OCTOBER 5, 2020

SUPPLEMENTAL NOTICE TO THE PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2020

$1,000,000

ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY

RENSSELAER COUNTY, NEW YORK

$1,000,000 School District (Serial) Bonds, 2020

(the "Bonds")

CUSIP BASE: 293359

Dated: October 22, 2020 **Due: October 15, 2021-2035**

PLEASE BE ADVISED that the section entitled "BOND RATING" has been revised as follows:

BOND RATING

Moody's Investors Service ("Moody's") has assigned their rating of "A1" Enhanced and "A1" Underlying to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

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is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant.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

PRELIMINARY OFFICIAL STATEMENT OCTOBER 1, 2020

NEW ISSUE — **SERIAL BONDS**

MOODY'S INVESTORS SERVICE: "Aa3" Enhanced — **See "BOND RATING" herein**

"A1" Underlying

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

The Bonds will be designated as or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY

RENSSELAER COUNTY, NEW YORK

$1,000,000 School District (Serial) Bonds, 2020

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CUSIP BASE: 293359

Dated: October 22, 2020 — **Due: October 15, 2021-2035**

MATURITIES**

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2021	$50,000				2026	$65,000				2031**	$70,000			
2022	60,000				2027	65,000				2032**	75,000			
2023	60,000				2028	65,000				2033**	75,000			
2024	60,000				2029**	70,000				2034**	75,000			
2025	65,000				2030**	70,000				2035**	75,000			

* The Bonds maturing in the years 2029-2035 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

** Subject to change pursuant to the accompanying Notice of Sale in order to achieve substantially level or declining annual debt service and to comply with the requirements of the Code.

The Bonds are general obligations of the Enlarged City School District of the City of Troy, Rensselaer County, New York (the "School District" or "District"). All the taxable real property within such School District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. The faith and credit of the Enlarged City School District of the City of Troy are irrevocably pledged for the payment of the Bonds and the interest thereon. See "TAX INFORMATION – Tax Levy Limitation Law" herein.

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

Proposals for the Bonds shall be for not less than $1,000,000 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Barclay Damon, LLP, Albany, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser on or about October 22, 2020.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on October 8, 2020 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 Bonds pursuant to the terms provided in the Notice of Sale for the Bonds.

October __2020

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

ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY
RENSSELAER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2020-2021 BOARD OF EDUCATION

THOMAS MAYO
President

ANNE WAGNER ROUNDS
Vice President

ANN APICELLA
DIANA HECKMAN
STEPHANIE FITCH
ROSEMARY COLES
MATTHEW FLOWERS JR.
ELIZABETH POLETO
EBONY POMPEY-CONWAY

*　　*　　*

JOHN CARMELLO
Superintendent of Schools

ADAM HOTALING
Assistant Superintendent for Business

GUERCIO & GUERCIO, LLP
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

BARCLAY DAMON LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY

RENSSELAER COUNTY, NEW YORK

Relating To

$1,000,000 School District (Serial) Bonds, 2020

This Official Statement, which includes the cover page, has been prepared by the Enlarged City School District of the City of Troy, Rensselaer County, New York (the "District" or the "School District", "County", and "State", respectively) in connection with the sale by the School District of $1,000,000 aggregate principal amount of School District (Serial) Bonds, 2020 (herein referred to as the "Bonds").

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

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

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. 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 "THE SCHOOL DISTRICT-State Aid" and "MARKET AND RISK FACTORS" herein.

THE BONDS

Nature of the Obligation

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

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

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

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

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and 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.

Description of the Bonds

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

The Bonds will be dated October 22, 2020 and will mature in the principal amounts as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading “Optional Redemption” hereunder. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

Interest on the Bonds will be payable semi-annually on April 15 and October 15 in each year until maturity commencing October 15, 2021.

Optional Redemption

The Bonds maturing on or before October 15, 2028 shall not be subject to redemption prior to maturity. The Bonds maturing on or after October 15, 2029 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on October 15, 2028 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

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

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, a bond resolution adopted by the Board of Education on December 6, 2017 and a proposition approved by the qualified voters on January 23, 2018 authorizing $1,200,000 District obligations to finance the reconstruction of the District’s School 2.

The proceeds of the Bonds, along with $11,676 available funds of the District, will repay $1,011,676 bond anticipation notes maturing on October 23, 2020 for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, if so requested. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com and www.dtc.org**.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued or the purchaser elects to have the Bonds issued in Certificated form, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on April 15 and October 15 in each year until maturity commencing October 15, 2021. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE SCHOOL DISTRICT

General Information

The District is situated on the east bank of the Hudson River approximately 8 miles northeast of Albany (the State Capital). The District, which encompasses an area of 9 square miles, contains approximately 70% of the assessed valuation of the City of Troy (the “City”) and approximately 30% of the assessed valuation of the Town of Brunswick (the “Town”).

The City is the county seat of Rensselaer County. The District contains the County Buildings as well as most of the industrial development and commercial facilities of the City. The ten largest taxpayers include two public utilities (National Grid and Verizon), five apartment complexes, an office building and a dialysis treatment facility.

Two major institutions of higher education located in the District are Rensselaer Polytechnic Institute (RPI) and Russell Sage College. Additional opportunities for higher education include Hudson Valley Community College, located in the City. Additional higher educational opportunities in Albany include SUNY Albany, SUNY Polytechnic, College of Saint Rose, Albany College of Pharmacy and Albany Law School.

In addition to commercial and industrial operations in the District, residents have easy access to employment at the Rensselaer Technology Park, in Albany at the many offices of the State of New York, the SUNY headquarters and Universities, and in the Nano-Technology sector. In addition, there are several employment opportunities in nearby Schenectady at various General Electric Company sites as well as Knolls Atomic Power Lab, and in Malta at GlobalFoundries.

Water transport via the Hudson River and bus service are available within the District. Airline service is provided at the Albany International Airport. An extensive network of highways includes U.S. Route Number 4 and New York State Routes Number 2 and Number 7 which connect Troy with the Albany-Schenectady area.

Source: District officials.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization on March 11, 2020. The outbreak of the disease has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The School District has been communicating with the New York State Education Department and with local and State level department of health agencies. The School District has been following all relevant guidance as it has been released by State and federal agencies. The School District was closed effective March 16, 2020 through the end of the 2019-20 academic year. Pursuant to Executive Order, the annual meeting of School District voters to approve the School District's 2020-21 budget and to elect Board of Education members was delayed until June 9, 2020. Voting was by absentee ballot and there was be no in-person voting. Ballots post marked by June 9, 2020 and received by the School District by 5:00 p.m. on June 16, 2020 were included in the vote count. The State has publicly announced that COVID-19 will have a significant negative impact on the State's revenues and 2020-21 budget. It is difficult at this time to predict with any certainty whether the negative impact on the State's revenues and 2020-21 budget will result in a delay and/or a reduction in State aid payment to school districts, including the School District. Any delay or reduction in State aid payment to the School District would have a negative impact on the School District's finances. See "State Aid" and "MARKET AND RISK FACTORS" herein.

Population

The population of the School District is estimated to be 40,709. (Source: 2018 U.S. Census Bureau.)

Larger Employers

Selected major employers located within the District are as follows:

Employer	Type of Business	Approximate Number of Employees
Rensselaer Polytechnic Institute	Institute for Higher Learning	1,800
Northeast Health	Full Service Health Care	1,480
Rensselaer County	Government	1,406
State of New York	Government	1,370
Seton Health	Full Service Health Care	1,331

Note: The list and the figures provided above are based on information prior to the outbreak of the COVID-19 pandemic. See "State Aid – COVID-19" and "MARKET AND RISK FACTORS – COVID-19" herein.

Source: District officials.

Unemployment Rate Statistics

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

Annual Average

	2013	2014	2015	2016	2017	2018	2019
Troy City	8.4%	6.8%	5.9%	5.5%	5.6%	4.9%	4.8%
Rensselaer County	6.7%	5.4%	4.6%	4.3%	4.4%	3.9%	3.8%
New York State	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%

2020 Monthly Figures

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Troy City	5.0%	4.7%	5.0%	15.0%	11.9%	13.5%	15.5%	12.2%	N/A	N/A
Rensselaer County	4.2%	4.1%	4.1%	12.3%	9.2%	9.9%	11.1%	8.4%	N/A	N/A
New York State	4.1%	3.9%	4.2%	15.1%	14.2%	15.5%	16.0%	12.6%	N/A	N/A

Note: Unemployment rates for September and October 2020 are unavailable as of the date of this Official Statement. Unemployment rates for the foreseeable future are expected to increase substantially over prior periods as a result of the COVID-19 pandemic.

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

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
City of:						
Troy	$ 16,796	$ 20,736	$ 23,826	$ 38,631	$ 44,750	$ 51,830
Town of:						
Brunswick	26,554	33,414	46,211	66,374	83,631	103,558
County of:						
Rensselaer	21,095	27,457	34,280	52,864	68,390	83,505
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2015-2019 5-Year American Community Survey data is not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2016-2010 and 2014-2018 American Community Survey 5-Year Estimates.

Form of School Government

The District is an independent entity governed by an elected board of education comprised of nine members. District operations are subject to the provisions of the State Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are elected on a staggered term basis by qualified voters at the annual election of the District (held on the third Tuesday in May). The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves the Board. The Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social, and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and Assistant Superintendent for Business.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

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 "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the 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 Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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 INFORMATION – Tax Levy Limitation Law" herein.

Recent Budget Vote Results

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019. The District's adopted budget for 2019-20 will remain within the Tax Cap imposed by Chapter 97. The tax levy increase is 1.0%, which is below to the limit of 1.89%.

Pursuant to Executive Order, the annual meeting of School District voters to approve the School District's 2020-21 budget and to elect Board of Education members was delayed until June 9, 2020 and was approved by the voters. Voting was by absentee ballot and there was no in-person voting. The District's adopted budget for 2020-21 will remain within the Tax Cap imposed by Chapter 97. The tax levy increase is 1.99% which is below the limit of 2.13%.

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

Investment Policy

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

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

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2020-2021 fiscal year, approximately 56% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to “aid to localities” which includes State aid to school districts, including the School District. See “State Aid -School District Fiscal Year (2020-2021)”.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2020-2021 preliminary building aid ratios, the District expects to receive State building aid of approximately 91.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

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

School district fiscal year (2016-2017): The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consists of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also includes a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $19.5 million. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

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

State Aid -School District Fiscal Year (2020-2021)

Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid totals $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent.

The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income.

Provisions in the State's 2020-2021 Enacted Budget grant the Budget Director the authority to reduce "aid-to-localities" appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the New York State Division of the Budget. Aid-to-localities is a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and the State's not-for-profit partners. In addition, the Budget Director is authorized to withhold and reduce specific local aid payments during the fiscal year. The State's Enacted Budget is deemed out of balance for the fiscal year, and the Budget Director's powers are activated, if actual tax receipts are less than 99 percent of estimated tax receipts, or actual disbursements are more than 101 percent of estimated disbursements, as measured at three points during the year (April 1-30, May 1-June 30, and July 1-December 31). The State's 2020-2021 Enacted Budget is premised on the assumption that the Budget Director's powers will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. Due principally to the COVID-19 pandemic, reduced receipts are expected through State fiscal year 2024. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending will be significantly reduced. Such reductions will include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

On August 20, 2020, The State Education Department released a notice based on the August 13, 2020 New York State Division of Budget's (the "DOB") Fiscal Year 2021 Quarterly State Budget Financial Plan Update, which states that, in the absence of Federal action since enactment of the Fiscal Year 2021 budget, DOB began withholding 20 percent of most local aid payments in June, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. In July, DOB began approving General Support for Public Schools (GSPS) payments to school districts (including 3609-a General Aid, 3609-b Excess Cost Aid, and 3609-d BOCES Aid payments) at 80% of the otherwise scheduled amounts. DOB's Updated Financial Plan includes $8.2 billion in recurring local aid reductions, and states that the earliest DOB expects to transmit a detailed aid-to-localities reduction plan to the Legislature is late in the second quarter of the State's Fiscal Year 2021, and that, in the absence of unrestricted Federal aid, DOB will continue to withhold a range of payments through the second quarter of FY 2021.

Source: NYS Dept. Of Education, State Aid Website. This source pertains only to the August 2020 updates detailed in the paragraph above.

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

As described above the amount of State aid to school districts is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. Although the State's 2019-2020 Enacted Budget was adopted on March 31, 2019 and the State's 2018-2019 Enacted Budget was adopted on March 30, 2018, both in advance of the April 1 deadline, the State's 2017-2018 Enacted Budget was adopted on April 9, 2017, a delay of approximately 8 days, and the State's 2020-21 Enacted Budget was adopted on April 2, 2020, a one-day delay. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of Federal aid for health care, education, transportation and other governmental purposes, as well as Federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this Federal aid may be subject to change under the Federal administration and Congress. Current Federal aid projections, and the assumptions on which they rely, are subject to revision because of changes in Federal policy and the impacts of the COVID-19 pandemic.

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

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

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

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

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

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

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

Source: District officials.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, unaudited figures for the 2019-2020 fiscal year and budgeted figures for the 2020-2021 fiscal year comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2015-2016	$ 100,893,112	$ 58,051,931	57.54%
2016-2017	103,006,627	59,638,849	57.89
2017-2018	102,773,094	60,654,920	59.02
2018-2019	104,751,302	63,948,771	61.10
2019-2020 (Unaudited)	111,307,722	65,539,009	58.88
2020-2021 (Budgeted)	113,278,809	63,420,000	55.99

Source: Audited Financial Statement for the 2015-2016 fiscal year through and including the 2018-2019 fiscal year, unaudited results for the 2019-20 fiscal year, and the adopted budget for 2020-2021 fiscal year. This table is not audited.

Note: These unaudited projections are based upon certain current assumptions and estimates, and the 2019-2020 audited results may vary therefrom.

District Facilities

The District currently operates the following facilities:

Name	Capacity	Grades	Year(s) Built / Modified
School #2	756	K-5	1968, '03
School #12 (1)	872	ADM/SPEC. ED/ALP	1931, '71, '03
School #14	896	K-5	1993
School #16	548	K-5	1954
Carroll Hill	648	K-5	1965, '67, '03
School #18	391	K-5	1927
Troy Middle School (2)	1,200	6--8	1976, 2013
Troy High School	1,826	9-12	1952

(1) W.K. Doyle Middle School was moved to School #12 during renovation. The Middle School construction is completed. School #12 is housing ADM/SPEC. ED/ALP.

(2) Originally named W.K. Doyle Middle School, construction has been completed and the building has been renamed. The 6th grade has been relocated from the elementary schools to Troy Middle School.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-17	4,218	2021-22	4,250
2017-18	4,141	2022-23	4,275
2018-19	4,159	2023-24	4,300
2019-20	4,121	2024-25	4,325
2020-21	4,121	2025-26	4,350

Source: District officials.

Employees

The District employs approximately 688 full-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Number of Employees	Union	Contract Expiration Date
26	Administrators Association	June 30, 2020 (1)
502	Troy Teachers Association	June 30, 2020 (1)
144	CSEA	June 30, 2024
12	Management Confidential – Exempt	N/A
4	Superintendent & Cabinet Members	N/A

(1) Currently in negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the School 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 System 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. The Retirement Systems are non-contributory with respect to members working ten or more years. All members (other than those in Tier V and VI, as described below) 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 creates a new Tier V pension level, at the time, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

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

On March 16, 2012, the Governor signed into law a 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%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

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

Fiscal Year	ERS	TRS
2015-2016	$ 917,489	$ 3,774,262
2016-2017	918,054	3,492,965
2017-2018	903,743	3,017,712
2018-2019	952,546	4,189,999
2019-2020 (Unaudited)	950,759	_3,977,978
2020-2021 (Budgeted)	1,150,303	3,308,927

Source: District officials.

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 early retirement incentives in the following fiscal years as follows:

Fiscal Year	Staff Participants	Cost of Incentive
2012-2013	16	$ 195,500
2013-2014	18	160,500
2014-2015	19	173,250
2015-2016	12	24,765
2017-2018	3	30,000
2018-2019	18	247,936
2019-2020	18	164,421

Note: The District did not offer early retirement incentives for the 2016-2017 fiscal year.

Source: District officials.

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

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

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

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 School District is not amortizing any pension payments nor has the intent 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 School 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 12.5% 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 School District is not participating in the Stable Rate Pension Contribution Option and has no intention to do so in the foreseeable future.

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 a TRS reserve fund on June 19, 2019.

The investment of monies and assumptions underlying some of the Retirement Systems covering the School District's employees is not subject to the direction of the School 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 School 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.

Other Post Employee 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 Hooker & Holcombe, an actuarial firm, to calculate its actuarial valuation under GASB 75. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

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

Balance beginning at:	June 30, 2018	June 30, 2019
	$ 174,183,940	$ 125,099,800
Changes for the year:		
Service cost	7,294,003	4,591,827
Interest	5,389,122	4,469,500
Effect of demographic gains or losses	(21,598,029)	-
Differences between expected and actual experience	-	-
Changes in benefit terms	-	-
Changes in assumptions or other inputs	(36,460,786)	24,973,462
Benefit payments	(3,708,450)	(4,017,797)
Net Changes	$ (49,084,140)	$ 30,016,992
Balance ending at:	June 30, 2019	June 30, 2020
	$ 125,099,800	**$ 155,116,792**

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

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

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

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 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 allow the following:

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

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

Other Information

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

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

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

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

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the School District.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2019. A copy of the report is attached to this Official Statement as APPENDIX - E. Certain financial information of the School District can be found attached as Appendices to the Official Statement.

The School 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 School District is required to issue 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. The School District is in compliance with Statement No. 34.

Unaudited Results for Fiscal Year Ending June 30, 2020

Unaudited projections indicate that for the fiscal year ending June 30, 2020, the District will have an unassigned fund balance of 4% of expenditures which is on trend with previous years.

Summary unaudited information for the General Fund for the period ending June 30, 2020 is as follows:

Revenues:	$	111,307,721
Expenditures:		107,921,167
Excess (Deficit) Revenues Over Expenditures:	$	3,386,554

The audited report for the fiscal year ending June 30, 2020 is expected to be available on or about October 21, 2020.

Note: These unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: District officials.

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.

A State Comptroller’s audit of the District to determine whether District officials ensured that payroll payments and leave accruals were accurate, properly approved and supported has been put on hold. This is a normally scheduled audit that occurs every 5-6 years. The last State Comptroller’s audit report of the District was completed in 2014.

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

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 five fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2018	No Designation	0.0
2017	No Designation	0.0
2016	No Designation	0.0
2015	No Designation	0.0
2014	No Designation	0.0

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

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

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TAX INFORMATION

Taxable Assessed Valuations [1]

Years Ending June 30:	2017	2018	2019	2020	2021
City of Troy	$ 1,350,791,165	$ 1,342,299,230	$ 1,347,341,701	$ 1,344,646,562	$ 1,354,937,700
Town of Brunswick	87,815,121	88,476,415	88,593,600	85,577,135	85,995,761
Total Taxable Assessed	$ 1,438,606,286	$1,430,775,645	$1,435,935,301	$ 1,430,223,697	$ 1,440,993,461

Regular State Equalization Rates:

City of Troy	100.00%	100.00%	100.00%	93.00%	89.90%
Town of Brunswick	26.70%	26.70%	25.50%	24.50%	23.55%
Taxable Full Valuation	$1,679,686,749	$1,673,671,571	$1,694,767,583	$1,795,150,947	$1,872,323,424

Special State Equalization Rates:

City of Troy	101.00%	93.72%	94.07%	94.74%	N/A
Town of Brunswick	25.61%	25.00%	25.00%	24.56%	N/A
Full Valuation	$1,668,669,809	$1,786,149,823	$1,786,650,047	$1,767,742,942	N/A

(1) Special State equalization ratios are used solely for purposes of computing the District's constitutional debt limit. See "APPENDIX – C" for the computation of full valuation using regular and special State equalization ratios, respectively. Special State equalization ratios for the Fiscal Year End June 30, 2021 are not available as of the date of this Official Statement.

Tax Rate Per $1,000 (Assessed)

Years Ending June 30:	2017	2018	2019	2020	2021
City of Troy	$ 21.50	$ 21.63	$ 21.73	$ 21.96	$ 22.54
Town of Brunswick	80.52	81.17	85.22	89.64	86.04

Tax Collection Procedure

Taxes are due and payable in two equal installments, July 1 to July 31 and January 1 to January 31, without penalty. After July 31, penalties are imposed at the rate of 1% per month on the first installment to a maximum of 15%; after January 31, penalties are imposed at a rate of 1% per month on the second installment to a maximum of 9%. After March 1, uncollected taxes are returned to the City (for property in the City) or the County (for property in the Town of Brunswick) and a 5% collection fee is added to the delinquent taxes and penalties. The City Treasurer is required to pay to the School District, as collected, all monies realized from the collection of unpaid taxes and the interest thereon, less the 5% collection fee. The City Treasurer is also required to reimburse the District in full the amount of uncollected taxes which remain unpaid two years after the return of uncollected taxes to the City Treasurer. The County reimburses the District in full by the end of the District's fiscal year for uncollected taxes which remain unpaid to the County.

Tax Levy and Tax Collection Record

Years Ending June 30:	2017	2018	2019	2020	2021
Total Tax Levy	$ 36,109,217	$ 36,273,420	$ 36,832,473	$ 37,200,797	$ 37,941,094
Amount Uncollected	2,984,912	3,109,817	3,036,412	2,513,174	N/A
% Uncollected When Due [1]	8.26%	8.57%	8.24%	6.76%	N/A

(1) See "Tax Collection Procedure" herein.

Larger Taxpayers 2019 for the 2019-2020 Tax Roll

Name	Type	Total Assessed Valuation
National Grid	Public Utility	$ 66,955,457
Center Albany Associates	Apartments	13,959,100
Regency Realty Associates	Real Estate	12,391,143
Cottage Street Apartments	Apartments	12,118,800
Troy SRALP, LLC	Commercial	9,920,000
Rensselaer Polytechnic Institute	Higher Education	9,748,900
Cedar Park Apartments	Apartments	7,300,000
Country Garden Acres Ltd	Apartments	7,158,600
Troy Plaza SC, LP.	Retail	6,887,000
EP Troy Realty LLC	Apartments	5,610,000

The ten larger taxpayers listed above have a total valuation of $152,049,000 which represents approximately 10.63% of the tax base of the District.

There are currently ongoing tax certiorari proceedings within the District as follows:

Name	Assessed Valuation	Claimed Assessed Value
Regency Realty Associates, LLC	12,368,643	9,032,000
Brunswick Assoc of Albany LP	8,849,600	3,604,500
Cedar Park Apartments	7,300,000	3,000,000
Troy Woodland LLC	5,930,000	1,750,000
Hudson V Apartments LLC	5,400,000	3,000,000
Rite Aid Corporation	4,030,000	403,000
Burns Apartments	4,020,000	804,000
University Partners, LLC	3,815,000	265,000
That So Franco LLC	3,777,000	2,688,718
Center Albany (Menands) Associates	2,690,000	835,000
19-25 2nd Street LLC	2,399,400	218,250
J & R Mobile Homes Estates	2,067,200	1,125,000
Caldwell Properties LLC	2,000,000	1,000,000
251 River Street LLC	1,850,000	1,039,000
Madison Ave Ventures One	1,300,000	500,000
South Lake Ave Assoc	1,095,000	820,000
House Corp. of Phi Gamma Delta	930,000	300,000
Citizens Bank	750,000	75,000
Costa, A.V.	665,000	270,000
LaVole, David	625,000	355,000
P&N Associates of Brunswick, LLC	621,723	373,000
GRJH Inc.	475,000	177,000
McKay, Christopher	470,000	290,000
Rajinder Jain MD	415,000	125,000
Durivage, Matthew	275,000	253,000
Moray Homes LTD	267,800	96,300
Hudson Partner Group	259,000	72,000
Engster, MaryEllen	233,333	153,000
Prop 102 King LLC	185,000	90,000
Burger, Richard	175,000	100,000

The District has established a reserve for tax certioraris and continues to fund the reserve based on petitions.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (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.

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

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

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

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
Brunswick Town	$ 17,100	$ 7,350	4/10/2020
Troy City	64,910	27,900	4/10/2020

$3,203,389 of the District's $37,200,797 school tax levy for the 2019-2020 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2020.

$2,945,072 the District's $37,941,094 school tax levy for the 2020-2021 fiscal year is expected to be exempted by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2021.

Additional Tax Information

Real property located in the School District is assessed by the City of Troy and the Town of Brunswick.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-65%, State Land-7% and Commercial-28%.

The estimated total annual property tax bill of a $140,000 market value residential property located in the School District is approximately $2,683 including County, City or Town and Fire District taxes.

Tax Levy Limitation Law

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits 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 limitations in summary form, and as generally applicable to the School District and the Bonds 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 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; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment 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.

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 five per centum of the average 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 five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

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

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

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 with in 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.

Except on rare occasions the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the School District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Years Ending:	2016	2017	2018	2019	2020
Bonds [1]	$ 71,375,000	$ 66,285,000	$ 60,820,000	$ 55,080,000	$ 49,115,000
Bond Anticipation Notes	8,400,000	8,000,000	13,000,000	17,815,076	17,600,076
Revenue or Tax Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 79,775,000	$ 74,285000	$ 73,820,000	$ 72,895,076	$ 66,715,076

[1] Totals do not include any advance refunded bonds outstanding where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of October 1, 2020:

Type of Indebtedness	Maturity	Amount
Bonds	2020-2031	$ 47,840,000 [1]
Bond Anticipation Notes		
Capital Projects	October 23, 2020	$ 1,011,676 [2]
Capital Projects	June 10, 2021	16,588,400 [3]
	Total Indebtedness	$ 65,440,076

[1] On November 9, 2017, the District issued $2,795,000 refunding serial bonds to realize net present value and budgetary savings. The bonds advance refunded $2,695,000 outstanding principal of the District's 2010 series bonds. The bonds listed above do not include $2,695,000 advance refunded series 2010A bonds. Debt service on the refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased. The refunded bonds will be redeemed at the call date, October 1, 2020.

[2] To be redeemed a maturity with proceeds of the Bonds and $11,676 available funds of the District.

[3] To be redeemed at maturity with proceeds of a future bond anticipation note or serial bond issue along with available funds of the District.

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Debt Statement Summary

Summary of Indebtedness using Regular, Special Equalization Ratios, Debt Limit and Net Debt-Contracting Margin as of October 1, 2020:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios
Five-Year Average Full Valuation of Taxable Real Property	$ 1,743,120,005	$ 1,731,998,703
Debt Limit 5% thereof [1]	87,156,003	86,599,935
Inclusions		
Bonds	$ 47,840,000	$ 47,840,000
Advance Refunded Bonds	2,695,000	2,695,000
Bond Anticipation Notes	17,600,076	17,600,076
Total Inclusions	$ 68,135,076	$ 68,135,076
Exclusions:		
Appropriations	$ 4,145,000	$ 4,145,000
Advance Refunded Bonds	2,695,000	2,695,000
Total Exclusions	$ 6,840,000	$ 6,840,000
Total Net Indebtedness [2]	$ 61,295,076	$ 61,295,076
Net Debt-Contracting Margin	$ 25,860,927	$ 25,304,859
The percent of debt contracting power exhausted is	70.33%	70.78%

(1) The District's constitutional debt limit has been computed using both special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law and "conventional" equalization rates. Such "conventional" State equalization rates are also established by said State Board, and are used for all other purposes. See "TAX INFORMATION - Taxable Assessed Valuations" herein or "APPENDIX-C" attached hereto.

(2) The District receives New York State Building aid in an amount approximating 91.9% of the debt service on its indebtedness incurred for building projects. A fundamental reform of Building aid was enacted as Chapter 383 of the Laws of 2001. The new provisions legislated, among other things, a new "assumed amortization" payout schedule for future State Building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. 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.

Note: The issuance of the Bonds will not increase the net indebtedness of the District.

Capital Project Plans

On May 17, 2016, the District voters authorized the issuance of $19,803,400 serial bonds and the use of $3,500,000 fund balance to finance the improvements of infrastructure throughout the District, including the replacement of roofs, HVAC systems, windows and other general upgrades at a maximum cost of $23,303,400. The District issued $8 million bond anticipation notes on June 13, 2017 as the first borrowing against said authorization. On June 12, 2018, the District issued $13 million bond anticipation notes to renew the $8 million bond anticipation notes expiring on June 13, 2018 and provide $5 million in new monies for the above referenced project. On June 11, 2019, the District issued $16,803,400 bond anticipation notes, 2019 which along with $130,000 available funds of the District partially redeemed and renewed $13,000,000 bond anticipation notes and provided $3,933,400 new monies for the abovementioned purpose. The District issued $16,588,400 bond anticipation notes on June 10, 2020. The bond anticipation notes, along with $215,000 available funds of the District redeemed $16,803,400 bond anticipation notes which matured on June 11, 2020. Future borrowings will occur upon approval from the State Education Department and as the project's cash flow needs warrant.

On January 23, 2018, the District voters authorized the issuance of $1,200,000 serial bonds to finance the reconstruction of the District's school 2. On October 26, 2018, the District issued $1,011,676 for the abovementioned purpose. The District renewed the $1,011,676 bond anticipation notes to October 23, 2020 on October 24, 2019 through the issuance of $1,011,676 bond anticipation notes. The proceeds of the Bonds, along with $11,676 available funds of the District, will redeem $1,011,676 bond anticipation notes maturing on October 23, 2020.

On December 4, 2018, the District voters authorized a $3,850,000 capital project for the replacement of a portion of Troy High School roof. The District will use $577,500 capital reserve funds and finance the balance of $3,272,500 with the issuance of bond anticipation notes and serial bonds.

On December 3, 2019, District voters approved a $56,000,000 capital project consisting of renovations, additions, alterations and improvements to District facilities. The District will use $3,952,424 capital reserve funds for the project and finance the balance of $52,047,576 with the issuance of bond anticipation notes and serial bonds. The District anticipates borrowings for the project will occur in phases upon approval from the State Education Department and as the project's cash flow needs warrant.

There are no other capital project authorized and unissued by the District, nor are any contemplated.

Cash Flow Borrowings

Historically, the District has not found it necessary to issue revenue or tax anticipation notes and does not have plans to do so in the near future.

Bonded Debt Service

A schedule of bonded debt service may be found as APPENDIX - B to this Official Statement.

Federal Sequestration

In June 2012, the District issued $5,000,000 Qualified School Construction Bonds, 2012 (Federally Taxable – Direct Payment Bonds) ("QSCBs") with a final maturity of 2027. At the time of issue the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments and refund offset transactions processed on or after October 1, 2019, and on or before September 30, 2020, will be reduced by the fiscal year 2020 5.9% sequestration rate, irrespective of when the IRS received the Form 8038-CP with amounts claimed by an issuer. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

A summary of historic federal sequestration rates is outlined below:

Fiscal Year (October 1 thru September 30)	Sequestration Rate Reduction
2013	8.7%
2014	7.2
2015	7.3
2016	6.8
2017	6.9
2018	6.6
2019	6.2
2020	5.9

In addition, federal government shutdowns may delay the processing of federal government payments to the District. If this were to occur, the District will be required to make payment of the full amount of interest due on the bonds at that time. These payments are expected to be reimbursed to the District when any such government shutdown is over but when the federal government can process requests for, and make payment of, the applicable tax credit payments is not known at this time.

The District budgets annually for the full interest payment due on the QSCBs to cover for possible delays or shortfalls in the expected tax credit subsidy.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Rensselaer	12/31/2018	$ 184,857,834	$ 56,063,624	$ 128,794,210	15.98%	$ 20,581,315
City of:						
Troy	12/31/2018	64,915,318	31,267,453	33,647,865	74.87%	25,192,157
Town of						
Brunswick	12/31/2018	1,140,890	120,000	1,020,890	31.36%	320,151
					Total:	$ 46,093,622

(1) Bonds and bond anticipation notes as of close of the 2018 fiscal year. Not adjusted to include subsequent bond 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 2018.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of October 1, 2020:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]..	$ 61,295,076	$ 1,505.69	3.27%
Net Indebtedness Plus Net Overlapping Indebtedness [d]............	107,388,698	2,637.95	5.74

(a) The estimated population of the District is 40,709 (See "THE DISTRICT – Population" herein).
(b) The District's full value of taxable real estate, using 2020-2021 regular State equalization ratios is $1,872,323,424. (See "TAX INFORMATION - Taxable Assessed Valuations" herein or "APPENDIX – C" attached hereto.)
(c) Estimated net overlapping indebtedness is $46,093,622 (See estimated overlapping indebtedness herein.)

Note: The above ratios do not take into account State building aid the School District expects to receive for outstanding capital projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

CONTINUING DISCLOSURE COMPLIANCE

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 School District will enter into a Material Event Notices Certificate, a summary of which is attached hereto as "APPENDIX – D."

Historical Compliance

The School District is in compliance, in all material respects, with all prior undertakings pursuant to the Rule for the past five years.

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

COVID-19

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

TAX MATTERS

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

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

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

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

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

The Bonds will be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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

LEGAL MATTERS

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

LITIGATION

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

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

BOND RATING

Moody's Investors Service ("Moody's") has assigned their rating of "Aa3" Enhanced and "A1" Underlying to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

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

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

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

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

Concurrently with the delivery of the Bonds, the Enlarged City School District of the City of Troy will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the Enlarged City School District of the City of Troy, as to which no representation can be made.

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

The School 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.

The School District contact information is as follows: Mr. Adam Hotaling, Assistant Superintendent for Business, 475 First Street, Troy, New York 12180, telephone (518) 328-5005, fax (518) 271-7692, email hotalinga@troycsd.org

The District's Bond Counsel information is as follows: M. Cornelia Cahill, Esq., Barclay Damon LLP, 80 State Street Albany, New York 12207, Phone: (518) 429-4296, Fax: (518) 533-2926, Email: mcahill@barclaydamon.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

ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY

Dated: October __, 2020

THOMAS MAYO
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
ASSETS					
Unrestricted Cash	$ 15,750,967	$ 24,141,833	$ 23,424,754	$ 16,965,204	$ 16,964,697
Restricted Cash	3,452,440	1,888,796	1,961,077	4,038,569	5,694,684
Accounts Receivable	-	-	-	-	-
Taxes Receivable	5,238,542	4,719,356	4,082,201	4,059,224	4,091,356
State and Federal Aid Receivable	3,060,601	3,649,188	4,087,076	3,722,218	3,227,945
Due from Other Governments	1,541,286	1,428,893	397,161	845,718	393,690
Due from Other Funds	6,838,119	2,612,377	2,208,781	3,862,241	5,308,935
Other Receivables	266,550	389,860	204,220	34,915	243,928
TOTAL ASSETS	$ 36,148,505	$ 38,830,303	$ 36,365,270	$ 33,528,089	$ 35,925,235
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 3,485,668	$ 2,441,167	$ 2,238,542	$ 1,518,539	$ 1,515,141
Other Liability	-	-	-	-	-
Accrued Liabilities	4,404,797	2,889,415	2,333,408	2,536,897	2,569,809
Due to Other Funds	782,078	3,645,669	641,078	295,266	235,046
Due to Other Governments	162	169	183	193	199
Due to Teachers' Retirement System	5,967,071	4,640,963	4,258,064	3,667,723	3,978,860
Due to Employees' Retirement System	359,984	264,150	271,547	279,173	324,484
Overpayments	93	16,982	7,889	7,594	49,016
Deferred Revenues	4,177,502	4,123,615	3,048,125	2,524,155	3,944,997
TOTAL LIABILITIES	$ 19,177,355	$ 18,022,130	$ 12,798,836	$ 10,829,540	$ 12,617,552
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	1,885,247	1,957,740	4,528,739	10,194,888	12,074,616
Assigned	11,133,538	14,334,063	14,771,267	8,086,718	6,666,067
Unassigned	3,952,365	4,516,370	4,266,428	4,416,943	4,567,000
TOTAL FUND EQUITY	$ 16,971,150	$ 20,808,173	$ 23,566,434	$ 22,698,549	$ 23,307,683
TOTAL LIABILITIES and FUND EQUITY	$ 36,148,505	$ 38,830,303	$ 36,365,270	$ 33,528,089	$ 35,925,235

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2014	2015	2016	2017	2018
REVENUES					
Real Property Taxes	$ 30,685,903	$ 30,535,929	$ 32,129,892	$ 33,366,934	$ 33,070,799
Other Tax Items	4,667,352	4,725,361	5,204,802	5,100,624	5,353,364
Non Property Tax Items	1,571,600	1,583,776	1,349,087	1,287,559	1,285,409
Charges for Services	889,737	825,776	777,387	1,081,941	931,962
Use of Money & Property	52,073	41,773	46,518	66,817	94,757
Sale of Property and Compensation for Loss	95,814	111,956	48,157	145,637	77,313
Miscellaneous	2,996,443	1,963,122	2,915,215	1,526,763	815,122
Interfund Revenue	149,836	166,555	155,400	174,038	148,165
Revenues from State Sources	49,658,577	57,254,218	58,051,931	59,638,849	60,654,920
Revenues from Federal Sources	536,174	222,501	214,723	617,465	341,283
Total Revenues	$ 91,303,509	$ 97,430,967	$ 100,893,112	$ 103,006,627	$ 102,773,094
Other Sources:					
Interfund Transfers	-	48,590	-	-	-
Total Revenues and Other Sources	$ 91,303,509	$ 97,479,557	$ 100,893,112	$ 103,006,627	$ 102,773,094
EXPENDITURES					
General Support	$ 8,286,132	$ 8,780,244	$ 8,485,070	$ 10,443,550	$ 10,072,136
Instruction	53,739,584	54,877,672	53,767,642	52,888,991	56,211,947
Pupil Transportation	5,156,503	4,574,504	5,124,420	4,683,680	6,148,168
Community Services	36,756	35,036	32,783	46,443	34,626
Employee Benefits	18,437,691	20,298,242	18,138,868	19,562,277	19,261,164
Debt Service	5,120,758	7,341,533	7,651,869	8,482,331	11,648,151
Total Expenditures	$ 90,777,424	$ 95,907,231	$ 93,200,652	$ 96,107,272	$ 103,376,192
Other Uses:					
Interfund Transfers	199,788	539,774	3,855,437	4,141,094	264,787
Total Expenditures and Other Uses	$ 90,977,212	$ 96,447,005	$ 97,056,089	$ 100,248,366	$ 103,640,979
Excess (Deficit) Revenues Over Expenditures	326,297	1,032,552	3,837,023	2,758,261	(867,885)
FUND BALANCE					
Fund Balance - Beginning of Year	15,612,301	15,938,598	16,971,150	20,808,173	23,566,434
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 15,938,598	$ 16,971,150	$ 20,808,173	$ 23,566,434	$ 22,698,549

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2019 Original Budget	2019 Revised Budget	2019 Actual	2020 Adopted Budget	2021 Adopted Budget
REVENUES					
Real Property Taxes	$ 36,832,473	$ 33,444,396	$ 31,728,728	$ 33,450,798	$ 37,941,094
Other Tax Items	2,725,000	4,863,077	5,056,101	5,250,000	3,025,000
Nonproperty Taxes	-	1,250,000	1,285,220	1,525,000	-
Charges for Services	709,000	709,000	722,727	910,000	730,000
Use of Money & Property	41,000	41,000	211,950	166,000	111,000
Sale of Property and Compensation for Loss	52,000	52,000	94,478	52,000	51,000
Miscellaneous	715,000	734,892	1,143,103	410,000	420,000
Interfund Revenues	300,000	300,000	54,271	150,000	350,000
Revenues from State Sources	64,678,916	64,694,847	63,948,771	67,565,859	67,239,810
Revenues from Federal Sources	390,000	390,000	416,133	345,333	383,471
Total Revenues	$ 106,443,389	$ 106,479,212	$ 104,661,482	$ 109,824,990	$ 110,251,375
Other Sources:					
Interfund Transfers	-	-	89,820	350,000	-
Total Revenues and Other Sources	$ 106,443,389	$ 106,479,212	$ 104,751,302	$ 110,174,990	$ 110,251,375
EXPENDITURES					
General Support	$ 10,598,139	$ 11,786,332	$ 10,330,796	$ 10,824,474	$ 11,526,722
Instruction	60,965,912	63,741,288	57,937,445	62,641,959	60,836,469
Pupil Transportation	6,785,888	6,804,694	5,228,095	6,787,237	6,966,389
Community Services	-	6,871	6,621	-	1,500
Employee Benefits	24,702,920	22,065,411	19,484,833	25,017,247	24,801,569
Debt Service	8,605,530	8,935,530	8,935,530	8,639,073	9,253,726
Total Expenditures	$ 111,658,389	$ 113,340,126	$ 101,923,320	$ 113,909,990	$ 113,386,375
Other Uses:					
Interfund Transfers	235,000	2,218,848	2,218,848	265,000	265,000
Total Expenditures and Other Uses	$ 111,893,389	$ 115,558,974	$ 104,142,168	$ 114,174,990	$ 113,651,375
Excess (Deficit) Revenues Over Expenditures	(5,450,000)	(9,079,762)	609,134	(4,000,000)	(3,400,000)
FUND BALANCE					
Fund Balance - Beginning of Year	5,450,000	9,079,762	22,698,549	4,000,000	3,400,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 23,307,683	-	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Excluding the Bonds to be Issued Principal	Interest	Total	Principal of the Bonds	Total Principal All Bonds
2021	$ 5,420,000	$ 2,253,018.15	$ 7,673,018.15	-	$ 5,420,000
2022	5,220,000	2,030,321.27	7,250,321.27	50,000	5,270,000
2023	5,465,000	1,783,883.77	7,248,883.77	60,000	5,525,000
2024	4,945,000	1,517,733.77	6,462,733.77	60,000	5,005,000
2025	5,180,000	1,284,065.02	6,464,065.02	60,000	5,240,000
2026	5,430,000	1,036,365.02	6,466,365.02	65,000	5,495,000
2027	5,695,000	770,675.02	6,465,675.02	65,000	5,760,000
2028	5,145,000	513,187.52	5,658,187.52	65,000	5,210,000
2029	5,375,000	282,690.64	5,657,690.64	65,000	5,440,000
2030	605,000	62,000.00	667,000.00	70,000	675,000
2031	635,000	31,750.00	666,750.00	70,000	705,000
2032	-	-	-	70,000	70,000
2033	-	-	-	75,000	75,000
2034	-	-	-	75,000	75,000
2035	-	-	-	75,000	75,000
2036	-	-	-	75,000	75,000
TOTALS	$ 49,115,000	$ 11,565,690.18	$ 60,680,690.18	$ 1,000,000	$ 50,115,000

Note: The bonds listed above do not include $2,695,000 of refunded 2010 serial bonds which will be fully redeemed as of their call date on October 1, 2020. Debt service on the refunded bonds is being paid from a fully funded escrow account, and while not legally defeased, these bonds are considered economically defeased.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Capital Project - QSCB*			2011 Refunding of 2001 & 2003 Series Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 335,000	$ 108,471	$ 443,471	$ 415,000	$ 6,484	$ 421,484
2022	350,000	95,909	445,909	-	-	-
2023	360,000	82,346	442,346	-	-	-
2024	375,000	67,946	442,946	-	-	-
2025	390,000	52,478	442,478	-	-	-
2026	405,000	35,903	440,903	-	-	-
2027	425,000	18,488	443,488	-	-	-
TOTALS	$ 2,640,000	$ 461,540	$ 3,101,540	$ 415,000	$ 6,484	$ 421,484

Fiscal Year Ending June 30th	2014 Capital Project - DASNY			2015 Refunding of 2008 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 2,655,000	$ 1,429,250	$ 4,084,250	$ 860,000	$ 404,594	$ 1,264,594
2022	2,790,000	1,296,500	4,086,500	905,000	360,469	1,265,469
2023	2,930,000	1,157,000	4,087,000	950,000	314,094	1,264,094
2024	3,075,000	1,010,500	4,085,500	1,000,000	265,344	1,265,344
2025	3,235,000	856,750	4,091,750	1,050,000	214,094	1,264,094
2026	3,395,000	695,000	4,090,000	1,105,000	160,219	1,265,219
2027	3,565,000	525,250	4,090,250	1,160,000	103,594	1,263,594
2028	3,385,000	347,000	3,732,000	1,200,000	56,594	1,256,594
2029	3,555,000	177,750	3,732,750	1,235,000	19,297	1,254,297
TOTALS	$ 28,585,000	$ 7,495,000	$ 36,080,000	$ 9,465,000	$ 1,898,297	$ 11,363,297

Fiscal Year Ending June 30th	2016 Capital Project - DASNY			2017J Refunding - DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2021	$ 450,000	$ 216,769	$ 666,769	$ 705,000	$ 87,450	$ 792,450
2022	455,000	211,144	666,144	720,000	66,300	786,300
2023	475,000	192,944	667,944	750,000	37,500	787,500
2024	495,000	173,944	668,944	-	-	-
2025	505,000	160,744	665,744	-	-	-
2026	525,000	145,244	670,244	-	-	-
2027	545,000	123,344	668,344	-	-	-
2028	560,000	109,594	669,594		-	-
2029	585,000	85,644	670,644	-	-	-
2030	605,000	62,000	667,000	-	-	-
2031	635,000	31,750	666,750	-	-	-
TOTALS	$ 5,835,000	$ 1,513,119	$ 7,348,119	$ 2,175,000	$ 191,250	$ 2,366,250

* The District receives direct interest subsidy payments from the United States Treasury in amounts equal to 100% of the original interest on the bonds, less any applicable reduction due to Federal Sequestration.

COMPUTATION OF FULL VALUATION

Using Regular Equalization Rates

Fiscal Year Ending June 30:		2016	2017	2018	2019	2020	2021
Assessed Valuation							
City of:	Troy	$ 1,351,550,003	$ 1,350,791,165	$ 1,342,299,230	$ 1,347,341,701	$ 1,344,646,562	$ 1,354,937,700
Town of:	Brunswick	82,308,064	87,815,121	88,476,415	88,593,600	85,577,135	85,995,761
Total Assessed Valuation		$ 1,433,858,067	$ 1,438,606,286	$ 1,430,775,645	$ 1,435,935,301	$ 1,430,223,697	$ 1,440,933,461
State Equalization Rates							
City of:	Troy	100.00%	100.00%	100.00%	100.00%	93.00%	89.90%
Town of:	Brunswick	26.70%	26.70%	26.70%	25.50%	24.50%	23.55%
Full Valuation							
City of:	Troy	$ 1,351,550,003	$ 1,350,791,165	$ 1,342,299,230	$ 1,347,341,701	$ 1,445,856,518	$ 1,507,160,957
Town of:	Brunswick	308,269,903	328,895,584	331,372,341	347,425,882	349,294,429	365,162,467
Total Full Valuation		$ 1,659,819,906	$ 1,679,686,749	$ 1,673,671,571	$ 1,694,767,583	$ 1,795,150,947	$ 1,872,323,424

Using Special Equalization Ratios

Fiscal Year Ending June 30:		2016	2017	2018	2019	2020	2021
Assessed Valuation							
City of:	Troy	$ 1,351,550,003	$ 1,350,791,165	$ 1,342,299,230	$ 1,347,341,701	$ 1,344,646,562	$ 1,354,937,700
Town of:	Brunswick	82,308,064	87,815,121	88,476,415	88,593,600	85,577,135	85,995,761
Total Assessed Valuation		$ 1,433,858,067	$ 1,438,606,286	$ 1,430,775,645	$ 1,435,935,301	$ 1,430,223,697	$ 1,440,933,461
Special Equalization Ratios							
City of:	Troy	100.91%	101.00%	93.72%	94.07%	94.74%	N/A
Town of:	Brunswick	26.43%	26.51%	25.00%	25.00%	24.56%	N/A
Full Valuation							
City of:	Troy	$ 1,339,361,811	$ 1,337,416,995	$ 1,432,244,163	$ 1,432,275,647	$ 1,419,301,839	N/A
Town of:	Brunswick	311,419,084	331,252,814	353,905,660	354,374,400	348,441,103	N/A
Total Full Valuation		$ 1,650,780,895	$ 1,668,669,809	$ 1,786,149,823	$ 1,786,650,047	$ 1,767,742,942	$ -

Note: Special Equalization Ratios for the Fiscal Year Ending June 30, 2021 are not available as of the date of this Official Statement.

CONTINUING DISCLOSURE UNDERTAKING

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

(i) In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated October 8, 2020 of the District relating to the Bonds under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than Appendix C and other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

(g) modifications to rights of securityholders, if material

(h) Bond calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY
RENSSELAER COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2019

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.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

As management of the Enlarged City School District of Troy, New York, we offer the reader of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2019. We encourage readers to consider the information presented here, in conjunction with information provided in the financial statements. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

FINANCIAL HIGHLIGHTS

- Total net position increased by $6,818,703 and decreased by $4,437,888 during the course of 2019 and 2018, respectively, primarily due to the additions to capital assets in 2019 and increased postemployment benefits as required by the implementation of GASB 75 in 2018.
- District-wide revenues were $118,981,795 and $114,433,818 for 2019 and 2018, respectively; district wide expenditures were $112,163,092 and $118,871,706 for 2019 and 2018, respectively.
- General fund revenues were greater than general fund expenditures by $609,134 and were less than expenditures by $867,885 for the years ended June 30, 2019 and 2018, respectively.
- General fund equity was $23,307,683 at June 30, 2019 as compared to $22,698,549 at June 30, 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's annual 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 District's operations in *more detail* than the entity-wide statements.

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

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

The financial statements also include notes that provide additional information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the 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-2 summarizes the major features of the financial statements.

Table A-1: Organization of the Enlarged City School District of Troy, New York's Annual Financial Report

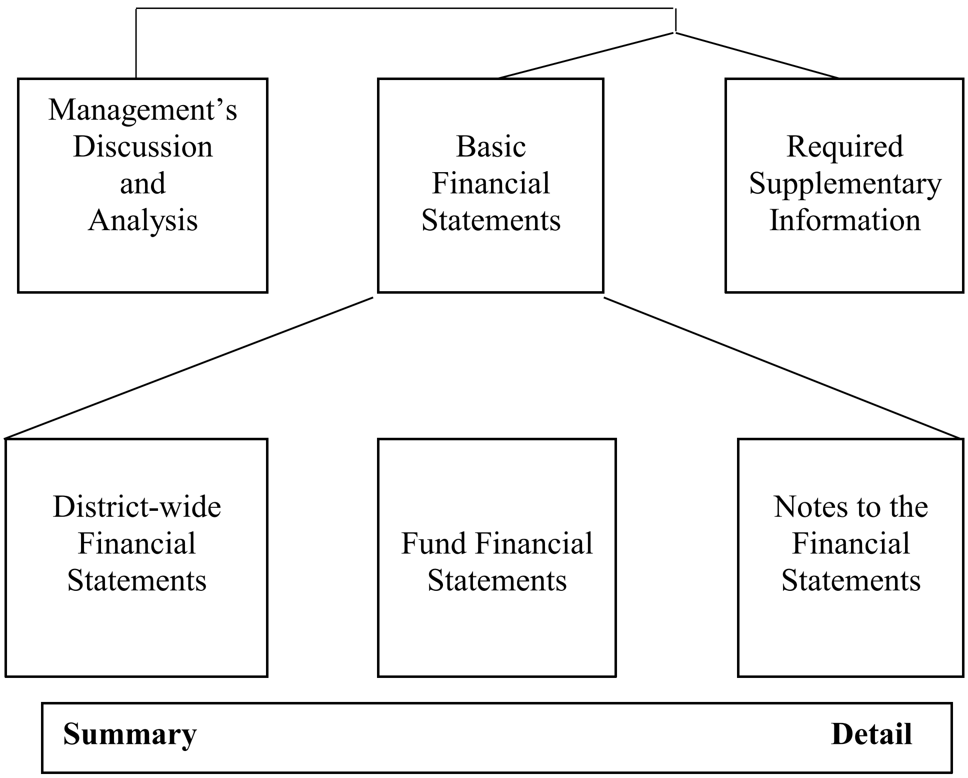


Table A-2: Summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and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

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

Description	Entity-wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
1. Scope	Entire district (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as employee benefits
2. Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
3. Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources 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	All assets and liabilities, both financial and capital, short-term and long-term; funds do not contain capital assets, although they can
5. Type of inflow and outflow information	All revenues and expenses during year; regardless of when cash is received or paid	Revenues 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	All additions and deductions during the year, regardless of when cash is received or paid

DISTRICT-WIDE FINANCIAL STATEMENTS

The *district-wide* financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as *net position.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The district-wide financial statements can be found on pages 14-15 of this report.

FUND FINANCIAL STATEMENTS

The fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- ***Governmental funds***: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliation section of the governmental funds statements explains the relationship (or differences) between them.

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

  The fund financial statements can be found on pages 16-17 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by $(70,380,534) at June 30, 2019 primarily due to the full recognition of the District's other postemployment liability in accordance with GASB 75. We refer you to the notes to the financial statements for more detailed information.

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

	Fiscal Year 2019	Fiscal Year 2018	Increase/ (Decrease)	Percentage Change
Current and Other Assets	$ 50.5	$ 53.0	$ (2.5)	(4.7%)
Capital Assets	129.6	121.5	8.1	6.7%
Pension Assets, Net	3.8	1.6	2.2	125%
Total Assets	183.9	176.1	7.8	4.4%
Deferred Outflows	20.9	23.1	(2.2)	(9.5%)
Current Liabilities	34.0	29.3	4.7	16.0%
Long-term Debt Outstanding	179.6	233.8	(54.2)	(23.2%)
Total Liabilities	213.6	263.1	(49.5)	(18.8%)
Deferred Inflows	61.6	13.3	48.3	291.0%
Investment in Capital Assets, Net of Related Debt	55.2	60.6	(5.4)	(8.9%)
Restricted	16.8	14.7	2.1	(14.3%)
Unassigned Deficit	(142.4)	(152.5)	10.1	6.6%
Total Net Position	$ (70.4)	$ (77.2)	$ 6.8	(8.8%)

CHANGES IN NET POSITION

A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings and improvements and furniture and equipment), less any related debt (serial bonds payable) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to students, employees and creditors.

Table A-4: Changes in Net Position from Operating Results
Governmental Activities Only

	Fiscal Year 2019	Fiscal Year 2018	Increase/ Decrease	Percentage Change
Changes in Net Position from Operating Results				
Program Revenues:				
Charges for Services	$ 777,655	$ 992,068	$ (214,413)	(21.6%)
Operating Grants	12,739,401	12,266,261	473,140	3.9%
General Revenues:				
Real Property & Utility Taxes	39,490,485	39,185,602	304,883	.8%
Use of Money and Property	371,769	178,562	193,207	108.2%
Miscellaneous	1,237,581	815,122	422,459	51.8%
State Sources	63,948,771	60,654,920	3,293,851	5.4%
Federal Sources	416,133	341,283	74,850	21.9%
Total Revenues	118,981,795	114,433,818	4,547,977	4.0%
Expenses:				
General Support	10,323,909	10,137,404	186,505	1.8%
Instruction	67,286,655	65,484,427	1,802,228	2.8%
Pupil Transportation	5,228,095	6,148,168	(920,073)	(15.0%)
Employee Benefits	20,301,675	27,880,160	(7,578,485)	(27.0%)
Interest and Other Debt Expense	2,439,761	2,825,558	(385,797)	(13.7%)
Other	2,403,090	2,189,766	213,324	10.1%
Depreciation - Unallocated	4,139,803	4,206,223	(66,420)	(1.6%)
Total Expenses	112,122,988	118,871,706	(6,748,718)	(5.6%)
Change in Net Position	$ 6,858,807	$ (4,437,888)	$11,296,695	253.7%

Table A-5: Sources of Revenue for Fiscal Year 2019

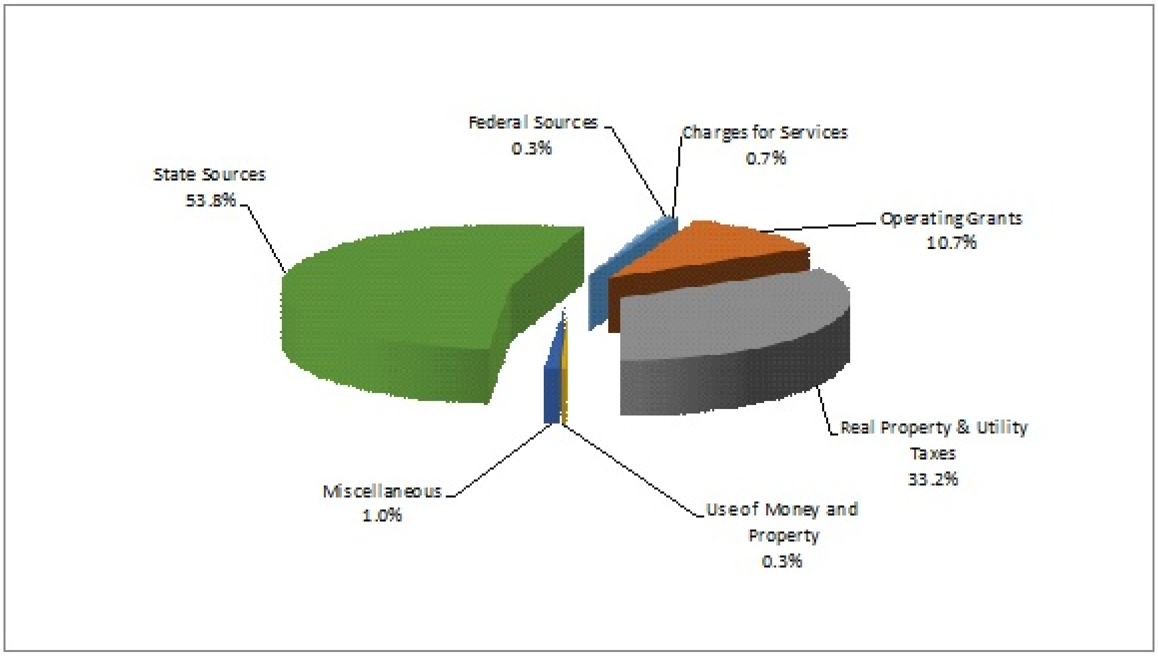
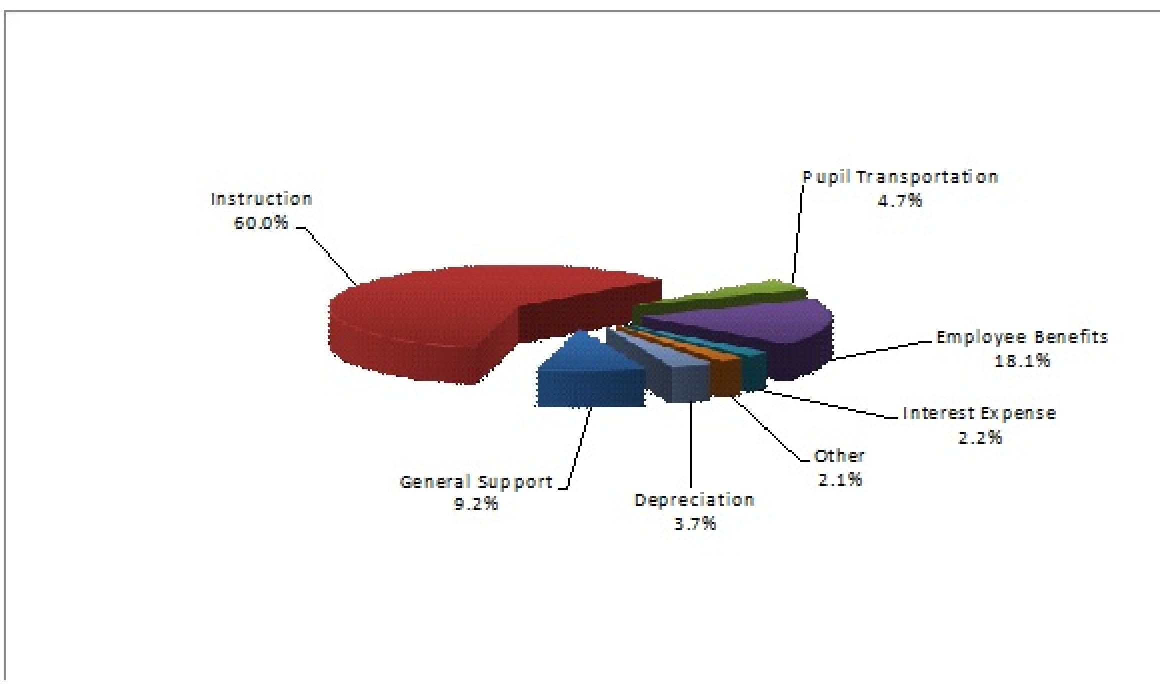


Table A-6: Expenses for Fiscal Year 2019



GOVERNMENTAL FUNDS

Financial Analysis of the District's Funds - As explained earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. The District has designated portions of the reserved fund balance to earmark resources for certain governmental funds. The unreserved fund balance is divided between designated and undesignated balances. The District has designated a portion of the unreserved fund balance for subsequent year's expenditures. Fund balance of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

General Fund - The general fund is the chief operating fund of the District. Financial highlights include:

Total General Fund revenues and other financing sources for 2018-2019 were $104,751,302 an increase of 1.9% from 2017-2018. The key factor in this increase was increased state aid.

Total General Fund expenditures and other financing uses for 2018-2019 were $104,142,168, an increase of .7% from 2017-2018. The key factors in this increase were higher instructional and employee benefits expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2019, the District had invested $129,605,049 net of depreciation of $74,683,949, in a broad range of capital assets, including school buildings, transportation facility, administrative buildings, athletic facilities, computer and audio-visual equipment and buses. This amount represents an increase of $8,061,327 from fiscal year-end 2018 (more detailed information about capital assets can be found in Note 2. A.IV. to the financial statements). Total depreciation expense for the year was $4,139,803, while equipment acquisitions and additional construction on capital projects, net of disposals, amounted to $12,201,130 during the year.

The following table reflects the total net cost of various building renovations and additions, technology and equipment expenditures through the end of fiscal year 2019 and 2018:

Table A-7: Capital Assets, Net of Depreciation
(in millions)

Category	Fiscal Year-End 2019	Fiscal Year-End 2018
Land and Land Improvements	$ 2.6	$ 3.0
Construction in Progress	21.1	74.3
Buildings	105.0	43.0
Machinery, Equipment and Vehicles	.9	1.2
Total	$ 129.6	$ 121.5

Short-Term Debt

The District borrowed $1,011,676 and $16,803,400 in bond anticipation notes in October 2018 and June 2019, respectively, to fund the outstanding capital projects. More detailed information about the District's short-term debt is presented in Note 2.B III to the Financial Statements.

Long-Term Debt

At year-end June 30, 2019 the District had $55,079,550 million in general obligation and $130,531,080 million in other long-term debt outstanding. More detailed information about the District's long-term liabilities is presented in Note 2. BIII. to the Financial Statements.

Table A-8: Outstanding Long-Term Debt

Category	Fiscal Year-End 2019	Fiscal Year-End 2018
Serial and Statutory Installment Bonds	$ 55,079,550	$ 60,819,550
Compensated Absences	3,727,744	3,787,479
Other Postemployment Benefits	125,099,800	174,183,940
Pension Liability	1,703,536	763,026
	$ 185,610,630	$ 239,553,995

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The District is dependent on the State of New York for state aid, historically in the 50-60% range of all revenues. Should aid be reduced as a result of the State being in a deficit situation or compelled to send a larger portion of aid to New York City, the effect will be felt in the District. At this time the District must appropriate over five million dollars to cover the cost of District charter school students. Significant financial stress will be placed on the District's financial health unless changes are made in the way charter schools are financed. The continuing increases in health insurance, utilities and pension costs cause funds to be diverted from sound educational programs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Enlarged City School District of Troy, New York
Attn: Assistant Superintendent for Business
475 1st Street
Troy, New York 12180
(518) 328-5005

CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM
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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

To the Board of Education
Enlarged City School District of Troy, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Enlarged City School District of Troy, New York (the"District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules of funding progress - other postemployment plans, proportionate share of net pension assets/liabilities and district contributions - pension plans, on pages 1-10 and 53-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information on pages 58-62 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 67 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The other supplemental information on pages 58-62 and the schedule of expenditures of federal awards on page 67 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is 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 10, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 10, 2019

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

STATEMENT OF NET POSITION

JUNE 30, 2019

ASSETS AND DEFERRED OUTFLOWS

Current Assets:	
Unrestricted Cash	$ 19,154,989
Restricted Cash	17,311,795
Taxes Receivable	4,091,356
State and Federal Aid Receivable	9,240,282
Due from Other Governments	393,690
Accounts Receivable	243,928
Due from Fiduciary Funds	6,283
Inventories	72,371
Total Current Assets	50,514,694
Long-Term Assets:	
Capital Assets, Net	129,605,049
Net Pension Assets	3,797,449
Total Assets	183,917,192
Deferred Outflows of Resources, Pension	20,938,619
Total Assets and Deferred Outflows of Resources	$ 204,855,811

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities:	
Accounts Payable	$ 2,864,489
Accrued Liabilities	2,587,032
Due to Other Governments	1,043
Accrued Interest	349,505
Due to Teachers' Retirement System	3,978,860
Due to Employees' Retirement System	324,484
Bond Anticipation Notes Payable	17,815,076
Overpayments and Collections in Advance	49,016
Unearned Revenue	33,807
Bonds Due and Payable within One Year	5,965,000
Total Current Liabilities	33,968,312
Long-term Liabilities:	
Bonds	49,114,550
Compensated Absences	3,727,744
Other Postemployment Benefits	125,099,800
Net Pension Liability	1,703,536
Total Liabilities	213,613,942
Deferred Inflows of Resources:	
Pension and OPEB	56,075,014
Unamortized Bond Premium	5,507,285
Total Deferred Inflows	61,582,299
Total Liabilities and Deferred Inflows of Resources	275,196,241

NET POSITION

Invested in Capital Assets, Net of Related Debt	55,200,732
Restricted	16,783,037
Unassigned:	
Unassigned Deficit	(142,324,199)
Total Net Position	(70,340,430)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 204,855,811

		Program Revenues		Net Expenses and
	Expenses	**Charges for Services**	**Operating Grants**	**Change Net Position**
Functions/Programs:				
General Support	$ 10,323,909	$ -	$ 84,908	$ (10,239,001)
Instruction	67,286,655	722,727	9,769,811	(56,794,117)
Pupil Transportation	5,228,095	-	-	(5,228,095)
Community Service	6,221	-	-	(6,221)
Employee Benefits	20,301,675	-	-	(20,301,675)
Debt Service - Interest and Other	2,439,761	-	-	(2,439,761)
Depreciation - Unallocated (includes direct expense of various functions and programs)	4,139,803	-	-	(4,139,803)
School Lunch Program	2,396,869	54,928	2,884,682	542,741
Total Functions and Programs	$ 112,122,988	$ 777,655	$ 12,739,401	(98,605,932)
General Revenues:				
Real Property Taxes				33,149,164
Other Tax Items				5,056,101
Nonproperty Taxes				1,285,220
Use of Money and Property				371,769
Sale of Property and Compensation for Loss				94,478
State Aid				63,948,771
Federal Aid				416,133
Miscellaneous				1,143,103
Total General Revenues				105,464,739
Change in Net Position				6,858,807
Total Net Position, Beginning of Year				(77,199,237)
Total Net Position, End of Year				$ (70,340,430)

See accompanying notes and independent auditor's report.

	General	Non-Major Funds	Total Governmental Funds
Current Assets:			
Cash			
Unrestricted	$ 16,964,697	$ 2,190,292	$ 19,154,989
Restricted	5,694,684	11,617,111	17,311,795
Receivables			
Taxes	4,091,356	-	4,091,356
Due from Other Funds	5,308,935	519,548	5,828,483
State and Federal Aid	3,227,945	6,012,337	9,240,282
Due from Other Governments	393,690	-	393,690
Other	243,928	-	243,928
Inventories	-	72,371	72,371
Total Assets	$ 35,925,235	$ 20,411,659	$ 56,336,894
Current Liabilities:			
Payables			
Accounts Payable	$ 1,515,141	$ 1,349,348	$ 2,864,489
Accrued Liabilities	2,569,809	17,223	2,587,032
Due to Other Funds	235,046	5,587,154	5,822,200
Due to Other Governments	199	844	1,043
Due to Teachers' Retirement System	3,978,860	-	3,978,860
Due to Employees' Retirement System	324,484	-	324,484
Bond Anticipation Notes Payable	-	17,815,076	17,815,076
Overpayments and Collections in Advance	49,016	-	49,016
Unearned Revenue	-	33,807	33,807
Total Liabilities	8,672,555	24,803,452	33,476,007
Deferred Inflows of Resources:			
Uncollected Real Estate Taxes	3,944,997	-	3,944,997
Fund Balances:			
Nonspendable:			
Inventories	-	72,371	72,371
Restricted for:			
Workers' Compensation	3,137,896	-	3,137,896
Unemployment Insurance	151,451	-	151,451
Tax Certiorari	1,579,343	-	1,579,343
Employee Benefits Accrued Liabilities	1,253,491	-	1,253,491
Capital Reserve	3,952,435	-	3,952,435
Debt Service	-	4,708,421	4,708,421
Retirement Reserve	2,000,000	-	2,000,000
Assigned for:			
General Support	163,637	-	163,637
Instruction	2,145,140	-	2,145,140
Other	357,290	-	357,290
Food Service	-	2,038,328	2,038,328
Appropriated for Subsequent Year's Expenditures	4,000,000	-	4,000,000
Unassigned:			
Unassigned (Deficit)	4,567,000	(11,210,913)	(6,643,913)
Total Fund Balance	23,307,683	(4,391,793)	18,915,890
Total Liability, Deferred Inflows and Fund Balance	$ 35,925,235	$ 20,411,659	$ 56,336,894

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

Total governmental fund balances per above	$ 18,915,890
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	129,605,049
Pension assets, including deferred outflows, inflows and pension liability.	17,436,123
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in funds.	(58,807,294)
Deferral of charges for property taxes earned in the current year are recognized as revenue under full accrual accounting.	3,944,997
Other postemployment benefit liability is recognized as a liability under full accrual accounting, including deferred inflows.	(175,578,405)
Interest payable in the district-wide statements under full accrual accounting.	(349,505)
Premium on bond borrowings is deferred in the district-wide financial statements under full accrual accounting.	(5,507,285)
Net Position of Governmental Activities	$ (70,340,430)

	General	Non-Major Funds	Total Governmental Funds
Revenues:			
Real Property Taxes	$ 31,728,728	$ -	$ 31,728,728
Other Tax Items	5,056,101	-	5,056,101
Nonproperty Taxes	1,285,220	-	1,285,220
Charges for Service	722,727	-	722,727
Use of Money and Property	211,950	159,819	371,769
Sale of Property and Compensation for Loss	94,478	-	94,478
Interfund Revenues	54,271	-	54,271
State Aid	63,948,771	4,253,035	68,201,806
Federal Aid	416,133	8,476,730	8,892,863
Sales	-	54,928	54,928
Miscellaneous	1,143,103	9,636	1,152,739
Total Revenues	104,661,482	12,954,148	117,615,630
Expenditures:			
General Support	10,330,796	88,616	10,419,412
Instruction	57,937,445	9,821,339	67,758,784
Pupil Transportation	5,228,095	-	5,228,095
Community Service	6,621	-	6,621
Employee Benefits	19,484,833	-	19,484,833
Debt Service			
Principal	5,740,000	-	5,740,000
Interest	3,195,530	-	3,195,530
Cost of Sales	-	2,396,869	2,396,869
Capital Outlay	-	11,747,504	11,747,504
Total Expenditures	101,923,320	24,054,328	125,977,648
Excess (Deficiency) of Revenues Over Expenditures	2,738,162	(11,100,180)	(8,362,018)
Other Financing Sources (Uses):			
Operating Transfers In	89,820	2,218,848	2,308,668
Operating Transfers Out	(2,218,848)	(89,820)	(2,308,668)
Total Other Financing Sources (Uses)	(2,129,028)	2,129,028	-
Excess of Revenues and Other Financing Sources (Uses) Over Expenditures	609,134	(8,971,152)	(8,362,018)
Fund Balance, Beginning of Year	22,698,549	4,579,359	27,277,908
Fund Balance (Deficit), End of Year	$ 23,307,683	$ (4,391,793)	$ 18,915,890

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2019

Net Changes in Fund Balance - Governmental Funds	$ (8,362,018)
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	12,201,130
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(4,139,803)
Net pension expense in accordance with GASB 68 is a lower expense in the district-wide financial statements under full accrual accounting.	623,539
Amortization of premium on debt over the life of the bond is a reduction to the current year interest expense in the district-wide financial statements.	722,070
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	5,740,000
Certain real property tax revenue not recognized in the governmental funds under the modified accrual basis of accounting (60 day rule) but is recognized under full accrual accounting.	1,420,842
Interest is recognized as an expense in governmental funds when paid. For governmental activities interest expense is recognized as it accrues. The decrease in accrued interest during 2019 results in less expense.	33,693
Certain expenses in the statement of activities related to the long-term compensated absences liability do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental fund. The decrease in the liability in 2019 results in less expense.	59,735
Certain postemployment benefits are recognized as an expense in the statement of activities under full accrual accounting.	(1,440,381)
Change in Net Position of Governmental Activities	$ 6,858,807

	Agency	Private Purpose Trusts
Current Assets		
Cash - Restricted	$ 104,215	$ 315,745
Accounts Receivable	5,953	-
Total Assets	$ 110,168	$ 315,745
Current Liabilities		
Extraclassroom Activity Balances	$ 60,315	$ -
Other Liabilities	43,570	-
Due to Other Funds	6,283	-
Total Liabilities	$ 110,168	-
Net Position		
Restricted for Scholarships	-	315,745
Total Net Position	-	315,745
Total Liabilities and Net Position	$ -	$ 315,745

	Private Purpose Trusts
Additions:	
Gifts and Contributions	$ 8,989
Investment Earnings	7,577
Total Additions	16,566
Deductions:	
Scholarship and Awards	9,522
Change in Net Position	7,044
Net Position, Beginning of Year	308,701
Net Position, End of Year	$ 315,745

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Enlarged City School District of Troy, New York ("the District") have been prepared in conformity with Generally Accepted Accounting Principles (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 District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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 District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statements 14 and 39, The Financial Reporting Entity as amended by GASB Statement 61. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

The Extraclassroom Activity Fund

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity fund is independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity fund can be found at pages 70-74.

B. *Joint Ventures*

The District is a component district in Questar III - Rensselaer-Columbia-Greene BOCES ("BOCES"). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities.

BOCES are organized under §1950 of the New York Education Law. A BOCES Board is considered a corporate body. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Ventures (Continued)

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

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

During the year ended June 30, 2019, the District was billed $8,451,121 for BOCES administrative and program costs. General purpose financial statements for the Questar III-Rensselaer-Columbia-Greene BOCES are available from the BOCES administrative offices at 10 Empire State Blvd., Castleton, NY 12033. The District's share of BOCES income amounted to $2,810,339. BOCES additionally holds in reserve approximately $378,000 at June 30, 2019 in amounts originally to be used to offset postemployment benefit costs. BOCES intends to use these funds to offset future administrative charges in the 2020 year.

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

C. Basis of Presentation

District-wide Statements

The Statement of Net Assets and the Statement of Activities and Change in Net Position present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirely, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operation or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at year-end. The Statement of Activities and Change in Net Position presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. *Basis of Presentation (Continued)*

Fund Financial Statements

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

I. Governmental Fund Types

The District reports the following major governmental fund:

1. General Fund

   The general fund is the principal operating fund and is used to account for all of the District's operations not required to be accounted for in another fund.

   All remaining governmental funds are aggregated and reported as non-major funds:

2. Special Revenue Funds

   The special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditure for special purposes. Special revenue funds include the following funds:

   a. Special Aid Fund

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

   b. School Lunch Fund

      Used to account for transactions of the lunch and breakfast programs.

3. Capital Projects Funds

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

4. Debt Service Fund

   The debt service fund is used to account for the advanced refunding of debt and unspent proceeds of borrowings that are restricted for debt service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. *Basis of Presentation (Continued)*

Fund Financial Statements (Continued)

II. Fiduciary Fund Type

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee and agent for resources that belong to others. These activities are not included in the district-wide financial statements because their resources do not belong to the District and are not available to be used.

There are two classes of fiduciary fund types:

1. Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefit annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

D. *Basis of Accounting/Measurement Focus*

General Information

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned and expenses are recorded at the time obligations are incurred, regardless of when the related cash transactions take place.

Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Unearned Revenue and Deferred Outflows and Inflows of Resources

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

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

In addition to liabilities, the statement of net position will sometimes report a separation 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 inflows of resources (revenue) until that time. The District has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue for property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The third item related to OPEB reported in the district-wide Statement of Position. This represents the effect of the net changes of assumption and other inputs. The fourth item related to unamortized bond premium which is amortized over the remaining term of the bonds.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 1 through November 30 annually.

II. Enforcement

Uncollected real property taxes are enforced by the City of Troy and the County of Rensselaer. An amount representing all uncollected real property taxes must be transmitted by the City and County to the School District within two years from the return of unpaid taxes to such city and county. Real property taxes receivable expected to be collected within sixty days subsequent to June 30, 2019, less similar amounts collected during this period in the preceding year, are recognized as revenue; otherwise, real property taxes receivable are offset by deferred inflows of resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

1. The budget policies are as follows:

   a. The District administration prepares a proposed budget for approval by the Board of Education for the general fund.

   b. The voters within the District approve the proposed appropriation budget for the general fund.

   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. Encumbrances will lapse if not expended in the subsequent year. 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.

The following supplemental appropriations occurred during the year:

Various Gifts	$ 19,892
Use of Reserves	1,008,975
	$ 1,028,867

II. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over expenditure of established appropriations. Open encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

III. Budget Basis of Accounting

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

H. Cash and Investments

Investment and Deposit Policy

The 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 met obligations as they become due. Oversight of investment activity is the responsibility of the Assistant Superintendent for Business.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Investments (Continued)

Investment and Deposit Policy (Continued)

The District's investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Interest Rate Risk

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

Credit Risk

The 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 District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Investments (Continued)

Investments

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

U.S. GAAP establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District's investments are valued based on level 1 of the hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.

Common stocks and mutual funds: Valued at the net assets value (NAV) of shares held at year end. The NAV is the closing price reported on the open market on which the securities are traded.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Investments (Continued)

Investments (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

I. Accounts Receivable

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

J. Inventories

Inventories of food and/or supplies in the school lunch fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase.

K. Interfund Transfers

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications

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

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

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

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

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school food service fund at June 30, 2019.

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 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 District Board. The District had no committed fund balances at June 30, 2019.

Assigned fund balance includes amounts that are constrained by the 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 District or designated by the District Board for ensuing year's budget.

Encumbrances in the general fund of $2,666,067 and assigned fund balance in the school food service fund of $2,038,328, respectively, at June 30, 2019 are classified as assigned fund balance.

Assigned for Tax Reduction - Portions of fund equity are segregated for future use and are, therefore, not available for appropriation or expenditure. Assignments of unassigned fund balances in governmental funds indicates the use of these resources in the ensuing year's budget or tentative plans for future use.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

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.

The unassigned portion reports remaining fund balance that has not been assigned or restricted. 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 District's budget for the ensuing fiscal year.

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

The following is a description of the restrictions utilized by the District:

I. *Workers' Compensation Reserve*

This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law and according to General Municipal Law §6-j.

The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

II. *Reserve for Employee Benefits Accrued Liability*

Authorized by General Municipal Law §6-p, this reserve is used to accumulate funds for the payment of any accrued employee benefit due to an employee upon termination of service. This reserve fund was established by a majority vote of the Board of Education and is funded by budgetary appropriations. This reserve is accounted for in the General Fund.

III. *Reserve for Debt Service*

Authorized by General Municipal Law §6-i, this reserve is used to account for remaining bond proceeds not utilized for the intended purpose. These monies must be used to pay the debt service of the obligations from which they originated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

IV. *Unemployment Insurance Reserve*

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

V. *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. This reserve is accounted for in the General Fund.

VI. *Capital Reserve*

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

M. Postemployment Benefits

In addition to providing the retirement benefits described in Note 2. B., the District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Currently, approximately 604 retirees and their spouses meet those eligibility requirements. The District pays 100% of the cost of premiums to an insurance company which provides health care insurance, and is reimbursed a portion of the cost from certain retiree groups. In the governmental funds, the District recognized the net cost of providing benefits for fiscal year 2019 by recording approximately $3.5 million, its share of insurance premiums for currently enrolled retirees, as an expenditure.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Due to/from Other Funds

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from the same fund type.

O. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2009. For assets acquired prior to July 1, 2009, actual or estimated historical costs based on an appraisal conducted by an independent third-party professional were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar amount above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

		Capitalization Threshold	Depreciation Method	Estimated Useful Lives
Buildings	$	5,000	SL	20-40 years
Building improvements	$	5,000	SL	20-30 years
Land improvements	$	5,000	SL	20 years
Machinery and equipment	$	5,000	SL	5-20 years
Infrastructure	$	5,000	SL	20 years
Vehicles and trucks	$	5,000	SL	8 years

P. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently.

a. Total fund balances of governmental funds differ from "net assets" of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of governmental fund Balance Sheets.

b. Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities and Change in Net Position:

   Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities and Change in Net Position fall into one of three broad categories.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (Continued)

b. Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities and Change in Net Position (Continued):

Long-term Revenue Differences

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

Capital Related Differences

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

The costs of building and acquiring capital assets (land, buildings and equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Debt Transaction Differences

Debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas principal payments are recorded as a reduction of liabilities in the Statement of Net Position. Other long-term debt differences result from the recording of compensated absences and postemployment benefits.

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance. They are, however, included in the net assets of the governmental activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Workers' Compensation Self-Insurance Plan

The District participates in a self-insurance plan for worker's compensation called The Rensselaer Columbia-Greene (RCG) Counties Worker's Compensation Consortium ("Consortium"). The Plan is a claims-servicing public entity risk pool which began operations in July, 1985. The Consortium was formed by participating school districts and Questar III. The purpose of the Consortium is to operate a plan to provide the employees of the participants with worker's compensation benefits and the participants with centralized administration and insurance covering job-connected disabilities and including the cost of medical treatment. The Consortium was accepted as a self-insurer by the State of New York Worker's Compensation Board effective July 1, 1985. The Consortium has a stop loss policy to protect participants from usually high claims.

The Consortium is governed by a Plan Agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2019 there were 18 participating members from Rensselaer, Columbia and Greene Counties in New York State. The amount owed to the Plan on behalf of the District at June 30, 2019 approximated $370,000. Payments made to the Consortium for the year ended June 30, 2019 were $743,392.

R. Use of 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 the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, potential contingent liabilities, and useful lives of long-term assets.

S. Compensated Absences

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

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

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

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated leave is included in the compensated absences liability at year-end in the District-wide financials. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Other Benefits

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State and Local Employee's Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Code Section 403(b) and 457.

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

U. Short-Term Debt

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

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

The District may issue Bond Anticipation Notes (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.

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

V. New Accounting Standards

The District has adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASB) that are effective for the year ended June 30, 2019. GASB has issued Statement No. 83, *Certain Asset Retirement Obligations* and Statement No. 88*, Certain Disclosures Related to Debt,* including direct borrowings and direct placements that are effective for the year ended June 30, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Future Changes in Accounting Standards

GASB has issued Statement No. 84, *Fiduciary Activities,* effective for the year ending June 30, 2020 and GASB Statement No. 87, *Leases,* effective for the year ending June 30, 2021.

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

X. Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through October 10, 2019, the date the financial statements were available to be issued. No such events or transactions were noted.

2. DETAIL NOTES ON ALL FUNDS

A. *Assets*

I. *Cash*

1. Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2019 all deposits were fully insured and collateralized by the District's agent in the District's name.

2. Restricted Cash

General

Restricted cash of $5,694,684 consists of amounts set aside by the District to fund a portion of the District's restricted reserves.

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

A. *Assets (Continued)*

I. *Cash (Continued)*

2. Restricted Cash (Continued)

$8.0 Million Capital Project

Restricted cash of $6,997,594 consists of unexpended BAN and serial bond borrowings restricted to be spent on the capital project.

Debt Service

Restricted cash of $4,619,517 consists of unexpended closed capital projects and premiums earned on borrowings restricted for debt payment.

Fiduciary

Restricted cash of $419,960 consists of $60,315 for extraclassroom activity funds, $43,900 for funds held in trust and $315,745 is restricted for scholarships.

II. *Interfund Receivables and Payables*

Interfund transactions and balances are as follows:

	Interfund Receivable	Interfund Payable	Interfund Transfers In	Interfund Transfers Out
General	$ 5,308,935	$ 235,046	$ 89,820	$ 2,218,848
Special Aid Fund	141,348	5,497,278	141,348	89,820
Debt Service	88,904	-	-	-
Capital Projects Fund	289,296	89,876	2,077,500	-
Agency	-	6,283	-	-
Total Government Activities	$ 5,828,483	$ 5,828,483	$ 2,308,668	$ 2,308,668

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

III. *Other Receivables*

Other receivables in the government funds at June 30, 2019 consisted of the following, which are stated at net realizable value. District management has deemed the amounts to be fully collectible.

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

A. *Assets (Continued)*

III. *Other Receivables (Continued)*

Fund	Description	Amount
General Fund	Retirement Health Premiums	$ 171,819
General Fund	Fuel Reimbursements	23,248
General Fund	Other	48,861
		$ 243,928

IV. *Capital Assets*

Capital asset balances for the year ended June 30, 2019 is as follows:

	Balance July 1	Additions	Retirements/ Reclassifications	Balance June 30
Capital assets that are not depreciated:				
Land	$ 345,316	$ -	$ -	$ 345,316
Construction in Progress	74,259,661	11,655,121	(64,810,432)	21,104,350
Total nondepreciable historical cost	74,604,977	11,655,121	(64,810,432)	21,449,666
Capital assets that are depreciated:				
Buildings	98,484,301	64,810,432	-	163,294,733
Machinery and equipment	14,357,134	467,056	(1,265)	14,822,925
Land improvements	3,974,151	-	-	3,974,151
Vehicles	667,305	80,218	-	747,523
Total depreciable historical cost	117,482,891	65,357,706	(1,265)	182,839,332
Less accumulated depreciation:				
Buildings	55,451,741	2,875,555	-	58,327,296
Machinery and equipment	13,066,283	1,048,921	-	14,115,204
Land improvements	1,545,550	174,197	-	1,719,747
Vehicles	480,572	41,130	-	521,702
Total accumulated depreciation	70,544,146	4,139,803	-	74,683,949
Total capital assets, net	$ 121,543,722	$ 72,873,024	$ (64,811,697)	$ 129,605,049

B. *Liabilities*

I. *Pension Plans*

General Information

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

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

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

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

ERS and TRS Contributions

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	ERS	TRS
2018-2019	$ 952,546	$ 3,667,723
2017-2018	$ 937,681	$ 4,190,000
2016-2017	$ 1,035,853	$ 4,556,697

The District's contributions made to the Systems were equal to 100 percent of the contributions required for each year. The approximate rates paid for the largest tier in the three years from 2017-2019 for ERS were 16.1%, 15.9% and 15.9% for the largest employee group, respectively, and the rates for TRS from 2017-2019 were 11.72%,, 9.8% and 10.62%, respectively.

Chapter 260 of the laws of 2014 of the State of New York allows local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ending March 31, 2005 through 2008. Chapter 57 of the laws of 2010 of the State of New York allows local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ending March 31, 2012 and forward.

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts. The District has not bonded or amortized any portion of their retirement obligations.

At June 30, 2019, the District reported a net pension asset of $3,797,449 (TRS) and liability of $1,703,536 (ERS) for its proportionate share of the net pension asset or liability. The net pension asset (TRS) was measured as of June 30, 2016, and the net pension liability (ERS) was measured as of March 31, 2018. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of those dates. The District's proportion of the net pension asset/liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The information was provided by the TRS and ERS systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2018	March 31, 2019
District's proportionate share of the net pension asset (liability)	$ 3,797,449	$ (1,703,536)
District's portion of the Plan's total net pension liability	.210005%	0240432%

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

For the year ended June 30, 2019, the District recognized a net pension expense of $4,016,614 in the statement of activities resulting from $2,898,795 for TRS and $1,117,819 for ERS.

At June 30, 2019, the 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	$ 2,837,803	$ 335,462	$ 3,173,265
Changes of assumptions	13,274,575	428,199	13,702,774
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,963	36,758	60,721
Contributions made subsequent to the measurement date	3,637,271	324,484	3,961,755
	$ 19,773,612	$ 1,124,903	$ 20,898,515

At June 30, 2019, the 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	$ 514,037	$ 114,355	$ 628,392
Net difference between projected and actual earnings on pension plan investments	4,215,458	437,222	4,652,680
Changes in proportion and differences between employer contributions and proportionate share of contributions	269,584	5,649	275,233
	$ 4,999,079	$ 557,226	$ 5,556,305

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

June 30, 2020	$ 8,078,941
June 30, 2021	2,207,413
June 30, 2022	200,395
June 30, 2023	2,763,061
June 30, 2024	1,700,873
Thereafter	391,527
	$ 15,342,210

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

	TRS	ERS
Covered Payroll	$ 34,314,068	$ 6,965,147

TRS Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation rate	2.25%
Projected salary increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.5% compounded annually
Investment rate of return	7.25% 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 2014, applied on a generational basis. Active members mortality rates are based on plan member experience.

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

ERS Actuarial Assumptions

The total pension liability at June 30, 2019 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions.

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

ERS Actuarial Assumptions (Continued)

The total pension liability at June 30, 2019 was determined by using an actuarial valuation as of April 1, 2018 with update procedures used to roll forward the pension liability to March 31, 2019.

Significant actuarial assumptions used in the April 1, 2018 valuation were as follows:

Inflation rate	2.5%
Salary increase	3.8%
Projected COLA	1.3%
Investment Rate of Return	7.0%

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

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

Long-Term Expected Rate of Return

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

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	5.8%	4.55%
International equity	7.3%	6.35%
Global equities	6.7%	- %
Real estate	4.9%	5.55%
Private equities	8.9%	- %
Domestic fixed income securities	1.3%	- %
Global fixed income securities	.9%	- %
Private debt	6.8%	- %
Real estate debt	2.8%	1.31%
High-yield fixed income securities	3.5%	- %
Short-term	.3%	(.25%)
Private equity	- %	7.50%
Absolute return	- %	3.75%
Opportunistic portfolio	- %	5.68%
Real assets	- %	5.29%
Inflation - indexed bonds	- %	1.25%

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.25% for TRS and 7.0% 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 Assets/Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/liability calculated using the discount rate of 7.25 and 7.0 percent, as well as what the District's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Assumption	1% Increase
TRS			
Employer's proportionate share of the net pension asset (liability)	$ (26,089,094)	$ 3,797,449	$ 28,834,067
ERS			
Employer's proportionate share of the net pension asset (liability)	$ (7,448,132)	$ (1,703,536)	$ 3,122,332

Pension Plan Fiduciary Net Position

The components of the net pension asset (TRS) and liability (ERS) of the employer as of the respected measurement dates were as follows (in thousands):

	TRS	ERS
Measurement date	June 30, 2018	March 31, 2019
Employers' total pension liability	$ (118,107,253)	$ (189,803,429)
Plan fiduciary net position	119,915,517	182,718,124
Employers' net pension asset (liability)	$ 1,808,264	$ (7,085,305)
Ratio of plan fiduciary net position to the employers' total pension liability	101.53%	96.27%

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

I. Pension Plans (Continued)

Payables and Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued employer retirement contributions as of June 30, 2019 amounted to $3,637,271, along with employee withholdings of $341,589 as of June 30, 2019.

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2018 through June 30, 2019 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to $324,484. Employee contributions are remitted monthly.

II. *Other Postemployment Benefits (OPEB)*

A. General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms - At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	513
Active employees	613
	1,126

5. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

II. Other Postemployment Benefits (OPEB) (Continued)

B. Total OPEB Liability

The District's total OPEB liability of $125,099,800 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.6 percent, average, including inflation
Discount Rate	3.5 percent
Healthcare Cost Trend Rates	6.1 percent for 2019, decreasing to an ultimate rate of 4.1 percent over 57 years.

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

C. Changes in the Total OPEB Liability

Balance at June 30, 2018	$ 174,183,940
Changes for the Year -	
Service cost	7,294,003
Interest	5,389,122
Effect of demographic gains or losses	(21,598,029)
Effect of assumption changes or inputs	(36,460,786)
Benefit payments	(3,708,450)
Net Changes	(49,084,140)
Balance at June 30, 2019	$ 125,099,800

5. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

II. Other Postemployment Benefits (OPEB) (Continued)

C. Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.5 percent) or 1 percentage point higher (4.5 percent) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 147,144,767	$ 125,099,800	$ 107,616,264

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.1 percent) or 1 percentage point higher (7.1 percent) than the current healthcare care trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 102,793,612	$ 125,099,800	$ 157,209,959

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

For the year ended June 30, 2019, the District recognized OPEB expense of $5,148,831.

At June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following sources:

Difference between expected and actual experience	$ 40,104

At June 30, 2019, the District recognized deferred inflows of resources related to OPEB from the following sources:

Differences between expected and actual experience	$ (18,793,090)
Changes in assumptions	(31,725,619)
	$ (50,518,709)

5. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities (Continued)

II. Other Postemployment Benefits (OPEB) (Continued)

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

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

Year Ending June 30,	Amount
2020	$ (7,534,294)
2021	(7,534,294)
2022	(7,534,294)
2023	(7,534,294)
2024	(7,534,294)
Thereafter	(12,807,135)
	$ (50,478,605)

III. *Indebtedness*

1. Short-Term Debt

Transactions in short-term debt related to bond anticipation notes for the year ended June 30, 2019:

Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
06/12/19	2.0%	$ 13,000,000	$ -	$ 13,000,000	$ -
10/25/19	2.35%	-	1,011,676	-	1,011,676
06/11/20	2.0%	-	16,803,400	-	16,803,400
		$ 13,000,000	$ 17,815,076	$ 13,000,000	$ 17,815,076

Interest on short-term debt in the government-wide statement of activities for the year was composed of :

Interest paid	$ 455,000
Less interest accrued in the prior year	(12,097)
Plus interest accrued in the current year	29,688
Total Expense	$ 472,591

2. Long-term Debt

a. Serial Bonds

The District borrows money in order to acquire or construct building 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 are full faith and credit debt of the District. During the current year, the District recognized $5,740,000 of expenditures for serial and statutory bond debt interest in the governmental funds statement of revenues, expenditures and changes in fund balances.

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. *Liabilities (Continued)*

III. *Indebtedness (Continued)*

2. Long-term Debt (Continued)

a. Serial Bonds (Continued)

Interest on long-term debt in the government-wide statement of activities for the year was composed of:

Interest paid	$ 2,740,530
Less interest accrued in the prior year	(371,107)
Less amortization of bond premium	(722,070)
Plus interest accrued in the current year	319,817
Total Expense	$ 1,967,170

b. Other Long-term Debt

In addition to the above long-term debt, the District had the following noncurrent liabilities:

Compensated Absences - Represents the value of the earned and unused portion of the liability for employees' vacation and sick pay which has not been accrued in the General Fund.

Other Postemployment Benefits - represents the District's obligation for postemployment benefits provided to retirees and current employees upon their retirement.

Pension Liability - represents the District's liability for its proportionate share of the ERS pension.

3. Changes

The changes in indebtedness during the year ended June 30, 2019 are summarized as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Serial Bonds	$ 60,819,550	$ -	$ 5,740,000	$ 55,079,550
Compensated Absences	3,787,479	-	59,735	3,727,744
Other Postemployment Benefits, as Restated	174,183,940	5,148,831	54,232,971	125,099,800
Pension Liability	763,026	1,117,819	177,309	1,703,536
	$ 239,553,995	$ 6,266,650	$ 60,210,015	$ 185,610,630

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

2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. *Liabilities (Continued)*

III. *Indebtedness (Continued)*

4. Maturity

The following is a summary of the District's indebtedness:

Description of Issue	Type	Date of Issue	Maturity	Interest	Outstanding June 30, 2019
District-wide Renovations, Bonds, 2010	Serial Bond	07/01/10	06/15/25	3.881%	$ 465,000
School District Refunding Bonds, 2011	Serial Bond	05/25/11	07/15/21	2.00 - 3.125%	1,595,000
School Construction Bonds, 2012	Serial Bond	06/14/12	06/15/27	1.30 - 4.35%	2,965,000
Bond Authorization Series 2014	Serial Bond	07/12/14	06/15/29	2.00 - 5.00%	31,115,000
School District Refunding Bonds 2015	Serial Bond	03/31/15	07/01/28	2.00 - 5.00%	10,289,550
District-wide Renovations, Bonds, 2016	Serial Bond	06/15/16	06/15/31	2.00 - 5.00%	6,270,000
School District Refunding Bond, 2017	Serial Bond	11/09/17	06/15/25	4.00 - 5.00%	2,380,000
Total					$ 55,079,550

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

Year	Principal	Interest	Premium Amortization
2020	$ 5,965,000	$ 2,500,369	$ 509,000
2021	5,420,000	2,253,018	564,547
2022	5,220,000	2,030,321	564,547
2023	5,465,000	1,783,884	564,574
2024	4,945,000	1,517,734	564,547
2025-2029	26,825,000	3,886,984	2,604,391
2030-2031	1,239,550	93,750	135,706
Total	$ 55,079,550	$ 14,066,060	$ 5,507,285

IV. *Constitutional Debt Limit*

The constitution of the State of New York limits the amounts of indebtedness which may be issued by the School District. The School District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 5% on the average full valuation of taxable real estate within the District. At June 30, 2019, the District has exhausted approximately 82.5% of its constitutional debt limit.

3. CONTINGENCIES AND COMMITMENTS

A. Litigation

The District is a party of various legal proceedings and other claims incidental to the ordinary course of its operations. The District is also regularly involved with certiorari actions brought by real property owners to have their assessments reduced. Liabilities, if any, are recorded when they become fixed or determinable in amount.

B. Federal and State Grants

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, District management believes such disallowances, if any, would not be material.

C. Risk Financing and Related Insurance

General Information

The Enlarged City School District of Troy, New York is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters.

D. Collective Bargaining Units

The Enlarged City School District of Troy, New York 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
Troy Administrators' Association	June 30, 2020
CSEA, LOCA 1000 AFSCME, AFL - C10	June 30, 2023
Troy Teachers' Association	June 30, 2020

E. Tax Abatement Agreements

The County of Rensselaer and City of Troy enter into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by $3,512,157. The District received payment in lieu of tax (PILOT) payments totaling $1,401,473 for the year ended June 30, 2019.

3. CONTINGENCIES AND COMMITMENTS (CONTINUED)

F. Prior Defeasance of Debt

In prior years certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the remaining liability for all defeased bonds, $13,805,000, and the related trust account assets are not included in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTAL SCHEDULE #1

	Original Budget	Revised Budget	Actual	Budget Variance
Revenues and Other Financing Sources:				
Local Sources:				
Real property taxes	$ 33,082,473	$ 33,444,396	$ 31,728,728	$ (1,715,668)
Other tax items	5,225,000	4,863,077	5,056,101	193,024
Nonproperty taxes	1,250,000	1,250,000	1,285,220	35,220
Charges for service	709,000	709,000	722,727	13,727
Use of money and property	41,000	41,000	211,950	170,950
Sale of property and compensation for loss	52,000	52,000	94,478	42,478
Miscellaneous	715,000	734,892	1,143,103	408,211
Interfund revenues and operating transfers	300,000	300,000	144,091	(155,909)
Total Local Sources	41,374,473	41,394,365	40,386,398	(1,007,967)
State sources	64,678,916	64,694,847	63,948,771	(746,076)
Medicaid Reimbursement	250,000	250,000	293,362	43,362
Interest Subsidy - Build American Bonds	140,000	140,000	122,771	(17,229)
Total Revenues	106,443,389	106,479,212	$ 104,751,302	$ (1,727,910)
Other Financing Sources:				
Appropriated fund balance	5,450,000	9,079,762		
Total Revenues and Other Financing Sources	$ 111,893,389	$ 115,558,974		

SUPPLEMENTAL SCHEDULE #1 (CONTINUED)

	Original Budget	Revised Budget	Actual	Encumbrances	Budget Variance
Expenditures:					
General Support:					
Board of education	$ 100,959	$ 106,823	$ 83,014	$ 595	$ 23,214
Central administration	283,342	290,377	356,469	583	(66,675)
Finance	823,927	823,558	770,864	19,154	33,540
Staff	717,260	1,025,681	585,054	32,773	407,854
Central services	7,545,802	7,888,247	6,894,257	109,908	884,082
Special items	1,126,849	1,651,646	1,641,138	624	9,884
Total General Support	10,598,139	11,786,332	10,330,796	163,637	1,291,899
Instruction:					
Instruction, administration and improvement	3,894,594	4,519,123	4,280,090	82,162	156,871
Teaching - regular school	33,689,745	34,609,008	31,050,201	1,885,033	1,673,774
Programs for children with handicapping conditions	17,152,439	17,681,002	16,404,103	130,296	1,146,603
Occupational education	814,894	896,699	837,279	5,882	53,538
Teaching - special school	429,095	456,641	363,551	-	93,090
Instructional media	1,461,747	1,720,401	1,327,998	30,315	362,088
Pupil services	3,523,398	3,858,414	3,674,223	11,452	172,739
Total Instruction	60,965,912	63,741,288	57,937,445	2,145,140	3,658,703
Other:					
Pupil transportation	6,785,888	6,804,694	5,228,095	350,889	1,225,710
Community service	-	6,871	6,621	-	250
Employee benefits	24,702,920	22,065,411	19,484,833	6,401	2,574,177
Debt service	8,605,530	8,935,530	8,935,530	-	-
Total Other	40,094,338	37,812,506	33,655,079	357,290	3,800,137
Total Expenditures	111,658,389	113,340,126	101,923,320	2,666,067	8,750,739
Other Financing Uses:					
Transfers to other funds	235,000	2,218,848	2,218,848	-	-
Total Expenditures and Other Uses	$ 111,893,389	$ 115,558,974	104,142,168	$ 2,666,067	$ 8,750,739
Net Changes in Fund Balances			$ 609,134		

SUPPLEMENTAL SCHEDULE #2

	June 30, 2019	June 30, 2018
Measurement Date		
Total OPEB liability:		
Service cost	$ 7,294,003	$ 6,914,141
Interest	5,389,122	5,131,733
Differences between expected and actual experience in the measurement of the total OPEB liability	-	51,728
Effect of demographic gains or losses	(21,598,029)	-
Effect of assumption changes or inputs	(36,460,786)	-
Benefit payments	(3,708,450)	(4,084,418)
Net change in total OPEB liability	(49,084,140)	8,013,184
Total OPEB liability, beginning of year	174,183,940	166,170,756
Total OPEB liability, end of year	$ 125,099,800	$ 174,183,940
Covered payroll	$ 35,197,225	$ 36,573,553
Total OPEB liability as a percentage of covered payroll	355.43%	476.26%

Note: 10 years of historical information will not be available upon implementation in 2019. 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.

SUPPLEMENTAL SCHEDULE #3

TRS	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportionate share of net pension assets (liabilities)	$ 3,797,449	$ 1,591,127	$ (2,228,857)	$ 21,677,739	$ 22,434,544
Covered payroll	$ 34,314,068	$ 34,840,419	$ 33,701,861	$ 32,719,326	$ 30,607,552
Proportionate share of net pension asset (liabilities) as a percentage of covered payroll	11.1%	4.6%	6.6%	66.3%	73.3%
Plan fiduciary net position as a percentage of total pension asset	101.53%	100.66%	99.01%	110.5%	111.4%

ERS	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Proportionate share of net pension assets (liabilities)	$ (1,703,536)	$ (763,026)	$ (2,222,917)	$ (3,837,028)	$ (810,005)
Covered payroll	$ 6,965,147	$ 6,761,521	$ 6,250,536	$ 6,092,745	$ 6,287,935
Proportionate share of net pension assets (liabilities) as a percentage of covered payroll	(24.5%)	(11.3%)	(35.6%)	(63.0%)	(12.9%)
Plan fiduciary net position as a percentage of total pension liability	96.27%	98.24%	94.70%	90.6%	97.9%

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.

SUPPLEMENTAL SCHEDULE #4

TRS	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	$ 3,667,723	$ 4,190,000	$ 4,556,697	$ 5,781,619	$ 5,086,355
Contributions in relation to the contractually required contribution	3,667,723	4,190,000	4,556,697	5,781,619	5,086,335
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 34,314,068	$ 34,840,419	$ 33,701,861	$ 32,719,326	$ 30,607,552
Contributions as a percentage of covered-employee payroll	10.7%	12.0%	13.5%	17.7%	16.6%

ERS	March 31, 2019	March 31, 2018	March 31, 2017	March 31,2016	March 31, 2015
Contractually required contribution	$ 952,546	$ 937,681	$ 1,035,853	$ 1,150,543	$ 1,332,650
Contributions in relation to the contractually required contribution	952,546	937,681	1,035,853	1,150,543	1,332,650
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	-
District's covered-employee payroll	$ 6,965,147	$ 6,761,521	$ 6,250,536	$ 6,092,745	$ 6,287,935
Contributions as a percentage of covered-employee payroll	13.7%	13.9%	16.6%	18.9%	21.2%

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

SUPPLEMENTAL SCHEDULE #5

Change from Adopted Budget to Revised Budget

Adopted Budget	$ 111,893,389
Add: Prior Year's Encumbrances	2,636,718
Original Budget	114,530,107
Appropriation Reserves	1,008,975
Budget Revision - Gifts and Donations	19,892
Final Budget	$ 115,558,974

Section 1318 of Real Property Tax Law Limit Calculation

2019-20 expenditure budget		$ 114,174,990
Maximum allowed 4% of 2019-20 budget		$ 4,567,000
General Fund Fund Balance Subject to §1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 6,666,067	
Unassigned fund balance	4,567,000	
Total unrestricted fund balance	11,233,067	
Less:		
Appropriated fund balance	4,000,000	
Encumbrances included in assigned fund balance	2,666,067	
Total adjustments	6,666,067	
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		$ 4,567,000
Actual percentage		4.0%

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 General Fund 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, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

SUPPLEMENTAL SCHEDULE #6

Project Title	Project Number	Original Appropriation	Revised Appropriation	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
School 18 PA System	0010.012	$ 100,000	$ 100,000	$ 95,197	$ -	$ 95,197	$ 4,803
Doyle Middle School Reconstruction (DMS)	0012.015	100,000	100,000	61,877	-	61,877	38,123
District Wide Technology	(1)	8,400,000	8,400,000	8,336,346	48,942	8,385,288	14,712
Capital Outlay Project	0009.003	100,000	100,000	94,818	-	94,818	5,182
Paving Improvements	0009.002	124,100	124,100	116,932	-	116,932	7,168
District Wide Infrastructure	Various (2)	23,300,000	23,300,000	8,722,705	9,478,799	18,201,504	5,098,496
Emergency Pool Project	0011-029	500,000	650,000	269,836	377,637	647,473	2,527
PS 2 Community Schools	0002-010	1,200,000	1,300,000	105,078	1,040,637	1,145,715	154,285
High School Roof	0011-031	3,850,000	1,500,000	-	698,945	698,945	3,151,055
Emergency Gym Roof	0011-031	1,500,000	3,850,000	-	10,161	10,161	1,489,839
Total		$ 39,174,100	$ 39,424,100	$ 17,802,789	$ 11,655,121	$ 29,457,910	$ 9,966,190

(1) Various capital project numbers including:

Title	Number
District Wide Technology	7999.004
Troy High School (THS)	0011.026
Public School 14 (PS14)	0009.002

(2) Various capital project numbers (10), contact district for further information.

SUPPLEMENTAL SCHEDULE #7

Capital Assets, Net		$ 126,605,049
Deduct:		
Bonds and bond anticipation notes payable	$ 72,894,626	
Unamortized bond premium	5,507,285	
Less: unspent bond anticipation note proceeds	(6,997,594)	(71,404,317)
Investment in Capital Assets, Net of Related Debt		$ 55,200,732

SUPPLEMENTAL SCHEDULE #8

	Capital Projects	Special Aid	School Food Service	Debt Service	Total Non-Major Funds
Current Assets:					
Cash					
Unrestricted	$ -	$ 181,226	$ 2,009,066	$ -	$ 2,190,292
Restricted	6,997,594	-	-	4,619,517	11,617,111
Receivables					
Due from other funds	289,296	141,348	-	88,904	519,548
State and federal aid	-	5,800,260	212,077	-	6,012,337
Inventories	-	-	72,371	-	72,371
Total Assets	$ 7,286,890	$ 6,122,834	$ 2,293,514	$ 4,708,421	$ 20,411,659
Current Liabilities:					
Payables					
Accounts payable	$ 592,851	$ 576,576	$ 179,921	$ -	$ 1,349,348
Accrued liabilities	-	15,173	2,050	-	17,223
Due to other funds	89,876	5,497,278	-	-	5,587,154
Due to other governments	-	-	844	-	844
Bond anticipation notes payable	17,815,076	-	-	-	17,815,076
Unearned revenue	-	33,807	-	-	33,807
Total Liabilities	18,497,803	6,122,834	182,815	-	24,803,452
Fund Balance:					
Restricted for:					
Debt service	-	-	-	4,708,421	4,708,421
Nonspendable:					
Inventories	-	-	72,371	-	72,371
Assigned for:					
Food service	-	-	2,038,328	-	2,038,328
Unassigned:					
Fund Balance (Deficit)	(11,210,913)	-	-	-	(11,210,913)
Total Fund Balance (Deficit)	(11,210,913)	-	2,110,699	4,708,421	(4,391,793)
Total Liabilities and Fund Balance	$ 7,286,890	$ 6,122,834	$ 2,293,514	$ 4,708,421	$ 20,411,659

SUPPLEMENTAL SCHEDULE #9

	Capital Projects	Special Aid	School Food Service	Debt Service	Total Non-Major Funds
Revenues:					
Use of money and property	$ -	$ -	$ -	$ 159,819	$ 159,819
State sources	-	4,190,360	62,675	-	4,253,035
Sales	-	-	54,928	-	54,928
Miscellaneous	-	6,527	3,109	-	9,636
Federal sources	-	5,657,832	2,818,898	-	8,476,730
Total Revenues	-	9,854,719	2,939,610	159,819	12,954,148
Expenditures:					
General support	3,708	84,908	-	-	88,616
Instruction	-	9,821,339	-	-	9,821,339
Capital outlay	11,655,121	-	92,383	-	11,747,504
Cost of sales	-	-	2,396,869	-	2,396,869
Total Expenditures	11,658,829	9,906,247	2,489,252	-	24,054,328
Excess (Deficiency) of Revenues Over Expenditures	(11,658,829)	(51,528)	450,358	159,819	(11,100,180)
Other Financing Sources (Uses):					
Operating Transfers In	2,077,500	141,348	-	-	2,218,848
Operating Transfers Out	-	(89,820)	-	-	(89,820)
Total Other Sources	2,077,500	51,528	-	-	2,129,028
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(9,581,329)	-	450,358	159,819	(8,971,152)
Fund Balance (Deficit), Beginning of Year	(1,629,584)	-	1,660,341	4,548,602	4,579,359
Fund Balance (Deficit), End of Year	$ (11,210,913)	$ -	$ 2,110,699	$ 4,708,421	$ (4,391,793)

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*

To the Board of Education
Enlarged City School District of Troy, 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 each major program, and the aggregate remaining fund information of the Enlarged City School District of Troy, New York (the "District) as of and for the year ended June 30, 2019, 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 10, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District'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 10, 2019

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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

To the Board of Education
Enlarged City School District of Troy, New York

Report on Compliance for Each Major Federal Program

We have audited the Enlarged City School District of Troy, New York's (the "District") compliance with the types of compliance requirements described 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, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 10, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity/Project Number	Federal Expenditures
Passed Through New York State Education Department:			
U.S. Department of Education			
ESEA Title I	84.010	0021-18-2530	$ 397,509
ESEA Title I	84.010	0021-19-2530	1,719,612
Title I School Improvement	84.010	0011-18-2148	161,626
Title 1 Delinquent Facilities	84.010	0011-19-2194	10,633
	84.010	0016-19-2530	10,159
Total CFDA #84.010			
			2,299,539
Special Education Cluster (IDEA)			
IDEA, Part B, Section 611	84.027	0032-19-0760	1,186,170
IDEA, Part B, Section 619	84.173	0033-19-0760	83,251
Total Special Education Cluster (IDEA)			1,269,421
Career and Technical Education	84.048	0639-19-1014	541,285
Title VII - Education for Homeless Children and Youth	84.196	0212-18-3072	(451)
Title VII - Education for Homeless Children and Youth	84.196	0212-19-3072	18,165
Title VII - Education for Homeless Children and Youth	84.196	0212-19-3034	50,347
Total CFDA #84.196			68,061
Twenty First Century Community Learning	84.287	0187-19-7120	999,589
Title III - Part A, LEP			
Title III - Part A, LEP	84.365	0293-17-2530	(976)
Title III - Part A LEP	84.365	0293-19-2530	7,304
Title III - Part A, LEP	84.365	0149-18-2530	7,220
Total CFDA #84.365	84.365	0149-19-2530	4,813
			18,361
Title II - Part A - Teaching and Principal Training			
Title II - Part A - Teaching and Principal Training	84.367	0147-18-2530	5,492
Total CFDA #84.367	84.367	0147-19-2530	319,343
			324,835
Title I - School Improvement 1003(G)			
Title I - School Improvement 1003(G)	84.377	0123-18-4109	47,895
Total CFDA #84.377	84.377	0123-19-4109	2,897
			50,792
Title IV - Student Support and Academic Enrichment Program			
	84.424	0204-19-2530	84,637
Hurricane Education Recovery			
	84.938	0084-19-2530	1,312
Total U.S. Department of Education			
			5,657,832
U.S. Department of Agriculture			
Child Nutrition Cluster			
School Breakfast Program	10.553	-	699,392
School Lunch Program	10.555	-	1,624,803
School Snack Program	10.555	-	83,390
Food Surplus	10.555	-	126,628
Total Child Nutrition Cluster			2,534,213
School Dinner Program	10.558		284,685
Total U.S. Department of Agriculture			2,818,898
Total Federal Assistance			$ 8,476,730

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 for each program, which are reconciled with the District's financial reporting system.

2. SCOPE OF AUDIT PURSUANT TO THE UNIFORM GUIDANCE

The Enlarged City School District of Troy, New York is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

3. SCHOOLWIDE PROGRAMS

The District expends the following federal awards in schoolwide programs:

Programs	Amount
CFDA #10.553/10.555/10.558 Child Nutrition Program	$ 2,818,898
CFDA #84.027 Special Education - Grants to States (IDEA, Part B)	1,186,710
CFDA #84.173 Special Education - Preschool Grants (IDEA, Preschool)	83,251
CFDA #84.010 Title I Grants to Local Educational Agencies	2,299,539
Total	$ 6,388,398

4. FOOD DONATION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2019, the School District received food commodities totaling $126,628.

5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenue is reported in the District's financial statements as follows:

Federal Aid per Financial Statements	$ 8,892,863
Less: Federal Medicaid and Other Federal Receipts	(416,133)
Total Federal Assistance	$ 8,476,730)

6. INDIRECT COST RATE

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

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 disclosed?	____Yes	✗ No
• Significant deficiency(ies) reported as a material weakness?	____Yes	✗ None reported
• Material noncompliance disclosed?	____Yes	✗ No

Federal Awards

Internal Control over major programs:

• Significant deficiency disclosed for any major programs?	____Yes	✗ No
• Significant deficiency(ies) reported for any major programs as a material weakness?	____Yes	✗ None reported
• 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 the Uniform Guidance? ____Yes ✗ No

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Clusters*
84.010	Title I - Grants to Local Education Agencies

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

See pages 75-76.

SECTION III — FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

N/A

SECTION IV — RESOLUTION OF PRIOR YEAR AUDIT FINDINGS

See the resolution of prior year findings enclosed on page 76.

EXTRACLASSROOM ACTIVITY FUND

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Enlarged City School District of Troy, New York

We have audited the accompanying financial statements of the Enlarged City School District of Troy, New York's Extraclassroom Activity Funds ("Troy's Extraclassroom Activity Funds"), which comprise the statement of assets and fund balance-cash basis as of June 30, 2019, and the related statement of cash receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, and fund balance of Troy's Extraclassroom Activity Funds as of June 30, 2019, and its cash receipts and disbursements for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

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

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 10, 2019

EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS AND FUND BALANCE
RESULTING FROM CASH TRANSACTIONS
JUNE 30, 2019

Cash	$ 60,315
Fund Balance	$ 60,315

EXTRACLASSROOM ACTIVITY FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

Extraclassroom Accounts	Balance June 30, 2018	Receipts 2018-2019	Disbursements 2018-2019	Balance June 30, 2019
Art Club	$ 619	$ 625	$ 479	$ 765
Drama	8,912	11,274	8,023	12,163
Music	3,210	731	1,714	2,227
Key Club	480	1,038	1,084	434
Environmental Action	553	829	654	728
French	77	3,383	3,438	22
Italian	578	693	875	396
Spanish	159	639	635	163
Challanger (THS Paper)	94	-	-	94
Dardanian (THS Yearbook)	2,590	4,741	-	7,331
DMS Yearbook	646	3,432	3,851	227
Masterminds	3,173	1,150	2,546	1,777
THS Robotics	-	500	-	500
THS Best Buddies	-	320	75	245
Math Honor Society	335	90	120	305
THS Ski Club	395	5,276	5,379	292
DMS Ski Club	190	2,179	2,079	290
National Honor Society	2,710	5,890	6,516	2,084
Junior National Honor Society	3,298	1,570	984	3,884
DMS Student Council	1	-	-	1
THS Student Council	14,823	7,074	4,653	17,244
ALP Student Council	1,783	6,518	7,213	1,088
Junior/Senior Class	15,991	39,704	48,165	7,530
NYS Sales Tax	331	1,390	1,196	525
Total	$ 60,948	$ 99,046	$ 99,679	$ 60,315

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds are used to account for those organizations within the Enlarged City School District of Troy, New York whose activities are conducted by students and whose financial support is raised other than by taxation, fees or through charges of the Enlarged City School District of Troy, New York.

Reporting Entity

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Enlarged City School District of Troy, New York. Consequently, such transactions are included in the Trust and Agency Fund of the general purpose financial statements.

Basis of Accounting

The books and records of the Enlarged City School District of Troy, New York's Extraclassroom Activity Funds are maintained on the cash basis of accounting in accordance with New York State guidelines. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

MANAGEMENT LETTER

CUSACK & COMPANY

Certified Public Accountants LLC

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Board of Education and Management
Enlarged City School District of Troy, New York

We have audited the financial statements of the Enlarged City School District of Troy, New York for the year ended June 30, 2019 and have issued our report thereon dated October 10, 2019. As part of our audit, we made a study and evaluation of the District's system of internal control, to the extent we considered necessary, solely to determine the nature, timing and extent of our auditing procedures. Accordingly, we do not express an opinion on the system of internal control taken as a whole.

The management of the District is responsible for establishing and maintaining a system of internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of the inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. During our audit, we did not become aware of any conditions that we believe to be material weaknesses, but we did note some items that we believe should be communicated to you. These items, and our suggested corrective action, are detailed in the attached schedules of findings and recommendations.

This report is intended solely for the information and use of the Board of Education, management, and others within the administration. This restriction is not intended to limit distribution of this report, which is a matter of public record.

CURRENT YEAR RECOMMENDATIONS

No significant issues were identified.

RESOLUTION OF PRIOR YEAR RECOMMENDATIONS

1. Fixed Asset Accounting

Fixed asset testing showed that some assets were entered into the incorrect fiscal year causing reconciliation differences in general reports. It was also noted that work in process amounts are not being reconciled and capitalized/depreciated on a timely basis.

We recommend that individuals designated as responsible for fixed asset accounting reconcile those accounts and reports to underlying records on a monthly basis. Additionally, the District should develop a procedure such that as capital projects file final closeout reports with SED they also capitalize the project in their fixed asset accounting software.

Status: The District continues to experience timing and reconciliation issues with improvements having been made in the current year.

2. <u>Petty Cash</u>

The District maintains several petty cash accounts for use by the principals of designated schools. We noted during our testwork that the District has difficulty reconciling petty cash due to untimely remittance of receipts and general inadequate controls over the accounting for these funds.

We recommend that as petty cash accounts are utilized, receipts be maintained for each use of petty cash and as accounts are closed, cash is remitted to the finance office so that a central accounting can be established.

Status: Resolved.

We would like to express our appreciation for the cooperation and efforts of the District's financial personnel who were instrumental in the timely completion of this year's audit. We look forward to being of continued service to your District.

Cusack & Company, CPA's LLC

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 10, 2019