiency) of Revenue Over Expenditures	4,129	(4,112)	17
Fund Balance, Beginning of Year	<u>225,412</u>	<u>134,430</u>	<u>359,842</u>
Fund Balance, End of Year	<u><u>\$ 229,541</u></u>	<u><u>\$ 130,318</u></u>	<u><u>\$ 359,859</u></u>

FEDERAL AWARD PROGRAM INFORMATION

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACK.CPA
WWW.CUSACK.CPA

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
South Colonie Central School District
Albany, 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 of the South Colonie Central School District ("the District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the South Colonie Central School District's basic financial statements, and have issued our report thereon dated October 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Colonie Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the South Colonie Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Colonie 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Colonie 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 8, 2024

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACK.CPA
WWW.CUSACK.CPA

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
South Colonie Central School District
Albany, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the South Colonie Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the South Colonie Central School District's major federal programs for the year ended June 30, 2024. The South Colonie Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the South Colonie 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the South Colonie Central School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the South Colonie Central School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the South Colonie Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Colonie Central School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the South Colonie Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the South Colonie Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the South Colonie Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the South Colonie Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 8, 2024

SOUTH COLONIE CENTRAL SCHOOL DISTRICT***SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS******FOR THE YEAR ENDED JUNE 30, 2024***

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing/ CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Passed Through New York State Education Department:				
Child Nutrition Cluster:				
Food Distribution	10.553-10.555	Not Applicable	Not Applicable	174,939
Summer Food Service Program for Children	10.559	Not Applicable	Not Applicable	<u>1,435,350</u>
Total U.S. Department of Agriculture Passed Through New York State Education Department				<u>1,610,289</u>
<u>U.S Department of Education</u>				
Passed Through New York State Education Department:				
Title I Part D Delinquent Youth	84.010	0016-23-0030	Not Applicable	474
Title I	84.010	0021-23-0030	Not Applicable	15,020
Title I Part D Delinquent Youth	84.010	0016-24-0030	Not Applicable	87,819
Title I	84.010	0021-24-0030	Not Applicable	689,416
Title II Part A	84.367	0147-23-0030	Not Applicable	19,198
Title II Part A	84.367	0147-24-0030	Not Applicable	113,993
Title III Part A	84.365	0293-23-0030	Not Applicable	11,699
Title III Part A	84.365	0293-24-0030	Not Applicable	22,610
Title IV Part A	84.424	0204-24-0030	Not Applicable	49,566
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (COVID - ESSER II)	84.425D	5891-21-0030	Not Applicable	34,078
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (COVID - GEER II)	84.425C	5896-21-0030	Not Applicable	713
American Rescue Plan Act (ESSER Part 2)	84.425U	5880-21-0030	Not Applicable	812,255
American Rescue Plan Act (ESSER 5% Lost Instruction)	84.425U	5884-21-0030	Not Applicable	178,178
American Rescue Plan Act (ESSER 1% After School)	84.425U	5883-21-0030	Not Applicable	79,652
American Rescue Plan Act (Homeless Children and Youth - Part 1)	84.425W	5212-21-3114	Not Applicable	5,267
American Rescue Plan Act (Homeless Children and Youth - Part 2)	84.425W	5218-21-0030	Not Applicable	2,890
Universal Pre-K, ARPA	84.425U	5870-24-9269	Not Applicable	156,600
Special Education Cluster:				
IDEA Part B Section 611 PL 94-142	84.027	0032-24-0021	Not Applicable	1,340,177
IDEA Pre-School Section 619 PL 99-457	84.173	0033-24-0021	Not Applicable	<u>47,459</u>
Total U.S Department of Education Passed Through New York State Education Department				<u>3,667,064</u>
Total Federal Assistance				<u>\$ 5,277,353</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the School District, which is described in Note 1 to the School District's accompanying financial statements, using the modified accrual basis of accounting. 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, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 School 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 from each program, which are reconciled with the School District's financial reporting system.

2. SCOPE OF THE AUDIT PURSUANT TO THE UNIFORM GUIDANCE

South Colonie Central School District is a tax-exempt local government entity. All federal grant operations of the School District are included in the scope of the Single Audit.

3. SUBRECIPIENTS/LOAN OR LOAN GUARANTEES

No amounts were provided to subrecipients and there were no loans or loan guarantees at year end.

4. FEDERAL REVENUE RECONCILIATION

Total Federal Revenue Per Fund Financial Statement

General Fund	\$ 103,896
Special Aid Fund	3,667,064
School Lunch Fund	<u>1,610,289</u>
	5,381,249
Less: General Fund Medicaid Revenue	<u>(103,896)</u>

Total Federal Revenue Per Schedule of Expenditures of Federal Awards	<u>\$ 5,277,353</u>
---	---------------------

5. INDIRECT COST RATE

The School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The School District's indirect cost rate is established by the New York State Education Department.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- “Going Concern” explanatory paragraph included in audit report? Yes ✖ No
- Significant deficiency(ies) disclosed? Yes ✖ None reported
- Significant deficiency(ies) reported as a material weakness(es)? Yes ✖ No
- Noncompliance material to financial statements? Yes ✖ No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified? Yes ✖ No
- Significant deficiency(ies) reported for any major programs as a material weakness(es)? Yes ✖ No
- Any known questioned costs reported? Yes ✖ No

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.515(d)(2)? Yes ✖ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Clusters</u>
84.010	Title I
84.425	Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ✖ Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings or matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or matters were reported.

SECTION IV – RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

No findings or matters were reported.

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Current Year Audit Findings:

None

Prior Year Audit Findings:

None

EXTRAClassroom Activity Fund

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACK.CPA
WWW.CUSACK.CPA

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
South Colonie Central School District
Albany, New York

Opinion

We have audited the accompanying financial statements of South Colonie Central School District Extraclassroom Activity Funds ("South Colonie's Extraclassroom Activity Funds"), which comprise the statement of assets and fund balance-cash basis as of June 30, 2024, and the related statement of cash receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Colonie's Extraclassroom Activity Funds as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with the cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Colonie's Extra Classroom Activity Funds and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Colonie's Extraclassroom Activity Funds ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 South Colonie's Extraclassroom Activity Funds internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Colonie's Extraclassroom Activity Funds ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 8, 2024

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF ASSETS AND FUND BALANCES RESULTING FROM CASH TRANSACTIONS
JUNE 30, 2024

ASSETS

Cash - Checking Account - Colonie Central High School	\$ 118,270
Cash - Checking Account - Lisha Kill Middle School	61,070
Cash - Checking Account - Sand Creek Middle School	<u>50,201</u>
Total Assets	<u>\$ 229,541</u>

FUND BALANCES

Fund Balances	<u>\$ 229,541</u>
---------------	-------------------

SOUTH COLONIE CENTRAL SCHOOL DISTRICT***EXTRACLASSROOM ACTIVITY FUNDS******STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS******FOR THE YEAR ENDED JUNE 30, 2024***

Colonie Central High School Extraclassroom Accounts	Balance June 30, 2023	Receipts 2023-2024	Disbursements 2023-2024	Balance June 30, 2024
Art Club	\$ 556	\$ 221	\$ -	\$ 777
Band	1,784	-	280	1,504
Best Buddies	-	1,471	-	1,471
Black Student Union	473	-	87	386
Chamber Singers	82	66	-	148
CHAMP (Athletic Media)	932	874	232	1,574
Class of 2022	416	-	416	-
Class of 2024	6,804	-	6,819	(15)
Class of 2025	2,059	5,462	-	7,521
Class of 2026	2,620	5,213	-	7,833
Class of 2027	-	1,826	-	1,826
DECA	500	-	500	-
ECO Club	402	-	-	402
FBLA	-	929	-	929
Global Diversity Club	-	186	-	186
Graphics Club	-	345	-	345
GSA Pride	945	198	-	1,143
Hoja/Step	125	-	125	-
Key Club	2,893	895	565	3,223
Line and Cue	20,579	6,340	5,757	21,162
National Honor Society	2,623	1,020	385	3,258
NYS Sales Tax	(1,512)	-	-	(1,512)
Rougeter	50,553	9,487	10,360	49,680
Orchestra	1,427	-	1,069	358
Science Club	170	-	-	170
Student Advisory Committee	7,039	-	1,641	5,398
Student Senate Clubs	23,626	-	13,715	9,911
Women's Empowerment Club	-	592	-	592
	<u>\$ 125,096</u>	<u>\$ 35,125</u>	<u>\$ 41,951</u>	<u>\$ 118,270</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
EXTRAClassroom Activity Funds
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

<u>Lisha Kill Middle School</u> <u>Extraclassroom Accounts</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Receipts</u> <u>2023-2024</u>	<u>Disbursements</u> <u>2023-2024</u>	<u>Balance</u> <u>June 30, 2024</u>
Drama Club	\$ 22,026	\$ 7,647	\$ 8,139	\$ 21,534
School Store	3,836	2,312	3,146	3,002
Student Council	32,849	54,332	52,195	34,986
Yearbook	<u>3,086</u>	<u>1,480</u>	<u>3,018</u>	<u>1,548</u>
	<u>\$ 61,797</u>	<u>\$ 65,771</u>	<u>\$ 66,498</u>	<u>\$ 61,070</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
EXTRAClassroom Activity Funds
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

<u>Sand Creek Middle School</u> <u>Extraclassroom Accounts</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Receipts</u> <u>2023-2024</u>	<u>Disbursements</u> <u>2023-2024</u>	<u>Balance</u> <u>June 30, 2024</u>
Art Club	\$ 825	\$ -	\$ 48	\$ 777
Drama Club	9,986	36,917	25,883	21,020
Engineering Club	216	-	-	216
Greenhouse Club	5,168	-	-	5,168
Student Council	20,173	43,828	43,636	20,365
Yearbook	<u>2,151</u>	<u>526</u>	<u>22</u>	<u>2,655</u>
	<u>\$ 38,519</u>	<u>\$ 81,271</u>	<u>\$ 69,589</u>	<u>\$ 50,201</u>

SOUTH COLONIE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTE TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the South Colonie Central School District. Consequently, such transactions are included in the Other Special Revenue Funds of the School District.

The books and records of the South Colonie Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenue is recognized when cash is received and expenditures recognized when cash is disbursed.

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACK.CPA
WWW.CUSACK.CPA

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

October 8, 2024

To the Audit Committee
South Colonie Central School District
Albany, New York

We have audited the financial statements of the governmental activities, of South Colonie Central School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by South Colonie Central School District is described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to South Colonie Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as South Colonie Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis on pages 1-13 and other schedules on pages 54-58, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information on pages 59-63 which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period,

and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of South Colonie School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

FORM OF BOND COUNSEL'S OPINION

July 9, 2025

South Colonie Central School District
Albany and Schenectady Counties
State of New York

Re: South Colonie Central School District, Albany and Schenectady Counties, New York
\$75,717,062 Bond Anticipation Notes, 2025 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$75,717,062 Bond Anticipation Notes, 2025 Series A (the "Obligation"), of the South Colonie Central School District, Albany and Schenectady Counties, New York (the "Obligor"), dated July 9, 2025, numbered 1, of the denomination of \$75,717,062, bearing interest at the rate of ____% per annum, payable at maturity, and maturing July 9, 2026.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation. Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

FORM OF BOND COUNSEL'S OPINION

July 9, 2025

South Colonie Central School District
Albany and Schenectady Counties
State of New York

Re: South Colonie Central School District, Albany and Schenectady Counties, New York
\$4,185,291 Bond Anticipation Notes, 2025 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$4,185,291 Bond Anticipation Notes, 2025 Series B (the "Obligation"), of the South Colonie Central School District, Albany and Schenectady Counties, New York (the "Obligor"), dated July 9, 2025, numbered 1, of the denomination of \$4,185,291, bearing interest at the rate of ____% per annum, payable at maturity, and maturing July 9, 2026.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation. Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP