PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 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. For tax years beginning after December 31, 2022, 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 be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$8,487,062

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

ALBANY AND SCHENECTADY COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$8,487,062 Bond Anticipation Notes, 2023

(the "Notes")

Dated: December 21, 2023 **Due: December 20, 2024**

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 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 which is or includes $7,062. 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 December 21, 2023.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on December 6, 2023 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

November 30, 2023

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

2023-2024 BOARD OF EDUCATION

BRIAN CASEY
President

STEPHANIE COGAN
Vice President

ROSE GIGLIELLO
CHRISTOPHER LARRABEE
DAVID KIEHLE
THOMAS BLAKLEY
ROBERT MESICK
JAMES T. RYAN
MICHAEL KEANE

* * * * * * * * *

ADMINISTRATION

DAVID PERRY
Superintendent

JACQLENE 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.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

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

Relating To

$8,487,062 Bond Anticipation Notes, 2023

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 $8,487,062 principal amount of Bond Anticipation Notes, 2023 (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.

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

NATURE OF 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 December 21, 2023 and will mature December 20, 2024. 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

A $1,400,000 portion of the 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 and a bond resolution duly adopted by the Board of Education on June 28, 2022 authorizing the issuance of $1,900,000 bonds for the purchase of approximately 14 acres of real property for the construction of a bus garage for the District's bus fleet, bus parking and storage for the District's operation and maintenance equipment and other school district improvements.

A $1,400,000 portion of the proceeds of the Notes, along with $500,000 available funds of the District will partially redeem and renew $1,900,000 bond anticipation notes maturing on December 22, 2023.

A $7,087,062 portion of the 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 and a bond resolution duly adopted by the Board of Education on October 3, 2023 authorizing the issuance of $7,500,000 bonds for the installation of energy efficiencies in all District buildings.

A $7,087,062 portion of the proceeds of the Notes will provide new monies for the installation of energy efficiencies.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination which is or includes $7,062. 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.

Banking services are provided by KeyBank, N.A., among others.

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, Russell Sage and St. Rose. 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 38,723

(Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates)

Larger Employers

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

Name	Type	Approximate Number of Employees
State of New York	Municipal Government	50,000
Golub Co. (Price Chopper)	Retail & Restaurants	17,000
Albany Medical Center	Healthcare	16,000
St. Peter's Health Partners	Healthcare	11,000
United States Government	Government	6,600

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.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Towns of:						
Colonie	$ 25,231	$ 35,075	$ 44,510	$ 62,649	$ 85,418	$111,321
Guilderland	29,508	38,039	49,721	68,472	99,529	121,524
Niskayuna	33,257	42,570	52,037	79,539	103,619	141,919
Counties of:						
Albany	23,345	30,863	40,997	56,724	76,159	101,947
Schenectady	21,992	27,500	35,747	53,670	70,712	92,034
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Source: U.S. Census Bureau 2000 Report, and 2006-2010 and 2017-2021 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.

Annual Averages

	2016	2017	2018	2019	2020	2021	2022
Albany County	4.1%	4.2%	3.7%	3.5%	6.9%	4.4%	3.0%
Schenectady County	4.4	4.5	4.0	3.7	7.7	4.9	3.3
New York State	4.9	4.6	4.1	3.8	9.9	6.9	4.3

2023 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Albany County	3.5%	3.2%	2.9%	2.3%	2.4%	3.0%	3.0%	3.3%	3.0%	3.3%
Schenectady County	3.7	3.5	3.1	2.5	2.9	3.1	3.1	3.4	3.2	3.5
New York State	4.6	4.5	4.0	3.7	3.8	4.2	4.1	4.4	4.0	4.4

Note: Unemployment rates for the month of November of 2023 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 2022-23 fiscal year was approved by qualified voters of the District on May 17, 2022 by a vote of 1,418 to 418. The District's adopted budget for the 2022-23 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 2.42% which is below the District's tax levy limit of 2.93%.

The school budget vote for the 2023-24 fiscal year was approved by qualified voters of the District on May 16, 2023 by a vote of 1,124 to 322. The District's adopted budget for the 2023-24 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 1.99% which is below the District's tax levy limit of 2.19%.

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 2023-24 fiscal year, approximately 31.6% 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”).

Federal Aid Received by the State

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

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

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

Building Aid

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

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 2023-24 preliminary building aid ratios, the District expects to receive State building aid of approximately 67.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

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

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these federal funds, State aid in the school district fiscal year 2020-2021 was expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were to be allocated to expand full-day kindergarten programs. Under the budget, school districts were to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments were to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and to receive a 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 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School District fiscal year (2023-2024): The State's 2023-24 Enacted Budget includes $34.5 billion for school aid, an increase of $3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a $2.6 billion increase in Foundation Aid, fully funding the program since 2009-2010. The State's 2023-24 Enacted Budget provides $134 million to increase access to free school meals. An additional $20 million in grant funding will establish new Early College High School and Pathways in Technology 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 will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments.

The final phase-in of foundation aid as originally projected has not occurred as of this date. But see "*School district fiscal year (2021-22)*" and "*School district fiscal year (2022-23)*" herein and the following paragraph.

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

Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available on the following page.

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2018-2019	$ 98,979,203	$ 23,604,773	23.85%
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 (Budgeted)	119,294,702	37,657,306	31.57

Source: 2019 through 2023 audited financial statements and 2023-2024 adopted budget of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
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

School Year	Actual Enrollment	School Year	Projected Enrollment
2019-20	4,671	2024-25	4,822
2020-21	4,671	2025-26	4,819
2021-22	4,806	2026-27	4,857
2022-23	4,910	2027-28	4,880
2023-24	4,992	2028-29	4,880

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

Source: District officials.

Employees

The District employs a total of approximately 958 full and part-time employees with representation by various unions as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
477	South Colonie Teachers' Association	June 30, 2028
90	South Colonie Teachers' Association – Teaching Assistants	June 30, 2024
208	South Colonie Civil Service Employees' Association	June 30, 2027
10	United Public Service Employees	June 30, 2024
455[(1)]	School Alliance of Substitutes in Education	June 30, 2028
23	South Colonie Administrators' Association	June 30, 2028
20	South Colonie Support Staff Supervisors	June 30, 2024
114	Teamsters Local 294	June 30, 2026
11	Confidential Employees	June 30, 2024
3	South Colonie District Office Administrators	June 30, 2026
1	Business Administrator/District Treasurer	June 30, 2026
1	Public Information Specialist	June 30, 2024
1	Superintendent	June 30, 2027

(1) Presently on the District's "On-Call" list of 455 total substitutes: 179 certified teachers and 276 uncertified teachers.

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. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

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

Year	ERS	TRS
2018-2019	$ 1,730,314	$ 4,478,164
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 (Budgeted)	1,950,000	5,425,000

Source: 2019 through 2023 audited financial statements and 2023-24 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 and 2022-2023 fiscal year. The District is not planning on offering an early retirement incentive for 2023-2024.

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 (2020 to 2024) is shown below:

Year	ERS	TRS
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	16.1	10.29
2023-24	13.1	9.76

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 June 30, 2023 is $1,300,554.

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, 2022 and 2023.

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

Balance beginning at June 30:	2021	2022
Changes for the year:	$ 378,574,517	$ 307,344,602
Service cost	14,531,480	9,719,501
Interest	8,424,388	11,101,387
Differences between expected and actual experience	(584,544)	17,533,724
Changes in assumptions or other inputs	(87,391,960)	(19,743,192)
Changes of benefit terms	-	(823,648)
Benefit payments	(6,209,279)	(6,991,991)
Net Changes	$ (71,229,915)	$ 10,795,781
Balance ending at June 30:	2022	2023
	$ 307,344,602	$ 318,140,383

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.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would have allowed the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there were no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the fiscal year ending June 30, 2023 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.

The State Comptroller’s office released an audit report of the District on April 3, 2020. The purpose of the audit was to determine if District officials accurately allocated personnel costs between District and State grant activities for the period July 1, 2018 through October 31, 2019.

<u>Audit Results:</u>

The State Comptroller’s Office reviewed the salary and benefit payments for the 14 District employees in the teacher center tracing District-related personnel costs to collective bargaining agreements (CBAs) and teacher center personnel costs to supporting teacher center activity records, accrual lists, time requests, substitute lists and the District’s policy. Except for minor discrepancies, which were discussed with District officials, the State Comptroller’s Office found teacher center personnel costs of $434,790 were supported, properly allocated and accurately reported as teacher center costs.

The State Comptroller’s Office reviewed the salary and benefit payments for the eight individuals working in the Pre-K program by tracing personnel costs to CBAs and payroll records. It was found that total personnel costs of $745,262, of which $358,384 was funded using general fund money, were adequately supported and properly allocated.

Personnel costs were properly allocated between District and State grant activities. There were no recommendations as a result of this audit.

The District provided a complete response to the State Comptroller’s office on March 10, 2020. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The State Comptroller’s office released an audit report of the District on September 12, 2018. The purpose of the audit was to determine whether the ten school districts that were audited provide physical education (“PE”) classes consistently with the regulations of the Commissioner of the New York State Education Department (“SED”) for the period July 1, 2016 through June 30, 2017.

<u>Key Findings:</u>

- None of the districts fully complied with PE requirements mandated by State Education Law and regulations. As a result, not all students are receiving the minimum PE required. Nine of the ten districts audited did not provide an adequate amount of PE to students in grades K-4 (including the District), and seven did not do so for grade 5.
- None of the districts audited had developed a PE plan that met SED Commissioner’s regulation requirements.
- Seven districts did not file a PE plan with SED, as required.
- Five Boards of Education did not approve their district’s PE plan, as required.

Key Recommendations:

- Develop and institute a PE program to ensure that: students receive the minimum required amount of PE, and the PE plan addresses all requirements in the Commissioner's regulations.

A copy of the complete report and response can be found on the website of The Office of the New York State Comptroller.

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.

As of the date of this Official Statement, there are no State Comptroller's audits of the District that are currently in progress or pending release.

New York State Education Department Report of Examination

The New York State Education Department conducted an audit of the District's Individuals with Disabilities Education Act (IDEA) grants and issued a report on April 2, 2019.

Key Findings:

- District's procurement/purchasing policy includes required conflict of interest provision. However, the District does not have written procedures to accompany the conflict of interest policy provision.
- District's procurement policy and procedures submitted for review did not include written procedures or supporting documentation to meet compliance requirement for Uniform Grant Guidance Appendix II Contract provisions.
- District submitted documentation for its written procedures for allowability of Subpart E cost principles. However, documentation did not address all applicable allowable cost subpart E cost principles considerations, including but not limited to, appropriate citation of pertinent Uniform Grant Guidance regulations and required supporting documentation for each IDEA grant budgetary expenditure to ensure compliance with §200.302 (b)(7).
- District documentation for IDEA grant expenditures for equipment and high-risk items did not contain all required information required for compliance with §200.313.

Key Recommendations:

- The District should establish and implement conflict of interest written procedures to accompany its conflict of interest policy. Additionally, district should complete comprehensive review of district's written procurement/purchasing and procedures to ensure compliance with current Uniform Grant Guidance regulatory requirements.
- The District should establish written policy provisions or procedures that ensure compliance with Uniform Grant Guidance Appendix II Contract Provisions 2 CFR §200.326.
- District should revise written procedures to include sufficient reference, regulatory source citation with required supporting documentation details to ensure all Uniform Grant Guidance compliance requirements for each of the IDEA grant budgetary accounts are included to ensure compliance with 2 CFR §200.302 (b)(7). Written procedures such as required per 2 CFR Part 200 by 200.302 (b)(7) are not a reiteration of the federal requirements or the policies or goals. Rather, procedures are the steps that are necessary to be in compliance with the federal requirement.
- The District should review and update internal controls and written procedures for physical inventory for IDEA grant expenditures for equipment and high-risk items to ensure compliance with §200.302 (b)(7) and §200.313.

Additionally, the New York State Education Department conducted an administrative review of the District's Child Nutrition Program and issued a report on May 23, 2019.

Key Findings:

- An Alternate Sampling Method was used when the SFA did not meet the criteria required to use an alternate process as specified by the SY 2018-2019 booklet.
- Meals offered at Roessleville Elementary School did not contain sufficient quantities of vegetables for the week chosen as shown by the menu and production sheets provided.

Corrective Action:

- The SFA will use the error prone sampling method to conduct verification, unless they appear on attachment H.
- The SFA will ensure that each required component is offered in the minimum required quantities (Basic Meal Pattern). SFA will also ensure crediting documentation is maintained to indicate the meal pattern is being followed.

Source: District officials.

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:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	6.7
2021	No Designation	6.7
2020	No Designation	13.3

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

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Colonie	$ 2,381,696,485	$ 2,396,902,089	$ 2,405,461,863	$ 2,413,258,637	$ 2,423,022,851
Niskayuna	396,939,452	397,928,195	398,349,116	397,847,137	398,210,784
Guilderland	3,577,747	3,578,350	3,579,727	3,577,329	3,813,885
Total Assessed Values	$ 2,782,213,684	$ 2,798,408,634	$ 2,807,390,706	$ 2,814,683,103	$ 2,825,047,520
State Equalization Rates					
Towns of:					
Colonie	62.50%	61.00%	59.00%	55.75%	51.00%
Niskayuna	100.00%	100.00%	96.00%	89.00%	79.00%
Guilderland	100.00%	100.00%	100.00%	91.00%	85.00%
Taxable Full Valuations					
Towns of:					
Colonie	$ 3,810,714,376	$ 3,929,347,687	$ 4,077,054,005	$ 4,328,715,044	$ 4,751,025,198
Niskayuna	396,939,452	397,928,195	414,946,996	447,019,255	504,064,284
Guilderland	3,577,747	3,578,350	3,579,727	3,931,131	4,486,924
Total Taxable Full Valuation	$ 4,211,231,575	$ 4,330,854,232	$ 4,495,580,728	$ 4,479,132,003	$ 5,259,576,405

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Towns of:					
Colonie	$ 27.25	$ 27.99	$ 28.12	$ 28.71	$ 29.09
Niskayuna	17.07	17.08	17.28	17.99	18.78
Guilderland	17.07	17.08	16.59	17.59	17.45

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

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy (1)	$ 65,469,124	$ 67,860,911	$ 68,937,979	$ 71,013,209	$ 72,870,923
Amount Uncollected (2)	2,021,600	2,177,589	1,965,169	2,095,535	N/A
% Uncollected	3.09%	3.21%	2.85%	2.95%	N/A

(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, unaudited estimates for the 2022-23 fiscal year and budgeted figures for the 2023-24 fiscal year comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Tax
2018-2019	$ 98,979,203	$ 71,998,474	72.74%
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	76,531,478	67.93
2023-2024 (Budgeted)	119,294,702	78,072,027	65.44

Source: 2019 through 2023 audited financial statements and 2023-24 budgeted figures of the District. This table is not audited.

Larger Taxpayers 2023 for 2023-2024 Tax Roll

Name	Type	Taxable Assessed Valuation
KRE Colonie Owner, LLC (1)	Shopping Center	$ 52,000,000
G&I IX Empire Mohawk Common	Office Buildings	50,700,000
Niagara Mohawk Power Corporation	Utilities	36,217,015
Northway Mall Properties (2)	Shopping Center	20,300,000
Highbridge Development BR LLC. (3)	Shopping Center	16,010,000
Sand Creek Associates.	Apartment Complex	15,013,400
Picotte Development Co.(4)	Office Buildings	12,688,000
Shaker Run Apartments, Inc.	Apartment Complex	10,958,700
Corporate Woods Partners	Office Buildings	10,532,000
1892 Central Avenue	Apartment Complex	10,054,500

(1) KRE Colonie Owner, LLC has filed a tax certiorari requesting a reduced assessment of $4,800,000 for 2023. The refund potential is $139,609 if successful.

(2) 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.

(3) Highbridge Development BR LLC has filed a tax certiorari requesting a reduced assessment of $14,010,000 for 2020, 2021, 2022 and 2023. The refund potential is approximately $239,198, 239,271, 255,942, and 251,819 respectively if successful.

(4) Picotte Development Co. has filed a tax certiorari requesting a reduced assessment of $12,965,000 for 2023. The refund potential is approximately $195,434 respectively if successful.

At this time, the District does not anticipate full reductions but does have tax certiorari reserve in place in the amount $423,285 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 $234,473,615, which represents approximately 8.30% of the tax base of the District for the 2023-2024 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 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 $90,550 or less in 2021-22 or $92,050 or less in 2022-23, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first $70,700 for the 2021-22 school year and the first $74,900 for the 2022-23 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 2022-23 Enacted State Budget provides $2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

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

Towns of:	**Enhanced Exemption**	**Basic Exemption**	**Date Certified**
Colonie	$ 45,380	$ 16,730	4/6/2023
Guilderland	74,070	27,300	4/6/2023
Niskayuna	72,450	26,700	4/6/2023

$5,535,498 of the District’s $76,446,110 school tax levy for the 2022-2023 fiscal year was exempted by the STAR Program. The District received full reimbursement from such exempt taxes in January 2023.

Approximately $5,550,000 of the District’s $78,072,027 school tax levy for the 2023-2024 fiscal year is expected to be exempted by the STAR Program. The District anticipates full reimbursement from such exempt taxes in January 2024.

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 $4,200 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

Fiscal Years Ending June 30th:	2019	2020	2021	2022	2023
Bonds	$ 20,110,000	$ 17,220,000	$ 20,295,000	$ 22,845,000	$ 20,570,000
Bond Anticipation Notes	1,983,279	2,562,188	8,906,060	1,642,841	3,974,395
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 22,093,279	$ 19,782,188	$ 29,201,060	$ 24,487,841	$ 24,544,395

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of November 30, 2023.

Type of Indebtedness	Maturity	Amount
Bonds	2024-2037	$ 19,790,000
Bond Anticipation Notes		
Purchase of Property	December 22, 2023	1,900,000 (1)
Purchase of School Buses	August 19, 2024	2,625,086
	Total Indebtedness	$ 24,315,086,

(1) To be partially redeemed and renewed with the proceeds of the Notes and $500,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of November 30, 2023:

Full Valuation of Taxable Real Property			$5,259,576,405
Debt Limit 10% thereof			525,957,640
Inclusions:			
Bonds	$ 19,790,000		
Bond Anticipation Notes	3,125,086		
Principal of This Issue	8,487,062		
Total Inclusions		$ 31,402,148	
Exclusions:			
State Building Aid (1)	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 31,402,148
Net Debt-Contracting Margin			$ 494,555,492
The percent of debt contracting power exhausted is			5.97%

(1) Based on preliminary 2023-2024 building aid estimates, the District anticipates State Building aid of 67.1% 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. <u>This table does not include District lease purchases which do count toward the debt limit. See "Other Obligations" herein.</u>

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. The proceeds of the Notes along with $500,000 available funds of the County will fully redeem and renew the outstanding $1,900,000 bond anticipation notes.

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. The District anticipates issuing serial bonds and/or bond anticipation notes based on the cash flow needs of the project. The proceeds of the Notes will provide $7,087,062 in new monies for the energy performance contract.

On May 16, 2023 the qualified voters of the District approved a $1,318,000 proposition for a school bus replacement plan to purchase 8 school buses of various sizes. Purchase includes six 66-passenger buses, one 18/3 wheelchair bus, and one 42-passenger bus. On Augusts 10, 2023 the District issued $2,625,086 bond anticipation notes to partially redeem and renew outstanding bond anticipation notes for the purchase of buses and provide $1,318,000 new monies for the purchase of buses.

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 contracted Santander Leasing LLC for a lease purchase of a Kubota Tractor over a 4 year period beginning with first payment December 7, 2021 and ending December 7, 2024 at a total cost of $86,941.96.

Source: District officials.

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Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Albany	12/31/2021	$ 293,995,000	$ -	$ 293,995,000	14.53%	$ 42,717,474
Schenectady	12/31/2021	88,560,000	-	88,560,000	4.07%	3,604,392
Town of:						
Colonie	12/31/2021	117,538,789	36,195,371	81,343,418	38.80%	31,561,246
Guilderland	12/31/2021	10,306,439	4,729,337	5,577,102	0.07%	3,904
Niskayuna	12/31/2021	45,863,560	-	45,863,560	15.32%	7,026,297
Village of:						
Colonie	5/31/2022	-	-	-	100.00%	-
					Total:	$ 84,913,313

(1) Bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

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

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 and 2022.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of November 30, 2023:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 31,402,148	$ 810.94	0.60%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	116,315,461	3,003.78	2.21

(a) The current estimated population of the District is 38,723. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2023-2024 fiscal year is $5,259,576,405. (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 $84,913,313. (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.

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

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

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the 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. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

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 approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" 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 <u>not</u> rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto), 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: Anjelieeque 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.

The District's Bond Counsel contact information is as follows: Douglas E. Goodfriend, Esq., Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, 15th Floor, New York, New York 10019-6142, Phone: (212) 506-5211, Fax: (212) 506-5151, Email: dgoodfriend@orrick.com.

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

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

Dated: November 30, 2023

BRIAN CASEY
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 10,604,655	$ 8,810,343	$ 10,050,303	$ 11,227,235	$ 13,581,325
Restricted Cash	7,091,514	5,650,262	6,187,923	7,188,562	8,565,398
State and Federal Aid Receivables	1,675,433	1,367,826	1,692,873	1,606,631	2,019,540
Due from Other Governments	20,567	17,650	16,182	9,511	8,088
Other Receivables	707,781	706,096	571,222	488,392	629,613
Due from Other Funds	2,721,397	2,487,667	2,440,758	2,475,757	1,699,738
Inventories	-	-	-	-	-
TOTAL ASSETS	$ 22,821,347	$ 19,039,844	$ 20,959,261	$ 22,996,088	$ 26,503,702
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 279,933	$ 550,960	$ 778,663	$ 563,369	$ 1,445,988
Accrued Liabilities	-	-	-	-	-
Accrued Expenses	-	787,322	838,798	221,123	952,835
Agency Payroll Liabilities	-	-	391,518	413,257	425,927
Due to Other Funds	786,277	-	-	-	-
Due to Other Governments	23,503	7,207	116,237	27,656	2,150
Due to Retirement Systems	5,582,192	4,935,847	5,378,997	5,717,980	6,581,826
Other Liabilities	513,360	-	-	-	-
Deferred Revenues	97,316	6,873	11,920	6,479	258,490
TOTAL LIABILITIES	$ 7,282,581	$ 6,288,209	$ 7,516,133	$ 6,949,864	$ 9,667,216
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted					
Capital Reserve	2,151,848	1,403,673	1,503,818	2,103,973	2,005,159
Other	153,116	153,284	153,300	153,316	253,402
Unemployment & Disability Insurance	46,867	46,918	46,923	46,928	46,954
Workers' Compensation	529,858	380,293	380,333	380,372	380,578
Tax Certiorari	612,190	612,860	650,000	750,067	423,285
Reserve for Benefit Liability	3,550,051	418,875	818,919	819,003	1,519,464
Insurance Claims	47,584	47,636	47,641	47,646	47,672
Reserve for Retirement Contributions	-	2,586,723	2,586,990	2,887,257	3,888,884
Reserve for Administration Liability	-	-	-	-	-
Assigned	4,254,105	3,934,876	3,113,504	3,196,756	3,035,932
Unassigned	4,193,147	3,166,497	4,141,700	5,660,906	5,235,156
TOTAL FUND EQUITY	15,538,766	12,751,635	13,443,128	16,046,224	16,836,486
TOTAL LIABILITIES and FUND EQUITY	$ 22,821,347	$ 19,039,844	$ 20,959,261	$ 22,996,088	$ 26,503,702

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:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 70,064,670	$ 64,173,309	$ 65,394,698	$ 67,699,881	$ 75,568,215
Other Real Property Tax Items	-	7,825,165	7,348,331	7,057,528	-
Charges for Services	1,783,033	2,032,281	1,822,042	1,591,349	1,408,487
Use of Money & Property	313,702	610,863	423,524	68,953	189,044
Sale of Property and Compensation for Loss	36,442	54,824	179,852	3,361	76,454
Miscellaneous	543,365	389,811	560,445	555,344	696,248
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,823,538	23,604,773	24,054,328	23,961,446	26,242,942
Revenues from Federal Sources	162,183	288,177	162,550	801,970	202,183
Total Revenues	$ 95,726,933	$ 98,979,203	$ 99,945,770	$ 101,739,832	$ 104,383,573
Other Sources:					
Interfund Transfers	-	6,320	252,644	290,356	184,088
Total Revenues and Other Sources	95,726,933	98,985,523	100,198,414	102,030,188	104,567,661
EXPENDITURES					
General Support	$ 8,135,063	$ 8,366,342	$ 9,050,480	$ 8,786,787	$ 8,837,135
Instruction	55,450,286	55,739,462	57,598,707	56,791,704	57,760,172
Pupil Transportation	3,831,965	3,821,195	3,844,803	3,624,412	4,235,544
Community Services	487,069	565,033	65,591	29,048	66,753
Employee Benefits	24,275,892	25,729,539	26,091,823	26,202,751	26,768,622
Debt Service	4,250,696	4,295,527	4,763,949	4,941,225	3,567,261
Total Expenditures	$ 96,430,971	$ 98,517,098	$ 101,415,353	$ 100,375,927	$ 101,235,487
Other Uses:					
Interfund Transfers	580,000	267,958	1,570,192	962,768	729,078
Total Expenditures and Other Uses	97,010,971	98,785,056	102,985,545	101,338,695	101,964,565
Excess (Deficit) Revenues Over Expenditures	(1,284,038)	200,467	(2,787,131)	691,493	2,603,096
Other Changes in Fund Equity					
Project Close-Out	(10,398)	-	-	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	16,632,735	15,338,299	15,538,766	12,751,635	13,443,128
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 15,338,299	$ 15,538,766	$ 12,751,635	$ 13,443,128	$ 16,046,224

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:	2023 Adopted Budget	2023 Modified Budget	2023 Actual	2024 Adopted Budget
REVENUES				
Real Property Taxes	$ 76,477,346	$ 77,413,709	$ 70,570,260	$ 78,072,027
Other Real Property Tax Items	936,363	-	6,471,860	952,930
Charges for Services	1,129,930	1,771,956	1,995,803	2,023,776
Use of Money & Property	99,000	149,000	1,220,969	102,000
Sale of Property and Compensation for Loss	-	7,500	91,215	386,663
Miscellaneous	1,001,526	319,369	950,941	-
Interfund Revenues	-	-	-	-
Revenues from State Sources	30,270,774	30,270,774	30,884,620	37,657,306
Revenues from Federal Sources	150,000	150,000	159,188	100,000
Total Revenues	$ 110,064,939	$ 110,082,308	$ 112,344,856	$ 119,294,702
Other Sources:				
Interfund Transfers	293,946	293,946	325,053	-
Total Revenues and Other Sources	110,358,885	110,376,254	112,669,909	119,294,702
EXPENDITURES				
General Support	$ 10,003,194	$ 10,522,508	$ 10,200,837	$ 11,016,601
Instruction	62,784,215	63,920,927	62,105,453	69,276,419
Pupil Transportation	4,692,407	4,799,519	4,498,831	5,131,588
Community Services	86,000	84,000	68,940	89,000
Employee Benefits	31,437,124	29,543,029	28,293,642	32,506,880
Debt Service	3,921,945	3,996,595	3,905,985	3,909,214
Total Expenditures	$ 112,924,885	$ 112,866,578	$ 109,073,688	$ 121,929,702
Other Uses:				
Project Close Out	-	-	-	-
Interfund Transfers	534,000	706,432	2,805,959	265,000
Total Expenditures and Other Uses	113,458,885	113,573,010	111,879,647	122,194,702
Excess (Deficit) Revenues Over Expenditures	(3,100,000)	(3,196,756)	790,262	(2,900,000)
FUND BALANCE				
Fund Balance - Beginning of Year	3,100,000	3,196,756	16,046,224	2,900,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 16,836,486	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	$ 1,720,000	$ 736,103.50	$ 2,456,103.50
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	$ 20,570,000	$ 4,284,095.50	$ 24,854,095.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	$4,155,000 2014 DASNY 6/15 Principal	12/15 & 6/15 Interest	Total
2024	$ 305,000	$ 71,037.50	$ 376,037.50
2025	320,000	55,787.50	375,787.50
2026	330,000	46,187.50	376,187.50
2027	340,000	35,462.50	375,462.50
2028	350,000	24,412.50	374,412.50
2029	360,000	12,600.00	372,600.00
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
TOTAL	$ 2,005,000	$ 245,487.50	$ 2,250,487.50

Fiscal Year Ending June 30th	$10,940,000 2018 DASNY 6/15 Principal	12/15 & 6/15 Interest	Total
2024	$ 780,000	$ 409,000.00	$ 1,189,000.00
2025	825,000	368,875.00	1,193,875.00
2026	865,000	326,625.00	1,191,625.00
2027	905,000	282,375.00	1,187,375.00
2028	950,000	236,000.00	1,186,000.00
2029	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	$ 8,570,000	$ 2,072,250.00	$ 10,642,250.00

Fiscal Year Ending June 30th	$6,500,000 2021 Capital Project 6/15 Principal	12/15 & 6/15 Interest	Total
2024	$ 390,000	$ 114,800.00	$ 504,800.00
2025	400,000	107,000.00	507,000.00
2026	405,000	99,000.00	504,000.00
2027	415,000	90,900.00	505,900.00
2028	425,000	82,600.00	507,600.00
2029	430,000	74,100.00	504,100.00
2030	440,000	65,500.00	505,500.00
2031	450,000	56,700.00	506,700.00
2032	460,000	47,700.00	507,700.00
2033	470,000	38,500.00	508,500.00
2034	475,000	29,100.00	504,100.00
2035	485,000	19,600.00	504,600.00
2036	495,000	9,900.00	504,900.00
2037	-	-	-
TOTAL	$ 5,740,000	$ 835,400.00	$ 6,575,400.00

Fiscal Year Ending June 30th	$4,500,000 2022 Capital Project 6/15 Principal	12/15 & 6/15 Interest	Total
2024	$ 245,000	$ 141,266.00	$ 386,266.00
2025	255,000	133,132.00	388,132.00
2026	260,000	124,666.00	384,666.00
2027	270,000	116,034.00	386,034.00
2028	280,000	107,070.00	387,070.00
2029	290,000	97,774.00	387,774.00
2030	300,000	88,146.00	388,146.00
2031	305,000	78,186.00	383,186.00
2032	315,000	68,060.00	383,060.00
2033	325,000	57,602.00	382,602.00
2034	335,000	46,812.00	381,812.00
2035	345,000	35,690.00	380,690.00
2036	360,000	24,236.00	384,236.00
2037	370,000	12,284.00	382,284.00
TOTAL	$ 4,255,000	$ 1,130,958.00	$ 5,385,958.00

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 aforedescribed 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.

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

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2023

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, 2023

PRESIDENT, BOARD OF EDUCATION

APPROVED BY
BOARD OF EDUCATION
10-3-2023

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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, 2023. 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 $21,960,727 or 9.1%. The decrease is primarily attributable to the net impact of the postemployment benefit adjustment;

- Governmental revenues increased $8.2 million to $124.1 million or 7.1%;

- The District has received AA3 bond rating from Moodys; 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.

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

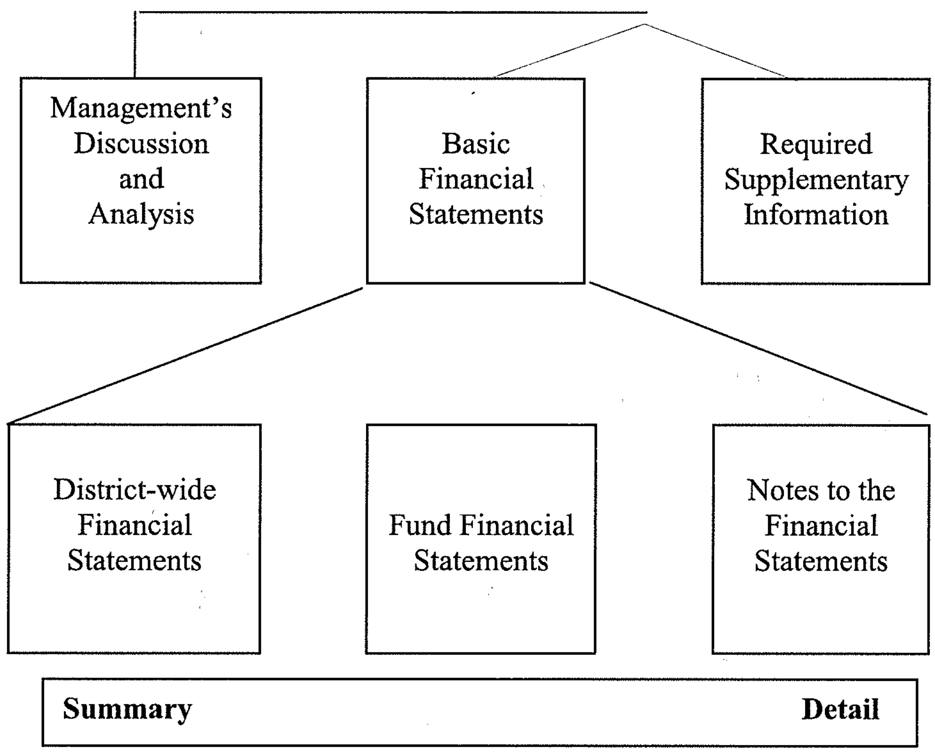


Table A-2 Summarizes the major features of the District's financial statements, including the portion of the District's activities covered and the types of information contained. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each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

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

	Entity-wide Statements	Fund Financial Statements
Description		Governmental
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	• Statement of Net Position • Statement of Activities	• 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.

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 and capital project funds. Required statements are the Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balances.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position computed in accordance with GASB No. 34 decreased $21.9 million, or 9.1%, to a deficit of 263.2 million in 2023 as detailed in Tables A-3 and A-4.

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

	Fiscal Year 2023	Fiscal Year 2022
Current Assets	$ 31,301	$ 30,680
Net Pension Assets	-	52,016
Noncurrent and Capital Assets, Net of Depreciation	66,540	62,598
Total Assets	97,841	145,294
Deferred Outflows of Resources	100,103	109,482
Current Liabilities	16,240	12,055
Long-Term Liabilities	353,435	331,557
Total Liabilities	369,675	343,612
Deferred Inflows of Resources	91,446	152,380
Net Position		
Investment in Capital Assets, Net of Related Debt	32,013	26,316
Restricted for Reserves	8,565	7,589
Unassigned (Deficit)	(303,755)	(275,121)
Total Net Position	$ (263,177)	$ (241,216)

CHANGES IN NET POSITION

The District's total fiscal year 2023 revenue totaled $124.1 million as compared to $115.9 million for 2022 (See Table A-4). Property taxes and state formula aid accounted for most of the District's revenue by contributing approximately 87.0% of every dollar raised for 2023 (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 $146.1 million for fiscal year 2023 as compared to $127.8 million for fiscal year 2022. These expenditures are predominately related to general instruction (77.7%) and student support services and transporting students (5.2%) (See Table A-6). The District's administrative, business and operating activities accounted for 11.9% of total costs.

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

	Fiscal Year 2023	Fiscal Year 2022
Revenue		
Program Revenue		
Charges for Services	$ 2,983	$ 1,656
Operating Grants	10,398	10,973
General Revenue		
Property Taxes	77,042	75,568
State Formula Aid	30,884	26,242
Investment Earnings	1,222	189
Other	1,590	1,314
Total Revenue	124,119	115,942
Expenditures		
Instruction	113,605	99,843
Pupil Transportation	7,587	6,709
Administration, Business and Operations	17,423	14,040
Other, Including Depreciation	7,465	7,173
Total Expenditures	146,080	127,765
Decrease in Net Position	$ (21,961)	$ (11,823)

Table A-5: Sources of Revenue for Fiscal Year 2023

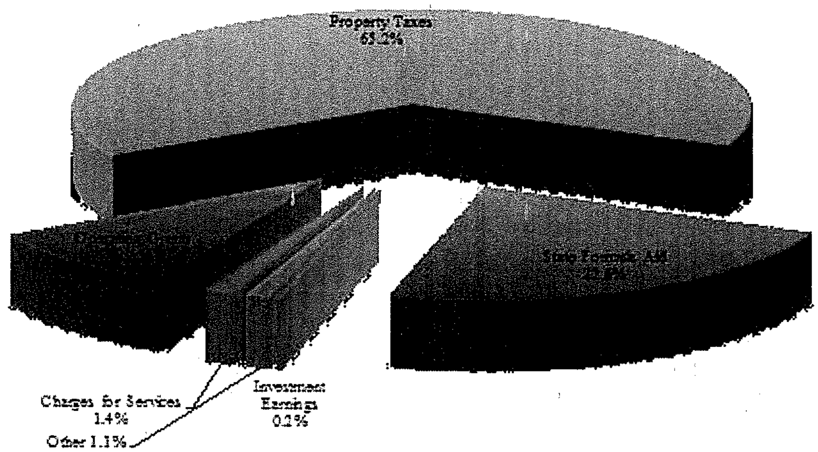
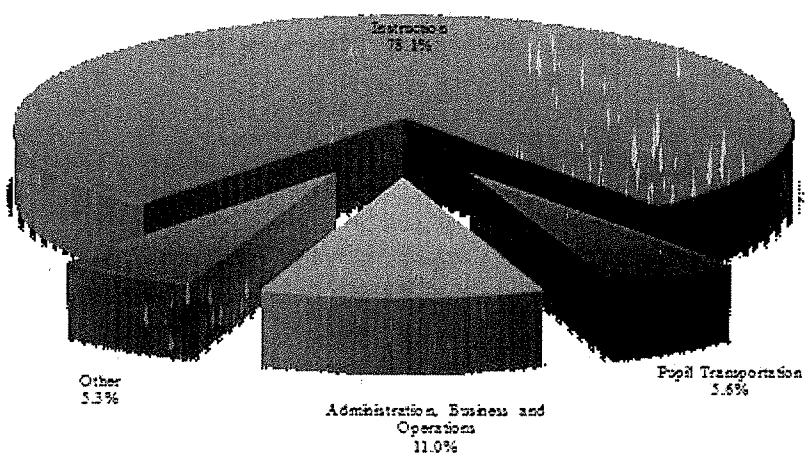


Table A-6: Expenditures for Fiscal Year 2023



GOVERNMENTAL ACTIVITIES

Revenue for the District's governmental activities totaled $124.1 million while total expenditures equaled $146.1 million in 2023. Therefore, the decrease in net position for governmental activities was $21.9 million in 2023. 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)

	Fiscal Year 2023		Fiscal Year 2022	
Category	**Total Cost**	**Net Cost**	**Total Cost**	**Net Cost**
Instruction	$ 113,605	$ 102,888	$ 99,843	$ 90,325
Pupil Transportation	7,587	7,466	6,709	6,618
Administration, Business and Operations	17,423	17,423	14,040	14,040
Other	7,465	4,922	7,173	4,152
Total	$ 146,080	$ 132,699	$ 127,765	$ 115,135

The cost of all governmental activities in 2023 was $146.1 (Statement of Activities-Expenditures column).

- The users of the District's programs financed some of the cost ($3.0 million) in 2023 (Statement of Activities-Charges for Services and Sales column).

- In 2023, the federal and state governments subsidized certain programs with grants and contributions ($10.4 million) (Statement of Activities-Operating Grants column).

- Most of the District's net costs ($130.0 million) were financed by District taxpayers and state and federal aid in 2023 (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 $790,262 and increased by $2,603,096 in 2023 and 2022, respectively. The school lunch fund equity increased by $345,548 and increased by $946,491 in 2023 and 2022, respectively. The capital projects fund equity decreased by $5,438,465 and increased by $5,790,957 in 2023 and 2022, 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 2023. The original budget was amended to include encumbrances carried over from the prior year of $96,756. Amendments totaling $17,369 for miscellaneous items increased miscellaneous revenue.

No other budgetary variances are considered to be significant during fiscal year 2023.

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 2023 and 2022:

Table A-8: Capital Assets
(in Thousands)

Category	Fiscal Year-End 2023	Fiscal Year-End 2022
Land and Land Improvements	$ 1,992	$ 1,992
Buildings	119,791	119,678
Machinery and Equipment	11,031	9,524
Vehicles	8,333	7,773
Construction in Progress	8,637	1,742
Total	$ 149,784	$ 140,709

Long-Term Debt

At fiscal year-end 2023 and 2022, the District had $20.6 and $22.8 million, respectively, in general obligation bonds outstanding. More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements. During fiscal years ended 2023 and 2022, the District paid down its debt, retiring $2.3 and $1.9 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

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 Ms. Colleen Gizzi (July 2022-October 2022) Mr. Michael Keane Mr. James (Tim) Ryan Mr. Thomas Blakley (May 2023-June 2023)
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

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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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of South Colonie Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise 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 South Colonie Central School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereto 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 fully 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 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 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 opinions. 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 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 statement.

- 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 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 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, budgetary comparison information, the schedules of funding progress - other postemployment benefit plans, proportionate share of net pension asset/liability and district contributions - pension plans on pages 1-13 and 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Colonie Central School District's basic financial statements. The accompanying other supplementary information on pages 53-57 and the schedule of expenditures of federal awards on page 63, 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 2, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 2, 2023

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Unrestricted Cash	$	18,353,298
Restricted Cash		8,565,398
State and Federal Aid Receivable		3,645,605
Due from Other Governments		8,088
Other Receivables - Net		636,094
Inventories		92,175
Total Current Assets		31,300,658
Noncurrent Assets:		
Depreciable Capital Assets - Net		47,246,017
Non-depreciable Capital Assets		10,629,005
Right of Use Assets		174,000
Due from Health Insurance Consortium		8,491,099
Total Noncurrent Assets		66,540,121
Total Assets		97,840,779
Deferred Outflows of Resources:		
Related to Pensions		34,146,207
Related to OPEB		65,957,238
Total Deferred Outflows of Resources		100,103,445
Total Assets and Deferred Outflows of Resources	$	197,944,224
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)		
Current Liabilities:		
Accounts Payable	$	1,648,853
Bond Anticipation Notes		3,974,395
Current Portion of Bonds Payable		1,720,000
Current Portion of Operating Leases Payable		99,681
Accrued Interest Payable		413,723
Due to Other Governments		2,183
Due to Retirement Systems		6,581,826
Accrued Expenses		967,915
Agency Payroll Liabilities		425,927
Unearned Revenue		405,490
Total Current Liabilities		16,239,993
Noncurrent Liabilities:		
Bonds Payable		18,850,000
Operating Leases Payable		74,319
Postemployment Benefits		318,140,383
Workers' Compensation		850,690
Proportionate Share of Net Pension Liability		12,375,806
Compensated Absences		1,825,683
Unamortized Bond Premium		1,317,975
Total Noncurrent Liabilities		353,434,856
Total Liabilities		369,674,849
Deferred Inflows of Resources:		
Related to Pensions		2,944,340
Related to OPEB		88,502,100
Total Deferred Inflows of Resources		91,446,440
Net Position (Deficit):		
Invested in Capital Assets, Net of Related Debt		32,012,652
Restricted for Reserves		8,565,398
Unassigned Deficit		(303,755,115)
Total Net Position (Deficit)		(263,177,065)
Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	$	197,944,224

		Program Revenue		Net (Expenditures) Revenue and Change in Net Position
Functions/Programs	**Expenditures**	**Charges for Services and Sales**	**Operating Grants**	
General Support	$ 17,422,568	$ -	$ -	$ (17,422,568)
Instruction	113,605,476	1,995,803	8,721,085	(102,888,588)
Pupil Transportation	7,586,837	-	120,322	(7,466,515)
Community Services	113,233	-	-	(113,233)
Debt Service - Interest	789,926	-	-	(789,926)
Cost of Cafeteria Sales	2,197,708	986,938	1,556,318	345,548
Depreciation - Unallocated	4,364,478	-	-	(4,364,478)
Total Functions and Programs	$ 146,080,226	$ 2,982,741	$ 10,397,725	(132,699,760)
General Revenue				
Real Property Taxes				77,042,120
Use of Money and Property				1,221,623
Sale of Property and Compensation for Loss				91,215
Miscellaneous				1,340,267
State Aid				30,884,620
Federal Aid				159,188
Total General Revenue				110,739,033
Change in Net Position				(21,960,727)
Net Position (Deficit) - Beginning of Year				(241,216,338)
Net Position (Deficit) - End of Year				$ (263,177,065)

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Special Aid	School Lunch	Capital Projects	Other Special Revenue	Total Governmental Funds
Assets						
Unrestricted Cash	$ 13,581,325	$ 441,641	$ 1,964,017	$ 2,006,473	$ 359,842	$ 18,353,298
Restricted Cash	8,565,398	-	-	-	-	8,565,398
State and Federal Aid Receivable	2,019,540	1,526,197	99,868	-	-	3,645,605
Due From Other Governments	8,088	-	-	-	-	8,088
Other Receivables, Net	629,613	6,437	44	-	-	636,094
Due From Other Funds	1,699,738	-	-	-	-	1,699,738
Inventories	-	-	92,175	-	-	92,175
Total Assets	$ 26,503,702	$ 1,974,275	$ 2,156,104	$ 2,006,473	$ 359,842	$ 33,000,396
Liabilities						
Accounts Payable	$ 1,445,988	$ 165,400	$ 10,714	$ 26,751	$ -	$ 1,648,853
Bond Anticipation Notes	-	-	-	3,974,395	-	3,974,395
Due to Other Funds	-	1,698,151	-	1,587	-	1,699,738
Due to Other Governments	2,150	-	33	-	-	2,183
Due to Retirement Systems	6,581,826	-	-	-	-	6,581,826
Accrued Expenses	952,835	8,151	6,929	-	-	967,915
Agency Payroll Liabilities	425,927	-	-	-	-	425,927
Unearned Revenue	258,490	102,573	44,427	-	-	405,490
Total Liabilities	9,667,216	1,974,275	62,103	4,002,733	-	15,706,327
Fund Balance						
Nonspendable:						
Inventories	-	-	92,175	-	-	92,175
Restricted:						
Workers Compensation Reserve	380,578	-	-	-	-	380,578
Unemployment Insurance Reserve	46,954	-	-	-	-	46,954
Reserve for Retirement Contributions	3,888,884	-	-	-	-	3,888,884
Insurance Reserve	47,672	-	-	-	-	47,672
Reserve for Tax Certiorari	423,285	-	-	-	-	423,285
Reserve for Employee Benefit Accrued Liability	1,519,464	-	-	-	-	1,519,464
Capital Reserve	2,005,159	-	-	-	-	2,005,159
Other Restricted Fund Balance	253,402	-	-	-	-	253,402
Total Restricted Fund Balance	8,565,398	-	-	-	-	8,565,398
Assigned:						
Encumbrances	135,932	-	-	-	-	135,932
Designated for Subsequent Year's Expenditures	2,900,000	-	-	-	359,842	3,259,842
Total Assigned Fund Balance	3,035,932	-	-	-	359,842	3,395,774
Unassigned	5,235,156	-	2,001,826	(1,996,260)	-	5,240,722
Total Fund Balance	16,836,486	-	2,094,001	(1,996,260)	359,842	17,294,069
Total Liabilities and Fund Balance	$ 26,503,702	$ 1,974,275	$ 2,156,104	$ 2,006,473	$ 359,842	$ 33,000,396

TOTAL BALANCES FOR GOVERNMENTAL FUNDS	$ 17,294,069
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Right of Use Assets	174,000
Operating Lease Payable	(174,000)
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.	57,875,022
Bonds payable are long term liabilities and are not reported in the governmental funds statements.	(20,570,000)
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.	(1,317,975)
Workers' Compensation liabilities are long-term liabilities and are not reported in the governmental funds statement	(850,690)
Compensated absences are long-term liabilities and are not reported in the governmental funds statement.	(1,825,683)
Interest payable at June 30, 2023 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.	(413,723)
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.	(340,685,245)
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.	18,826,061
Long-term receivable due from health insurance consortium.	8,491,099
Net Position (Deficit) of Governmental Activities	$ (263,177,065)

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	Special Aid	School Lunch	Capital Projects	Other Special Revenue	Total Governmental Funds
Revenue						
Real Property Taxes	$ 70,570,260	$ -	$ -	$ -	$ -	$ 70,570,260
Other Real Property Tax Items	6,471,860	-	-	-	-	6,471,860
Charges for Services	1,995,803	-	-	-	-	1,995,803
Use of Money and Property	1,220,969	-	-	-	654	1,221,623
Sale of Property and Compensation for Loss	91,215	-	-	-	-	91,215
Miscellaneous	950,941	187,451	9,612	43,436	272,896	1,464,336
State Aid	30,884,620	1,812,017	37,084	-	-	32,733,721
Federal Aid	159,188	6,798,503	1,519,234	-	-	8,476,925
Sales	-	-	977,326	-	-	977,326
Total Revenue	112,344,856	8,797,971	2,543,256	43,436	273,550	124,003,069
Other Sources						
Interfund Transfers	325,053	312,432	-	2,493,527	-	3,131,012
Total Revenue and Other Sources	112,669,909	9,110,403	2,543,256	2,536,963	273,550	127,134,081
Expenditures						
General Support	10,200,837	105,181	-	-	256,049	10,562,067
Instruction	62,105,453	8,263,569	721,050	-	-	71,090,072
Pupil Transportation	4,498,831	120,322	-	-	-	4,619,153
Community Services	68,940	-	-	-	-	68,940
Employee Benefits	28,293,642	595,823	261,907	-	-	29,151,372
Debt Service	3,905,985	-	-	-	-	3,905,985
Cost of Cafeteria Sales	-	-	965,997	-	-	965,997
Capital Outlay	-	-	-	8,402,329	-	8,402,329
Other Expenses	-	-	248,754	-	-	248,754
Total Expenditures	109,073,688	9,084,895	2,197,708	8,402,329	256,049	129,014,669
Other Uses						
Interfund Transfers	2,805,959	25,508	-	299,545	-	3,131,012
Total Expenditures and Other Uses	111,879,647	9,110,403	2,197,708	8,701,874	256,049	132,145,681
Excess (Deficiency) of Revenue Over Expenditures	790,262	-	345,548	(6,164,911)	17,501	(5,011,600)
Other Financing Sources						
BAN Redeemed From Appropriations	-	-	-	726,446	-	726,446
Net Change in Fund Balance	790,262	-	345,548	(5,438,465)	17,501	(4,285,154)
Fund Balance, Beginning of Year	16,046,224	-	1,748,453	3,442,205	342,341	21,579,223
Fund Balance (Deficit), End of Year	$ 16,836,486	$ -	$ 2,094,001	$ (1,996,260)	$ 359,842	$ 17,294,069

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, 2023

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	$ (4,285,154)
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.	10,000,957
Depreciation expense is recorded under the full accrual basis of accounting.	(4,364,478)
Loss on asset disposition is recorded under the full accrual basis of accounting.	(6,899)
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.	39,962
The net workers' compensation liability change in balance is reported as an (increase)/reduction of liability when incurred/paid under full accrual accounting.	(850,690)
The net compensated absences change in balance is reported as an (increase)/reduction of liability when incurred/paid under full accrual accounting.	375,164
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.	2,275,000
Certain postemployment benefits are recognized as an expense in the statement of activities under full accrual accounting.	(20,939,695)
Certain changes to pension expense are not reflected in the governmental funds, but are reflected in the statement of activities.	(2,692,680)
Decrease in long-term receivable due from consortium.	(1,635,543)
Amortization of bond premium is recorded as an offset to expense under the full accrual basis of accounting.	123,329
Change in Net Position (Deficit) of Governmental Activities	$ (21,960,727)

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 68-74 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.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Ventures (Continued)

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, 2023, the School District was billed approximately $4,138,458 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 $1,351,222.

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.

Government-wide Financial Statements

The government-wide financial statements present aggregated information for the overall government, excluding activities reported in fiduciary funds, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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.

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.

a. 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.

b. 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.

c. Capital Project Funds - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities for the funds each capital project is assessed to determine whether it is a major or non-major fund.

d. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus

Government-wide and Fiduciary Fund Financial Statements (Continued)

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:

a. Expenditures for prepaid items are recognized at the time of disbursement when the School District is liable for payment.

b. Principal and interest on long-term debt is recognized as an expenditure when due.

c. Interest on short-term debt is recognized as an expenditure when due.

d. Pension costs are recognized as an expenditure when billed by the State.

e. 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.

f. Certiorari claims paid and real estate tax reductions are recognized as expenditures upon receipt of court orders.

<u>Accounts Receivable</u>

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Inventories

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis. Purchases of inventoriable 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 $500 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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. There are generally three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to both pensions and OPEB items reported in the district-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and differences during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Lastly is the School District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

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. In addition to premium on installment purchase debt, the School District has two other items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue. The second item relates to both pensions and OPEB items reported in the district-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension liability and differences during the measurement periods between the School District's contributions and its proportionate share of total contributions to the pension system not included in pension expense.

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 7 for additional information on GASB 75).

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, 2023 there was a cumulative $135,932 in non-restricted encumbrances included in the general assigned fund balance. Additionally, $2,900,000 has been appropriated for the ensuing years 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.

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 ensuring 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.

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)

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.

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.

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)

Reserve for Insurance Claims

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.

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 $57,866 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.

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.

Unencumbered Balances

Expenditures for general support-special items were over-budget by $326,793.

Deficit Fund Balances

Capital projects funds has a deficit of $1,996,260 which will be resolved 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.

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 2, 2023, the date the financial statements were available to be issued. No such events or transactions were noted.

3. CASH AND INVESTMENTS

1. 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, 2023 were $29,498,659. 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.

2. 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.

3. 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.

4. 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.

5. 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.

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, 2023, the School District's prescription drug and dental plan account balance maintained by the Consortium is $3,789,367 of which $609,878 is estimated as the outstanding estimated liability for the self-insured prescription drug and dental plan. The excess balance of $3,179,489 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 $5,311,610 as of June 30, 2023.

Due from Health Insurance Trust consists of the following:

Excess deposits for self-insured drug and dental plan	$ 3,179,489
Premium settlement recovery fund	5,311,610
	$ 8,491,099

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:

	Prescription Drug and Dental	Workers' Compensation
Unpaid claims and claim adjustment expenses at beginning of year	$ 484,248	$ 594,063
Incurred claims and claim adjustment expenses	6,288,703	596,504
Payments made for claims during the current year	(6,163,073)	(339,877)
Total unpaid claim adjustment expenses at end of year	$ 609,878	$ 850,690

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, 2023 and for the year then ended are as follows:

	Interfund Revenues	Interfund Expenditures	Interfund Receivable	Interfund Payable
General Fund	$ 325,053	$ 2,805,959	$ 1,699,738	$ -
Special Aid Fund	312,432	25,508	-	1,698,151
Capital Projects	2,493,527	299,545	-	1,587
Total	$ 3,131,012	$ 3,131,012	$ 1,699,738	$ 1,699,738

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 1,992,456	$ -	$ -	$ 1,992,456
Buildings	119,677,677	113,620	-	119,791,297
Machinery and Equipment	9,524,534	1,583,109	(76,299)	11,031,344
Vehicles	7,772,829	1,409,525	(849,141)	8,333,213
Construction in Progress	1,741,846	8,402,328	(1,507,625)	8,636,549
	140,709,342	11,508,582	(2,433,065)	149,784,859
Less Accumulated Depreciation:				
Buildings	76,272,081	3,152,631	-	79,424,712
Machinery and Equipment	7,159,992	620,297	(69,400)	7,710,889
Vehicles	5,031,827	591,550	(849,141)	4,774,236
	88,463,900	$ 4,364,478	$ (918,541)	91,909,837
Net Capital Assets	$ 52,245,442			$ 57,875,022

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.

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:

	Contribution	Rate
2023	$ 4,944,101	10.29%
2022	$ 4,604,970	9.80%
2021	$ 4,267,000	9.53%

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.

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

Employees' Retirement System (Continued)

Plan Description (Continued)

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:

		Contribution	Average Rate
2023	$	1,329,403	12.32%
2022	$	1,831,564	11.40%
2021	$	1,720,896	14.60%

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

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

At June 30, 2023, the School District reported a liability of $5,464,669 (TRS) for its proportionate share of the net pension asset/liability. At June 30, 2023, the District reported a liability of $6,911,137 (ERS) for its proportionate share of the net pension liability. The net pension liability (ERS) was measured as of March 31, 2023 and (TRS) June 30, 2022. 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, 2023, the School District's proportion was .28% for TRS and .03% for ERS.

For the year ended June 30, 2023, the School District recognized pension expense of $6,836,768 for TRS and $2,763,270 for ERS.

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, 2023, the School District reported deferred outflows of resources related to pensions from the following sources:

	TRS	ERS	Total Deferred Outflows of Resources
Differences between expected and actual experience	$ 5,726,282	$ 736,090	$ 6,462,372
Changes of Assumptions	10,600,534	3,356,494	13,957,028
Net differences between projected and actual earnings on pension plan investments	7,060,871	-	7,060,871
Changes in proportion and differences between employer contributions and proportionate share of contributions	50,657	704,067	754,724
District's contributions subsequent to the measurement date	5,527,668	383,544	5,911,212
	$ 28,966,012	$ 5,180,195	$ 34,146,207

At June 30, 2023, the School District reported deferred inflows of resources related to pensions from the following sources:

	TRS	ERS	Total Deferred Inflows of Resources
Differences between expected and actual experience	$ 109,502	$ 194,091	$ 303,593
Changes of Assumptions	2,201,323	37,096	2,238,419
Net differences between projected and actual earnings on pension plan investments	-	40,603	40,603
Changes in proportion and differences between employer contributions and proportionate share of contributions	298,116	63,609	361,725
	$ 2,608,941	$ 335,399	$ 2,944,340

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, 2024	$ 9,879,123
June 30, 2025	3,233,557
June 30, 2026	(1,086,824)
June 30, 2027	15,391,919
June 30, 2028	3,701,342
Thereafter	82,750
	$ 31,201,867

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	ERS
Covered Payroll	$ 55,412,086	$ 14,108,496

TRS Actuarial Assumptions

The total pension liability for the June 30, 2023 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, 2022. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.4%
Projected salary increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
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. Active members mortality rates are based on plan member experience.

The long-term expected 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 returns (expected return, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

ERS Actuarial Assumptions

The total pension liability at June 30, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions.

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 (Continued)

Significant actuarial assumptions used in the valuation were a 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 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

Rates 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.

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:

Asset Class	TRS	ERS
Domestic equity	6.5%	4.3%
International equity	7.2%	6.85%
Global equities	6.9%	- %
Real estate	6.2%	4.6%
Private equities	9.9%	7.5%
Domestic fixed income securities	1.1%	1.5%
Global fixed income securities	0.6%	- %
High-yield fixed income securities	3.3%	- %
Private debt	5.3%	- %
Real estate debt	2.4%	- %
Opportunistic/absolute return	- %	5.38%
Real assets	- %	5.84%
Cash	- 0.3%	- %
Credit	- %	5.43%

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)

Discount Rate

The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.9% 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.

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

The following presents the School District's proportionate share of the net pension asset/liability calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS), as well as what the School District's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Assumption	1% Increase
TRS			
Employer's proportionate Share of the net pension asset (liabilities)	$ (50,386,812)	$ (5,464,669)	$ 32,314,558
ERS			
Employer's proportionate share of the net pension asset (liabilities)	$ (16,701,253)	$ (6,911,137)	$ 1,269,645

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, 2023, respectively, were as follows (in thousands):

	TRS	ERS
Employers' total pension liability	$ (133,883,473)	$ (232,627,259)
Plan fiduciary net position	(131,964,582)	211,183,223
Employers' net pension liability	$ (1,918,891)	$ (21,444,036)
Ratio of plan fiduciary net position to the employers' total pension liability	98.6%	90.78%

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 dependants. 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	579
Active employees	780
	1,359

B. Total OPEB Liability

The School District's total OPEB liability of $318,140,383 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases, Including Wage Inflation	Varied by years of service and retirement system
Discount Rate	4.13%
Healthcare Cost Trend Rates	6.75% for 2023 decreasing to an ultimate rate of 4.14% by 2076.
Retirees' Share of Benefit-Related Costs	6.75% for 2023 decreasing to an ultimate rate of 4.14% by 2076.

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

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.

8. POSTEMPLOYMENT BENEFITS

B. Total OPEB Liability (Continued)

The actuarial assumptions used in the June 30, 2023 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, 2022	$ 307,344,602
Changes for the Year -	
Service cost	9,719,501
Interest	11,101,387
Changes of benefit terms	(823,648)
Differences between expected and actual experience	17,533,724
Changes in assumptions or other inputs	(19,743,192)
Benefit payments	(6,991,991)
Net Changes	10,795,781
Balance at June 30, 2023	$ 318,140,383

Changes of benefit terms reflect

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent in 2022 to 4.13 percent in 2023.

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 (3.13 percent) or 1 percentage point higher (5.13 percent) than the current discount rate:

	1% Decrease	**Discount Rate (4.13%)**	**1% Increase**
Total OPEB Liability	$ 377,533,889	$ 318,140,383	$ 271,211,943

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 (5.75 percent) or 1 percentage point higher (7.75 percent) than the current healthcare care trend rate:

	1% Decrease	**Healthcare Trends (6.75%)**	**1% Increase**
Total OPEB Liability	$ 265,165,625	$ 318,140,383	$ 387,220,052

8. POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2023, the School District recognized OPEB expense of $27,931,686. At June 30, 2023, the School District reported deferred inflows and deferred outflows of resources related to OPEB of $88,502,100 and $65,957,238 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:

Year Ending June 30,	Net Amount of Deferred (Inflows) and Outflows
2024	$ 7,934,446
2025	9,075,688
2026	(13,471,936)
2027	(12,883,710)
2028	(12,883,710)
Thereafter	(315,640)
	$ (22,544,862)

9. INDEBTEDNESS

1. 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 $4,436.

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

Type	Date of Issue	Maturity	Interest	Outstanding June 30, 2023
Bond Anticipation Note	08/11/22	08/11/23	2.75%	$ 2,074,395
Bond Anticipation Note	12/22/22	12/22/23	3.72%	1,900,000
				$ 3,974,395

9. INDEBTEDNESS (CONTINUED)

2. 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 for the year was composed of:

Interest paid in Governmental Funds	$ 823,567
Less: Interest accrued in the prior year	(453,685)
Plus: Interest accrued in the current year	413,723
Total long-term debt interest expense included in the statement of activities	$ 783,605

3. Changes

The following is a summary of changes to the School District's indebtedness during the year ended June 30, 2023:

	Balance, June 30, 2022	Issued	Retired	Other	Balance June 30, 2023
Bonds	$ 22,845,000	$ -	$ (2,275,000)	$ -	$ 20,570,000
Bond Anticipation Notes	1,642,841	3,974,395	(1,642,841)	-	3,974,395
Operating Leases Payable	225,922	-	-	(51,922)	174,000
Postemployment Benefits	307,344,602	-	-	10,795,781	318,140,383
Net Pension Liability	-	-	-	12,375,806	12,375,806
Compensated Absences	2,200,847	-	-	(375,164)	1,825,683
Workers' Compensation	594,063	-	-	256,627	850,690
	$ 334,853,275	$ 3,974,395	$ (3,917,841)	$ 23,001,128	$ 357,910,957

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

4. Maturity

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

	Type	Date of Issue	Maturity	Interest	Outstanding June 30, 2023
District-Wide Renovation	Serial Bond	06/10/14	06/15/29	2% - 5%	$ 2,005,000
District-Wide Renovation	Serial Bond	07/02/18	07/01/32	5%	8,570,000
District-Wide Renovation	Serial Bond	06/30/21	06/30/36	2%	5,740,000
District-Wide Renovation	Serial Bond	06/28/22	06/28/37	3.32%	4,255,000
					$ 20,570,000

9. INDEBTEDNESS (CONTINUED)

4. Maturity (Continued)

Debt service requirements for general obligation bonds are as follows:

Fiscal Year	Principal	Interest
2023-2024	$ 1,720,000	$ 736,103
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
2028-2033	8,390,000	1,134,243
2033-2037	2,865,000	177,622
	$ 20,570,000	$ 4,284,095

5. 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:

2024	$ 100,734
2025	75,372
	176,106
Amount Representing Interest	(2,106)
	$ 174,000

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.

10. OTHER (CONTINUED)

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.

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, 2023, 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:

Bargaining Unit	Contract Expiration Date
Administrators (SCAA)	6/30/28
Confidential Unit	6/30/24
CSEA	6/30/27
District Office Administrators	6/30/26
SASIE	6/30/26
SCTA	6/30/28
Superintendent	6/30/27
Support Staff Supervisors & Technicians	6/30/24
Teaching Assistants	6/30/24
Teamsters	6/30/26
UPSEU Unit	6/30/24
School Business Administrator	6/30/26

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, 2023, the School District recognized $937,383 in PILOT revenue under PILOT agreements. Abated property taxes amounted to $62,925 under this program.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE #1

	Original Budget	Revised Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenue				
Local Sources				
Real Property Taxes and Tax Items	$ 77,413,709	$ 77,413,709	$ 77,042,120	$ (371,589)
Charges for Services	1,771,956	1,771,956	1,995,803	223,847
Use of Money and Property	149,000	149,000	1,220,969	1,071,969
Sale of Property and Compensation for Loss	7,500	7,500	91,215	83,715
Miscellaneous	302,000	319,369	950,941	631,572
State Aid				
Basic Formula	22,940,341	22,940,341	21,488,812	(1,451,529)
Lottery Aid	5,150,797	5,150,797	6,891,002	1,740,205
BOCES Aid	1,395,438	1,395,438	1,488,837	93,399
Textbooks	291,280	291,280	292,724	1,444
All Other Aid:				
Computer Software and Hardware Aid, Library Aid, Tuition and Transportation for Students with Disabilities, and Homeless Incarcerated Youth Aid	492,918	492,918	723,245	230,327
Federal Aid	150,000	150,000	159,188	9,188
Total Revenue	110,064,939	110,082,308	112,344,856	2,262,548
Other Sources				
Interfund Transfer	293,946	293,946	325,053	31,107
Total Revenue and Other Sources	110,358,885	110,376,254	$ 112,669,909	$ 2,293,655
Appropriated Fund Balance	3,100,000	3,196,756		
Total Revenue and Appropriated Fund Balance	$ 113,458,885	$ 113,573,010		

SCHEDULE #1 (CONTINUED)

	Original Budget	Revised Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support					
Board of Education	$ 55,288	$ 76,513	$ 74,776	$ -	$ 1,737
Central Administration	264,214	331,604	330,752	-	852
Finance	975,199	949,653	930,851	-	18,802
Staff	712,219	727,029	674,662	-	52,367
Central Services	6,985,519	7,351,522	6,776,816	94,863	479,843
Special Items	1,010,755	1,086,187	1,412,980	-	(326,793)
Instruction					
Administration and Improvement	3,188,171	3,177,698	3,105,876	-	71,822
Teaching - Regular School	35,510,280	36,549,385	36,153,376	20,174	375,835
Program for Children with Handicapping Conditions	15,534,540	15,370,644	14,563,296	4,370	802,978
English as a New Language	823,827	826,487	743,516	-	82,971
Occupational Education	461,835	461,835	437,829	-	24,006
Teaching - Special Schools	730,141	824,942	751,027	-	73,915
Instructional Media	2,106,087	2,120,822	2,038,766	5,435	76,621
Pupil Services	4,429,334	4,589,114	4,311,767	9,090	268,257
Pupil Transportation	4,692,407	4,799,519	4,498,831	2,000	298,688
Community Services	86,000	84,000	68,940	-	15,060
Employee Benefits	31,437,124	29,543,029	28,293,642	-	1,249,387
Debt Service					
BANS/Bonds - Principal	3,041,446	3,041,446	3,001,446	-	40,000
BANS/Bonds - Interest	880,499	878,598	828,003	-	50,595
Leases - Principal	-	74,651	74,651	-	-
Leases - Interest	-	1,900	1,885	-	15
Total Expenditures	112,924,885	112,866,578	109,073,688	135,932	3,656,958
Other Uses					
Interfund Transfer	534,000	706,432	2,805,959	-	(2,099,527)
Total Expenditures and Other Uses	$ 113,458,885	$ 113,573,010	111,879,647	$ 135,932	$ 1,557,431
Excess of Revenue Over Expenditures			$ 790,262		

South Colonie Central School District

Schedule of Funding Progress - Other Postemployment Benefit Plans

For the Year Ended June 30, 2023

Schedule #2

Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability:						
Service cost	$ 9,719,501	$ 14,531,480	$ 14,143,119	$ 9,018,883	$ 5,399,096	$ 5,622,419
Interest	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	17,533,724	(584,544)	(12,919,333)	(769,294)	(1,058,574)	-
Changes of assumptions or other inputs	(19,743,192)	(87,391,960)	9,389,997	77,736,605	71,123,974	(10,305,558)
Benefit payments	(6,991,991)	(6,209,279)	(5,751,412)	(5,374,302)	(6,602,881)	(3,833,765)
Net change in total OPEB liability	10,795,781	(71,229,915)	9,431,660	90,611,403	73,627,036	(1,206,749)
Total OPEB liability, beginning of year	307,344,602	378,574,517	369,142,857	278,531,454	204,904,418	206,111,167
Total OPEB liability, end of year	$ 318,140,383	$ 307,344,602	$378,574,517	$ 369,142,857	$ 278,531,454	$ 204,904,418
Covered payroll	$ 61,101,782	$ 57,996,773	$ 54,642,523	$ 56,809,683	$ 50,235,623	$ 54,881,820
Total OPEB liability as a percentage of covered payroll	520.7%	529.9%	692.82%	649.80%	554.50%	$ 373.36%

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.

SCHEDULE #3

TRS	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)	.28%	.28%	.28%	.28%	.28%	.28%	.27%	.27%	.27%
Proportionate share of net pension asset (liability)	$ (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	$ 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	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)	98.6%	113.2%	97.8%	102.2%	101.53%	100.66%	99.0%	110.5%	111.5%

ERS	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)	.03%	.03%	.03%	.03%	.03%	.03%	.03%	.04%	.04%
Proportionate share of net pension asset (liability)	$ (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	$ 14,108,496	$ 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	49.0%	17.8%	.2%	56.4%	18.2%	9.5%	28.7%	54.4%	11.3%
Plan fiduciary net position as a percentage of total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.0%	94.7%	90.6%	98.4%

Note: Information for the years prior to implementation of GASB 68 is unavailable and will be completed each year going forward as it becomes available.

See independent auditor's report.

SUPPLEMENTAL SCHEDULE #4

TRS	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	$ 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	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)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 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	8.9%	9.2%	8.9%	10.4%	10.2%	11.1%	12.5%	16.9%	15.9%

ERS	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	$ 1,328,531	$ 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	1,328,531	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)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 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	9.4%	12.2%	12.2%	11.2%	13.0%	14.7%	15.2%	18.3%	19.1%

Note: Information for the years prior to implementation of GASB 68 is unavailable and will be completed each year going forward as it becomes available.

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE #5

Change from Adopted Budget to Revised Budget

Adopted Budget		$ 113,458,885
Add: Prior Year's Encumbrances		96,756
Original Budget		113,555,641
Budget Revision:		
Miscellaneous		17,369
Final Budget		$ 113,573,010

Section 1318 of Real Property Tax Law Limit Calculation

2023-24 voter-approved expenditure budget		$ 122,194,702
Maximum allowed (4% of 2023-24 budget)		$ 4,887,788
General Fund Fund Balance Subject to §1318 of Real Property Tax Law *:		
Unrestricted fund balance:		
Assigned fund balance	$ 3,035,932	
Unassigned fund balance	5,235,157	
Total unrestricted fund balance	$ 8,271,089	
Less:		
Appropriated fund balance	$ 2,900,000	
Encumbrances included in assigned fund balance	135,932	
Total adjustments	3,035,932	
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		$ 5,235,157
Actual percentage		4.28%

* 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.

SCHEDULE #6

Project Title		Original Appropriation	Revised Appropriation	Expenditures to Date * Prior Year	Expenditures to Date * Current Year	Unexpended (Overexpended) Balance
Smart Schools Bond Act		$ 2,051,700	$ 1,251,700	$ 944,337	$ -	$ 307,363
Colonie Central High School	0001-030	276,108	4,134,107	255,262	3,026,165	852,680
Sand Creek	0015-019	140,476	1,319,530	106,152	1,068,910	144,468
Veeder	0003-018	9,688	72,769	3,348	59,168	10,253
DW Security Camera	7999-006	100,000	100,000	93,981	6,019	-
Lisha Kill Electrical Transfer	0002-020	472,000	282,688	204,789	77,899	-
Lisha Kill A/C and Floor Capital Outlay		100,000	100,000	-	99,976	24
Next Generation - Transportation Department		244,715	2,305,343	133,976	1,930,309	241,058
Next Generation - Colonie High School		3,008,794	3,016,740	-	580,080	2,436,660
Next Generation - Lisha Kill Middle School		706,959	717,402	-	146,653	570,749
Next Generation - Sand Creek Middle School		487,913	491,492	-	96,358	395,134
Next Generation - Forest Park Elementary		108,426	108,426	-	20,659	87,767
Next Generation - Roessleville Elementary		162,638	162,638	-	30,989	131,649
Next Generation - Shaker Road Elementary		623,445	627,077	-	122,182	504,895
Next Generation - Veeder Elementary		27,107	28,813	-	6,860	21,953
Next Generation - Saddlewood Elementary		27,107	27,107	-	5,165	21,942
		$ 8,547,076	$ 14,745,832	$ 1,741,845	$ 7,277,392	$ 5,726,595

* Includes interfund transfers.

See independent auditor's report.

SCHEDULE #7

Capital Assets, Net		$ 57,875,022
Deduct:		
Short-term portion of bonds payable	$ 1,720,000	
Long-term portion of bonds payable	18,850,000	
Short-term bond anticipation notes payable	3,974,395	
Unamortized bond premium	1,317,975	25,862,370
Investment in Capital Assets, Net of Related Debt		$ 32,012,652

SCHEDULE #9

	Extraclassroom Activity Funds	Trust Endowment Funds	Total
REVENUES:			
Contributions	$ 217,977	$ 54,919	$ 272,896
Interest	-	654	654
Total Revenues	217,977	55,573	273,550
EXPENDITURES:			
Program Expense	204,488	51,561	256,049
Excess of Revenue Over Expenditures	13,489	4,012	17,501
Fund Balance, Beginning of Year	211,923	130,418	342,341
Fund Balance, End of Year	$ 225,412	$ 134,430	$ 359,842

SCHEDULE #8

	Extraclassroom Activity Funds	Trust Endowment Funds	Total
ASSETS:			
Cash	$ 225,412	$ 134,430	$ 359,842
FUND BALANCE:			
Assigned	$ 225,412	$ 134,430	$ 359,842

FEDERAL AWARD PROGRAM INFORMATION

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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 South Colonie Central School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 2, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 that a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 2, 2023

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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 South Colonie Central School District's (the "District") 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 District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section on the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

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 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 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 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 the 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 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 responsible to those risks. Such procedures including examining, on a test basis, evidence regarding the 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 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 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 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 may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, this report is not suitable for any other purpose.

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

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 2, 2023

SOUTH COLONIE CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Food Service P-EBT (COVID)	10.649	Not Applicable	$ -	$ 5,024
Child Nutrition Cluster:				
Food Distribution	10.553-10.555	Not Applicable	-	155,161
Summer Food Service Program for Children	10.559	Not Applicable	-	1,364,073
Total U.S. Department of Agriculture Passed Through New York State Education Department			-	1,524,258
U.S. Department of Education				
Passed Through New York State Education Department:				
Title I Part D Delinquent Youth	84.010	0016-23-0030	-	108,499
Title I	84.010	0021-23-0030	-	621,309
Title I	84.010	0021-22-0030	-	13,828
Title II Part A	84.367	0147-22-0030	-	19,710
Title II Part A	84.367	0147-23-0030	-	119,123
Title III Part A	84.365	0293-23-0030	-	24,003
Title III Part A	84.365	0293-22-0030	-	13,876
Title III Part A Immigrant	84.365	0149-23-0030	-	71,425
McKinney - Vento Grant	84.196	0212-22-3026	-	635
Title IV Part A	84.424	0204-23-0030	-	28,759
Title IV Part A	84.424	0204-22-0030	-	1,775
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (COVID-ESSER II)	84.425D	5891-21-0030	-	2,031,833
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (COVID-GEER II)	84.425C	5896-21-0030	-	45,781
American Rescue Plan Act (ESSER Part 2)	84.425U	5880-21-0030	-	1,894,139
American Rescue Plan Act (ESSER 5% Lost Instruction)	84.425U	5884-21-0030	-	170,548
American Rescue Plan Act (ESSER 1% After School)	84.425U	5883-21-0030	-	20,350
American Rescue Plan Act (ESSER 1% Summer Learning)	84.425U	5882-21-0030	-	100,002
American Rescue Plan Act (Homeless Children and Youth - Part 1)	84.425W	5212-21-3114	-	3,441
American Rescue Plan Act (Homeless Children and Youth - Part 2)	84.425W	5218-21-0030	-	5,430
American Rescue Plan Act (Homeless Children and Youth - Part 3)	84.425W	5219-21-0030	-	25
Special Education Cluster:				
IDEA Part B Section 611 PL 94-142	84.027	0032-23-0021	-	1,249,072
IDEA Part B Section 611 PL 94-142 - ARPA	84.027X	5532-22-0021	-	186,733
IDEA Pre-School Section 619 PL 99-457	84.173	0033-23-0021	-	46,267
IDEA Pre-School Section 619 PL 99-457 - ARPA	84.173X	5533-22-0021	-	16,916
Total U.S. Department of Education Passed Through New York State Education Department			-	6,793,479
Total Federal Assistance			$ -	$ 8,317,737

See accompanying notes and independent auditor's report.

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 District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, 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 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 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 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	$ 159,188
Special Aid Fund	6,798,503
School Lunch Fund	1,519,234
	8,476,925
Less: General Fund Medicaid Revenue	(159,188)
Total Federal Revenue Per Schedule of Expenditures of Federal Awards	$ 8,317,737

5. INDIRECT COST RATE

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

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:

CFDA Number(s)	*Name of Federal Program or Clusters*
84.027	IDEA Part B Section 611 PL 94-142
84.173	IDEA Pre-School Section 619 PL 99-457
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 matters were reported.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Current Year Audit Findings:

None

Prior Year Audit Findings:

None

EXTRACLASSROOM ACTIVITY FUND

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MEMBERS OF:
NEW YORK STATE SOCIETY OF
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INDEPENDENT AUDITOR'S REPORT

Board of Education
South Colonie Central School District
Colonie, 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, 2023, 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, 2023, 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 use 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

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 2, 2023

STATEMENT OF ASSETS AND FUND BALANCES
RESULTING FROM CASH TRANSACTIONS
JUNE 30, 2023

ASSETS

Cash - Checking Account - Colonie Central High School	$ 125,096
Cash - Checking Account - Lisha Kill Middle School	61,797
Cash - Checking Account - Sand Creek Middle School	38,519
Total Assets	$ 225,412

FUND BALANCES

Fund Balances	$ 225,412

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Extraclassroom Accounts	Balance June 30, 2022	Receipts 2022-2023	Disbursements 2022-2023	Balance June 30, 2023
Art Club	$ 143	$ 500	$ 87	$ 556
Band	2,723	-	939	1,784
Black Student Union	134	654	315	473
Chamber Singers	-	82	-	82
CHAMP (Athletic Media)	1,084	1,869	2,021	932
Class of 2022	5,212	416	5,212	416
Class of 2023	1,500	47,876	49,376	-
Class of 2024	3,231	20,460	16,887	6,804
Class of 2025	414	1,740	95	2,059
Class of 2026	-	5,385	2,765	2,620
DECA	-	500	-	500
ECO Club	225	188	11	402
GSA Pride	893	462	410	945
Hoja/Step	125	-	-	125
Key Club	3,156	2,375	2,638	2,893
Line and Cue	27,824	13,406	20,651	20,579
National Honor Society	3,497	960	1,834	2,623
NYS Sales Tax	-	1,141	2,653	(1,512)
Orchestra	427	5,891	4,891	1,427
Science Club	170	-	-	170
Student Advisory Committee	8,963	3,709	5,633	7,039
Student Senate	17,436	9,990	3,800	23,626
Rougeter	44,949	18,591	12,987	50,553
	$ 122,106	$ 136,195	$ 133,205	$ 125,096

Extraclassroom Accounts	Balance June 30, 2022	Receipts 2022-2023	Disbursements 2022-2023	Balance June 30, 2023
Drama Club	$ 19,851	$ 7,828	$ 5,653	$ 22,026
School Store	3,817	2,763	2,744	3,836
Student Council	31,022	31,217	29,390	32,849
Yearbook	3,192	47	153	3,086
	$ 57,882	$ 41,855	$ 37,940	$ 61,797

Extraclassroom Accounts	Balance June 30, 2022	Receipts 2022-2023	Disbursements 2022-2023	Balance June 30, 2023
Art Club	$ 350	$ 921	$ 446	$ 825
Drama Club	5,607	25,829	21,450	9,986
Engineering Club	216	-	-	216
Greenhouse Club	5,168	-	-	5,168
Student Council	18,563	13,057	11,447	20,173
Yearbook	2,031	120	-	2,151
	$ 31,935	$ 39,927	$ 33,343	$ 38,519

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.

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Members of:
New York State Society of
Certified Public Accountants

October 2, 2023

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, 2023. 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, 2023. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

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 2, 2023.

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, and other schedules on pages 1-13 and 48-52, 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 53-57 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,

Cusack & Company, CPA's LLC

CUSACK & COMPANY CPA'S, LLC

FORM OF BOND COUNSEL'S OPINION

December 21, 2023

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
$8,487,062 Bond Anticipation Notes, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $8,487,062 Bond Anticipation Notes, 2023 (the "Obligation"), of the South Colonie Central School District, Albany and Schenectady Counties, New York (the "Obligor"), dated December 21, 2023, numbered 1, of the denomination of $8,487,062, bearing interest at the rate of ___% per annum, payable at maturity, and maturing December 20, 2024.

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. We observe that, for tax years beginning after December 31, 2022, 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