PRELIMINARY OFFICIAL STATEMENT DATED MAY 17, 2024

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein regarding certain other tax considerations.

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

$17,850,000

ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF TROY

RENSSELAER COUNTY, NEW YORK

$17,850,000 Bond Anticipation Notes, 2024 (Renewals)

(the "Notes")

Dated: June 6, 2024 **Due: June 6, 2025**

The Notes 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 Notes and interest thereon, without limitation as to rate or amount. The faith and credit of the District are irrevocably pledged for the payment of the Notes and the interest thereon. See "TAX INFORMATION – Tax Levy Limitation Law" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes in book-entry-only form or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the offices of the School District. In such case, the Notes will be issued as registered in the name of the purchaser with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser(s) on or about June 6, 2024.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on May 22, 2024 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

May __, 2024

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

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

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

ANNE WAGER-ROUNDS
President

EBONY POMPEY-CONWAY
Vice President

ANN APICELLA
MATTHEW FLOWERS JR
DIANA HECKMAN
TOM MAYO
DONNY MILLER
ELIZABETH POLETO

* * *

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 Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the 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

$17,850,000 Bond Anticipation Notes, 2024 (Renewals)

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 $17,850,000 aggregate principal amount of Bond Anticipation Notes, 2024 (Renewals) (herein referred to as the "Notes").

The factors affecting the School District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the School 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 School District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

DESCRIPTION OF THE NOTES

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

The Notes will be dated June 6, 2024 and mature, without option of prior redemption, on June 6, 2025. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) registered form registered in the name of the purchaser(s), with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate, and the School District will act as paying agent; or (ii) at the option of the purchaser(s), as book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Nature of the Obligation

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

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

The Notes will be general obligations of the School District and will contain a pledge of the faith and credit of the School 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 School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). 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 School District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the School 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.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on October 16, 2019 (the "2019 Bond Resolution") and a proposition approved by the qualified voters on December 3, 2019 authorizing the issuance of $52,047,566 serial bonds and the expenditure of $3,952,434 of capital reserve funds to finance the acquisition of three parcels of land and the buildings and improvements located thereon and the construction of additions to and reconstruction of such buildings, the renovation of the existing Troy High School Technology Wing and related site work, construction of minor additions to and reconstruction of various School District buildings, facilities, improvements and sites, and, in the case of each of the foregoing, acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such buildings, facilities, improvements and sites are to be used,.

The proceeds of the Notes, along with $580,000 available funds of the District, and $25,160,000 proceeds of a District serial bond issuance through the Dormitory Authority of the State of New York ("DASNY") will partially redeem and renew and permanently finance the $43,590,000 bond anticipation notes maturing June 7, 2024. After the issuance of the Notes the District will have a remaining $8,047,566 bond authorization pursuant to the 2019 Bond Resolution.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes, if the purchaser so elects. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be payable, at the option of the purchaser at the offices of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. Paying Agent fees, if any, shall be the responsibility of the purchaser. The Notes will remain not subject to redemption prior to their stated final maturity 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, Albany Law School and Albany Medical College.

In addition to commercial and industrial operations in the District, residents have easy access to employment at the Rensselaer Technology Park, in Albany County at the many offices of the State of New York, the SUNY headquarters, colleges and universities through-out the area, and in the Nano-Technology sector. In addition, there are several employment opportunities in nearby Schenectady County at various General Electric Company sites and 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.

Population

The population of the School District is estimated to be 41,069. (Source: 2022 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

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which 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 are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2018-2022	2000	2006-2010	2018-2022
City of:						
Troy	$ 16,796	$ 20,736	$ 33,743	$ 38,631	$ 44,750	$ 67,174
Town of:						
Brunswick	26,554	33,414	49,626	66,374	83,631	127,529
County of:						
Rensselaer	21,095	27,457	42,728	52,864	68,390	104,744
State of:						
New York	23,389	30,948	47,173	51,691	67,405	100,846

Note: 2019-2023 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 2018-2022 American Community Survey 5-Year Estimates.

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							
	2016	2017	2018	2019	2020	2021	2022	2023
Troy City	5.5%	5.6%	4.9%	4.6%	9.7%	5.9%	4.0%	4.3%
Rensselaer County	4.3%	4.4%	3.9%	3.6%	6.7%	4.4%	3.1%	3.3%
New York State	4.9%	4.7%	4.1%	3.8%	9.9%	6.9%	4.3%	4.2%

	2024 Monthly Figures				
	Jan	Feb	Mar	Apr	May
Troy City	5.0%	5.0%	4.6%	N/A	N/A
Rensselaer County	4.0%	4.1%	3.9%	N/A	N/A
New York State	4.3%	4.5%	4.2%	N/A	N/A

Note: Unemployment rates for the months of April and May of 2024 are not available as of the date of this Official Statement.

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

Form of School Government

The 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 District's budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97. The tax increase was 0.00%, which was below the limit of 2.46%.

The District's proposed budget for the 2024-25 fiscal year will remain within the Tax Cap imposed by Chapter 97. The tax increase is 0.00%, which is below the limit of 2.68%.

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 expanded to all school districts in the State. This report is due to the State by the beginning of the school year, and the State has 30 days to respond. While DOB or SED will not formally approve a school district's school-based budget, DOB and SED 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 their 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 proposed budget for the 2024-2025 fiscal year, approximately 64.49% 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.

Federal aid received by the State.

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

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

Building Aid

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

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-2024 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 had declined in some prior years before increasing more recently.

School District Fiscal Year (2018-2019): The State 2018-19 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 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 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 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 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 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 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 Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Budget was 3.7 percent lower than in the State's 2019-2020 Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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

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

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

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 of foundation aid is now scheduled to occur as listed below.

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

On October 14, 2021 Governor Kathy Hochul announced that the State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this funding. The litigation, which commenced in 2014, sought to require the State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of State funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is below:

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, and budgeted figures for fiscal year 2023-2024 comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2018-2019	$ 104,751,302	$ 63,948,771	61.10%
2019-2020	111,026,392	66,349,296	59.76
2020-2021	111,372,003	65,306,238	58.64
2021-2022	113,914,411	68,839,843	60.43
2022-2023	119,303,747	73,403,122	61.53
2023-2024 (Budgeted)	127,898,112 (1)	83,409,505	65.22
2024-2025 (Proposed)	129,317,785 (2)	83,960,691	64.93

(1) Does not include appropriated fund balance of $4.0 million.
(2) Does not include appropriated fund balance of $3.0 million and $750,000 of appropriated reserves

Source: Audited financial statements for the fiscal years 2018-2019 through and including 2022-2023, adopted budget of the District for the 2023-2024 fiscal year and proposed budget for the 2024-2025 fiscal year. This table is not audited.

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	872	ADM/SPEC. ED	1931, '71, '03
School #14	896	K-5	1993
School #16 (1)	548	K-5	1954, 2024
Carroll Hill	648	K-5	1965, '67, '03
School #18	391	K-5	1927, 2023
Troy Middle School	1,200	6--8	1976, 2013
Troy High School	1,826	9-12	1952
Troy Community School	300	ALP	2022

(1) School #16 was moved to School #12 during renovation for the 2023-24 school year.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2019-20	4,121	2024-25	4,300
2020-21	4,121	2025-26	4,300
2021-22	4,153	2026-27	4,300
2022-23	4,238	2027-28	4,300
2023-24	4,269	2028-29	4,300

Source: District officials.

Employees

The District employs approximately 746 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
29	Administrators Association	June 30, 2025
542	Troy Teachers Association	June 30, 2025
137	CSEA	June 30, 2024 (1)
19	UPSEU	June 30, 2025
15	Management Confidential – Exempt	N/A
4	Superintendent & Cabinet Members	N/A

(1) Currently under negotiations.

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, budgeted figures for 2023-2024 fiscal year and proposed budgeted figures for the 2024-2025 fiscal years are as follows:

Fiscal Year	ERS	TRS
2018-2019	$ 952,546	$ 4,189,999
2019-2020	950,759	3,977,978
2020-2021	914,791	2,967,926
2021-2022	890,803	2,791,159
2022-2023	771,250	3,067,585
2023-2024 (Budgeted)	1,247,247	3,512,384
2024-2025 (Proposed)	1,567,906	3,752,125

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
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, 2020-2021, 2021-2022, 2022-2023 and 2023-2024 fiscal years. The District is not planning to offer an early retirement incentive for the 2024-2025 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.

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.

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2024-25) is shown below:

Year	ERS	TRS
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02 (1)

(1) Estimated.

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, 2021	June 30, 2022
	$ 178,013,942	$ 147,079,277
Changes for the year:		
Service cost	7,961,852	5,375,258
Interest	3,965,845	5,325,628
Effect of demographic gains or losses	-	-
Differences between expected and actual experience	-	-
Changes in benefit terms	-	-
Changes in assumptions or other inputs	(38,093,199)	(20,571,818)
Benefit payments	(4,769,163)	(4,061,406)
Net Changes	$ (30,934,665)	$ (13,932,338)
Balance ending at:	June 30, 2022	June 30, 2023
	$ 147,079,277	**$ 133,146,939**

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 is required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Other Information

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

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

No principal or interest upon any obligation of the School District is past due. On December 1, 2021 the District inadvertently missed the interest payment due for the District’s $16,293,400 School District (Serial) Bonds, 2021. On December 2, 2021 the District promptly paid the interest payment in full.

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, 2023. 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.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on June 4, 2021. The purpose of the audit was to determine if District officials accurately calculated payments for unused leave accruals.

Audit Results:

During the audit period, the District paid 51 employees a total of $477,000 for their unused leave accruals. The audit reviewed payments totaling $270,000 that were paid to 14 employees and found District officials accurately calculated the payments. Therefore, no recommendations were made.

However, District officials identified unused sick leave reporting errors for District retirees. These errors were reported in submissions to the New York State Local Retirement System. Although these errors were beyond the scope of the audit, they were reviewed and were adjusted.

The complete audit report can be found on the Office of State Comptroller's website.

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
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0

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

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

TAX INFORMATION

Taxable Assessed Valuations

Years Ending June 30:	2020	2021	2022	2023	2024
City of Troy	$1,344,646,562	$1,354,937,700	$1,371,779,485	$ 1,365,880,462	$ 1,370,172,885
Town of Brunswick	85,577,135	85,995,761	86,436,504	86,536,409	89,366,942
Total Taxable Assessed	$ 1,430,223,697	$1,440,993,461	$1,458,215,989	$ 1,452,416,871	$ 1,459,539,827

Regular State Equalization Rates:

City of Troy	93.00%	89.90%	84.50%	76.00%	70.00%
Town of Brunswick	24.50%	23.55%	23.50%	20.80%	19.25%
Taxable Full Valuation	$1,795,150,947	$1,872,323,424	$1,991,222,585	$2,213,251,562	2,421,633,690

Source: District Officials.

Tax Rate Per $1,000 (Assessed)

Years Ending June 30:	2020	2021	2022	2023	2024
City of Troy	$ 21.96	$ 22.54	$ 22.54	$ 22.53	$ 22.38
Town of Brunswick	89.64	86.04	81.81	82.86	81.39

Tax Collection Procedure

Taxes are due and payable in two equal installments, August 1 to August 31 and February 1 to February 28, without penalty. After August 31, penalties are imposed at the rate of 1% per month on the first installment to a maximum of 15%; after February 28, penalties are imposed at a rate of 1% per month on the second installment to a maximum of 9%. After April 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:	2020	2021	2022	2023	2024
Total Tax Levy	$ 37,200,797	$ 37,941,094	$ 37,941,094	$ 37,941,094	$ 37,941,094
Amount Uncollected	2,513,174	2,526,131	3,015,432	3,207,106	3,238,532 (2)
% Uncollected When Due (1)	6.76%	6.67%	7.95%	8.45%	8.54%

(1) See "Tax Collection Procedure" herein.
(2) As of April 1, 2024.

Larger Taxpayers 2023 for the 2023-2024 Tax Roll

Name	Type	Total Assessed Valuation
National Grid	Public Utility	$72,642,781
Center Albany Associates	Apartments	13,959,100
Regency Realty Associates	Real Estate	12,391,143
Cottage Street Apartments	Apartments	12,298,800
Troy SRALP, LLC	Commercial	9,920,000
Rensselaer Polytechnic Institute	Higher Education	9,101,700
Country Garden Acres Ltd	Apartments	7,158,600
Troy Plaza SC, LP.	Retail	6,887,000
Cedar Park Apartments	Apartments	6,350,000
EP Troy Realty LLC	Apartments	5,610,000

The ten larger taxpayers listed above have a total valuation of $156,319,124 which represents approximately 10.71% 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
Troy SRALP Inc	9,920,000	3,500,000
HVP Self Storage	5,520,000	1,050,000
Rite Aid Corporation	5,095,238	2,000,000
Due DiMare Inc	4,700,000	845,000
Brunswick Assoc of Albany LP	4,310,080	906,675
MCH-RA Realty LLC	4,030,000	403,000
That So Franco LLC	3,777,000	2,688,718
Troy Woodland LLC	3,250,000	1,625,000
ARHC SPTRYNY01 LLC	2,860,000	286,000
Center Albany (Menands) Associates	2,690,000	835,000
1776 Sixth Ave Troy LLC	2,110,000	834,860
J & R Mobile Homes Estates	2,067,200	1,125,000
Caldwell Properties LLC	2,000,000	899,000
Patrice McMahon	1,690,000	745,000
Michael Cocca	1,493,900	676,004
Apersand Mount IDA Hydro	1,450,000	959,000
Troy Foods	1,410,000	352,500
Madison Ave Ventures One	1,300,000	500,000
House Corp. of Phi Gamma Delta	930,000	300,000
Bridgestone Retail Operations	720,000	180,000
Madison First Street LLC	540,000	480,000
493 Campbell Ave LLC	495,000	37,500
Cumberland Farms	486,000	121,625
506 Campbell Ave LLC	479,000	95,680
Linda Layne	345,000	213,400
700 River Street LLC	320,000	167,400
Patrick Holloway & Amanda Orlowski	315,000	246,000
Village Blue LLC	310,000	250,000
Moray Homes LTD	267,100	100,000
Engster, MaryEllen	233,333	153,000
Chaim Rosenberg	193,000	105,000
212 River Street LLC	190,000	84,500
Prop 102 King LLC	185,000	90,000
Maplebays LLC	180,000	120,000
Burger, Richard	175,000	100,000
Huang Yixing	170,000	152,000

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

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 undisclosed retirement annuities ("STAR Adjusted Gross Income") of $93,200 or less for 2023, and $98,700 or less in 2024, increased annually according to a Cost-of-Living adjustment, are eligible for an "enhanced" exemption. Other homeowners with household STAR Adjusted Gross Income not in excess of $500,000 are eligible for a "basic" exemption on their primary residence.

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

The 2022-23 State budget provided $2.2 billion in State funding for a new one year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients were eligible for the property tax rebate where the benefit was a percentage of the homeowners' existing STAR benefit.

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

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
Town of Brunswick	$ 16,170	$ 5,780	4/9/2024
City of Troy	58,800	21,000	4/9/2024

$2,282,498 of the District's $37,941,094 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2024.

Approximately $2,200,000 of the District's $37,941,094 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2025.

Additional Tax Information

Real property located in the School District is assessed by the City 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 $3,256 including County, City or Town and Fire District taxes.

Tax Levy Limitation Law

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution 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 Notes include the following:

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

The School District may contract indebtedness only for a School District purpose and shall pledge its faith and credit for the payment of 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 ten 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 Board of Education may adopt a bond resolution authorizing the issuance of bonds and bond anticipation notes issued in anticipation of the issuance of bonds. The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. No down payment is required in connection with the issuance of District obligations.

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

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

(1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied 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.

The District has complied 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:	2019	2020	2021	2022	2023
Bonds [1]	$ 55,080,000	$ 49,115,000	$ 60,988,400	$ 54,765,000	$ 48,275,000
Bond Anticipation Notes	17,815,076	17,600,076	26,000,000	36,000,000	43,590,000
Revenue or Tax Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 72,895,076	$ 66,715,076	$ 86,988,400	$ 90,765,000	$ 91,865,000

[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 May 17, 2024:

Type of Indebtedness	Maturity		Amount
Bonds	2023-2036		$ 47,125,000
Bond Anticipation Notes			
Capital Projects	June 8, 2023		$ 43,590,000 [1]
		Total Indebtedness	$ 90,715,000

[1] To be redeemed and renewed at maturity with the proceeds of the Notes, $580,000 available funds of the District, and proceeds of school district serial bonds issued through the Dormitory Authority of the State of New York anticipated to close on June 6, 2024.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 17, 2024:

Full Valuation of Taxable Real Property			$ 2,421,633,690
Debt Limit 10% thereof			242,163,369
Inclusions:			
Bonds	$ 47,125,000		
Bond Anticipation Notes	43,590,000		
Total Inclusions		$ 90,715,000	
Exclusions:			
Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 90,715,000
Net Debt-Contracting Margin			$ 151,448,369
The percent of debt contracting power exhausted is			37.46%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-2025 Building Aid Ratios, the School District anticipates State building aid of 90.1% for debt service on SED approved expenditures from July 1, 2004 to the present. The School 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 School District will receive in relation to its capital project indebtedness

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

Note: On November 7, 2023, State voters approved a proposed amendment to the State Constitution that removed a constitutional debt limitation previously imposed on small city school districts. A small city school district is one that is partly or wholly within a city having fewer than one hundred twenty-five thousand inhabitants. The State Constitution previously provided that small city school districts were not allowed to contract indebtedness for education purposes that would exceed an amount equal to five percent of the average full valuation of taxable real estate in the school district. The approved amendment to the State Constitution eliminated that constitutional debt limitation applicable to small city school districts, rendering small city school districts subject to the same ten percent limitation applicable to other school districts in the State.

Capital Project Plans

The District currently has $43,590,000 bond anticipation notes outstanding issued for the District's December 3, 2019 voter approved capital project. The proceeds of the Notes, and anticipated DASNY bond issue scheduled to close on June 6, 2024, along with available funds of the District will partially redeem, renew and permanently finance the outstanding bond anticipation notes. After the issuance of the Notes, the District will have a remaining $8,047,566 bond authorization pursuant to a bond resolution adopted by the Board of Education of the District on October 16, 2019 for the capital project.

On May 17, 2023 in connection with the annual budget vote, District voters approved a $5 million Small City Outlay Project to upgrade the high school athletic baseball fields and elevator. It is anticipated that construction will begin in the summer of 2024. The District voters approved the project as part of the 2023-2024 budget and the District does not anticipate issuing debt to finance the project.

On May 21, 2024 in connection with the annual budget vote, voters of the District will be asked to approve a $46 million capital project to renovate various School District buildings, facilities and sites including the expenditure of $7m from the capital reserve fund and the proceeds of not to exceed $39 million of bonds and bond anticipation notes.

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, 2021, and on or before September 30, 2030, will be reduced by a 5.7% 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.

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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
2021-2030	5.7

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 OSCBs 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:

Unit	**Outstanding Indebtedness[1]**	**Exclusions[2]**	**Net Indebtedness**	**% Within District**	**Applicable Net Indebtedness**
City of: Troy	$89,183,702	$22,933,355	$66,250,347	74.87%	$49,601,635
County of: Rensselaer	65,335,000	8,854,000	56,481,000	15.98	9,025,664
Town of: Brunswick	585,000	-	585,000	31.36	183,456
				Total	$58,810,755

(1) Bonds and bond anticipation notes as of January 12, 2024 for the City of Troy, June 29, 2023 for the County of Rensselaer, and as of the close of the 2022 fiscal year for the Town of Brunswick. 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 2022, Official Statement for the City of Troy dated January 12, 2024 and Continuing Disclosure Statement for the Town of Brunswick dated June 29, 2023.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 17, 2024:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 90,715,000	$ 2,208.84	3.75%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	149,525,755	3,640.84	6.17

(a) The estimated population of the District is 41,069 (See "THE DISTRICT – Population" herein).

(b) The District's full value of taxable real estate, using 2023-2024 regular State equalization ratios is $2,241,633,690. (See "TAX INFORMATION - Taxable Assessed Valuations" herein or "APPENDIX – C" attached hereto.)

(c) Estimated net overlapping indebtedness is $58,810,755 (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 Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the 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 Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the 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. On December 1, 2021 the District inadvertently missed the interest payment due for the District's $16,293,400 School District (Serial) Bonds, 2021. On December 2, 2021 the District promptly paid the interest payment in full.

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

On December 1, 2021 the District inadvertently missed the interest payment due for the District's $16,293,400 School District (Serial) Bonds, 2021. On December 2, 2021 the District promptly paid the interest payment in full. On December 21, 2021 the District filed notice of its late payment as well as subsequent failure to provide event filing information in connection with the event to the Municipal Securities Rulemaking Board's Electronic municipal Maket Access system ("EMMA").

The District filed its Annual Financial Information and Operating Data ("AFIOD") for the fiscal year ending June 30, 2022 on EMMA on December 28, 2022. The District was one day late in filing the AFIOD as required by the continuing disclosure undertaking for the serial bonds issued through the Dormitory Authority of the State of New York in 2014, 2016, and 2017. A failure to file material event notice was filed to EMMA on January 10, 2023.

Other than noted above, the School District is in compliance, in all material respects, with all prior undertakings pursuant to the Rule 15c2-12 for the past five years.

MARKET AND RISK FACTORS

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

The financial condition of the School District as well as the market for the Notes 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 Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

Cybersecurity

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

COVID-19

Since early calendar year 2020, the COVID-19 pandemic has had a notable impact on the School District and the world. With the conclusion of public health emergency statuses by the United States government and the World Health Organization in May 2023, it is expected that the pandemic’s most notable impacts are in the past. However, a resurgence of COVID-19 or the emergence of a new pandemic or public health emergency could have a material adverse effect on the State, the municipalities and the school districts located in the State. To date, the School District has received significant funding from federal stimulus packages and reinstatement of State Foundation Aid, however the additional federal funding is anticipated to cease after the 2023-24 fiscal year. There can be no assurances that a resurgence of COVID-19 or the emergence of a new pandemic or public health emergency would not result in delays and/or reductions in State aid paid to school districts, including the School District, or that such delays and/or reductions would be sufficiently counterbalanced by federal aid. Any delay or reduction in State aid payments to the School District would have a negative impact on the School District’s finances and operations.

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the Authority, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the Authority, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the School District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the “IRS”). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes. See "APPENDIX E – Form of Bond Counsel's Opinion - Notes

General

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. The School District and others have made certain representations, certifications of fact, and statements of reasonable expectations and the School District has given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations.

In the event of the inaccuracy or incompleteness of any such representations, certifications or statements of reasonable expectation, or of the failure by the School District to comply with any such covenant, the interest on the Notes could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Notes, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Notes is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of the Notes. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of the Notes Bond and such Beneficial Owner's other items of income, deduction or credit. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Notes.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of the Notes may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Notes and would be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Notes, if other than the registered owner).

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Notes. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Notes may occur. Prospective purchasers of the Notes should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Bond Counsel as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts.

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the alternative minimum tax under Section 55 of the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

The 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 Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School District.

RATING

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

Moody's Investors Service has assigned a rating of "A1" to certain outstanding general obligation bonds of the District. The rating reflects only the view of Moody's Investors Service and 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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, 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 Notes.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Enlarged City School District of the City of Troy’s management’s beliefs as well as assumptions made by, and information currently available to, the Enlarged City School District of the City of Troy’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 Enlarged City School District of the City of Troy’s files with the repositories. When used in Enlarged City School District of the City of Troy documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

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

Barclay Damon LLP, Albany, New York, Bond Counsel to the 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 Notes, 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 Notes, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the School District, as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Notes 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: May ____, 2024

PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 16,964,697	$ 22,120,711	$ 21,374,732	$ 24,311,817	$ 26,135,758
Restricted Cash	5,694,684	1,839,152	8,764,658	16,339,276	18,921,759
Accounts Receivable	-	-	-	35,409	35,106
Taxes Receivable	4,091,356	2,540,780	2,699,749	3,014,761	3,562,869
State and Federal Aid Receivable	3,227,945	4,388,455	5,910,212	5,535,887	4,114,044
Due from Other Governments	393,690	1,301,401	406,399	1,670,833	355,574
Due from Other Funds	5,308,935	5,762,244	6,978,500	5,863,892	4,227,380
Other Receivables	243,928	183,143	33,098	-	-
TOTAL ASSETS	$ 35,925,235	$ 38,135,886	$ 46,167,348	$ 56,771,875	$ 57,352,490
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 1,515,141	$ 2,356,053	$ 2,589,152	$ 4,542,119	$ 3,203,740
Other Liability	-	-	-	754	1,902
Accrued Liabilities	2,569,809	1,980,755	1,397,890	1,534,156	1,413,201
Due to Other Funds	235,046	279,971	503,071	528,362	1,780,963
Due to Other Governments	199	44,308	149	99	99
Due to Teachers' Retirement System	3,978,860	3,494,610	3,537,960	3,514,688	3,997,657
Due to Employees' Retirement System	324,484	334,748	329,058	206,475	206,475
Overpayments	49,016	32,098	38,390	80,991	102,668
Deferred Revenues	3,944,997	3,200,436	2,746,827	3,062,040	3,687,188
TOTAL LIABILITIES	$ 12,617,552	$ 11,722,979	$ 11,142,497	$ 13,469,684	$ 14,393,893
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	12,074,616	9,194,126	10,255,947	16,434,975	18,921,759
Assigned	6,666,067	12,672,726	6,045,114	8,308,489	12,278,322
Unassigned	4,567,000	4,546,055	18,723,790	18,558,727	11,758,616
TOTAL FUND EQUITY	$ 23,307,683	$ 26,412,907	$ 35,024,851	$ 43,302,191	$ 42,958,697
TOTAL LIABILITIES and FUND EQUITY	$ 35,925,235	$ 38,135,886	$ 46,167,348	$ 56,771,875	$ 57,352,590

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:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 33,070,799	$ 31,728,728	$ 35,210,397	$ 34,711,010	$ 34,818,755
Other Tax Items	5,353,364	5,056,101	5,055,571	5,253,364	4,855,993
Non Property Tax Items	1,285,409	1,285,220	1,278,497	1,399,800	1,555,609
Charges for Services	931,962	722,727	668,841	645,098	1,805,118
Use of Money & Property	94,757	211,950	176,909	13,704	21,514
Sale of Property and Compensation for Loss	77,313	94,478	113,959	60,536	83,095
Miscellaneous	815,122	1,143,103	1,846,547	1,480,113	1,552,543
Interfund Revenue	148,165	54,271	141,299	104,695	85,897
Revenues from State Sources	60,654,920	63,948,771	66,349,296	65,306,238	68,839,843
Revenues from Federal Sources	341,283	416,133	185,076	2,397,445	296,044
Total Revenues	$ 102,773,094	$ 104,661,482	$ 111,026,392	$ 111,372,003	$ 113,914,411
Other Sources:					
Interfund Transfers	-	89,820	-	-	-
Total Revenues and Other Sources	$ 102,773,094	$ 104,751,302	$ 111,026,392	$ 111,372,003	$ 113,914,411
EXPENDITURES					
General Support	$ 10,072,136	$ 10,330,796	$ 9,265,334	$ 12,049,156	$ 13,058,548
Instruction	56,211,947	57,937,445	59,355,805	55,884,408	59,482,408
Pupil Transportation	6,148,168	5,228,095	6,235,831	5,815,780	6,305,989
Community Services	34,626	6,621	1,070	-	-
Employee Benefits	19,261,164	19,484,833	19,845,578	20,413,168	17,728,807
Debt Service	11,648,151	8,935,530	9,040,141	7,935,312	8,921,510
Total Expenditures	$ 103,376,192	$ 101,923,320	$ 103,743,759	$ 102,097,824	$ 105,497,262
Other Uses:					
Interfund Transfers	264,787	2,218,848	4,177,409	662,235	139,809
Total Expenditures and Other Uses	$ 103,640,979	$ 104,142,168	$ 107,921,168	$ 102,760,059	$ 105,637,071
Excess (Deficit) Revenues Over Expenditures	(867,885)	609,134	3,105,224	8,611,944	8,277,340
FUND BALANCE					
Fund Balance - Beginning of Year	23,566,434	22,698,549	23,307,683	26,412,907	35,024,851
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 22,698,549	$ 23,307,683 #	$ 26,412,907	35,024,851	$ 43,302,191

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:	2023			2024
	Original Budget	Revised Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	$ 37,941,094	$ 35,191,094	$ 34,772,478	$ 37,941,094
Other Tax Items	3,550,000	5,000,000	5,181,079	3,550,000
Nonproperty Taxes	-	1,300,000	1,659,216	-
Charges for Services	670,000	1,720,000	1,968,963	631,500
Use of Money & Property	30,000	30,000	620,860	33,067
Sale of Property and Compensation for Loss	-	-	44,407	-
Miscellaneous	725,000	752,951	1,182,806	575,000
Interfund Revenues	150,000	150,000	214,918	1,450,000
Revenues from State Sources	75,087,178	74,037,178	73,403,122	83,409,505
Revenues from Federal Sources	250,000	250,000	255,898	307,946
Total Revenues	$ 118,403,272	$ 118,431,223	$ 119,303,747	$ 127,898,112
Other Sources:				
Interfund Transfers	-	-	-	4,000,000
Total Revenues and Other Sources	$ 118,403,272	$ 118,431,223	$ 119,303,747	$ 131,898,112
EXPENDITURES				
General Support	$ 11,699,765	$ 16,858,344	$ 14,637,746	$ 14,405,555
Instruction	65,263,132	64,422,996	60,965,925	69,199,376
Pupil Transportation	7,654,407	8,438,948	7,647,444	8,020,430
Community Services	-	-	-	-
Employee Benefits	26,025,012	23,144,229	19,420,557	25,718,241
Debt Service	9,095,956	9,810,195	9,763,254	9,389,510
Total Expenditures	$ 119,738,272	$ 122,674,712	$ 112,434,926	$ 126,733,112
Other Uses:				
Interfund Transfers	7,165,000	7,165,000	7,212,615	5,165,000
Total Expenditures and Other Uses	$ 126,903,272	$ 129,839,712	$ 119,647,541	$ 131,898,112
Excess (Deficit) Revenues Over Expenditures	(8,500,000)	(11,408,489)	(343,794)	-
FUND BALANCE				
Fund Balance - Beginning of Year	8,500,000	11,408,489	43,302,191	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 42,958,397	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	$ 5,990,000	$ 1,819,509.77	$ 7,809,509.77
2025	6,240,000	1,565,145.02	7,805,145.02
2026	6,515,000	1,296,407.52	7,811,407.52
2027	6,805,000	1,009,238.52	7,814,238.52
2028	6,270,000	729,772.02	6,999,772.02
2029	6,520,000	476,996.14	6,996,996.14
2030	1,775,000	233,585.00	2,008,585.00
2031	1,830,000	180,173.00	2,010,173.00
2032	1,215,000	124,761.00	1,339,761.00
2033	1,245,000	100,657.50	1,345,657.50
2034	1,265,000	76,012.50	1,341,012.50
2035	1,290,000	50,967.50	1,340,967.50
2036	1,315,000	25,422.50	1,340,422.50
TOTALS	$ 48,275,000	$ 7,688,647.99	$ 55,963,647.99

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Capital Project - QSCB* Principal	Interest	Total
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	$ 1,595,000	$ 174,814	$ 1,769,814

Fiscal Year Ending June 30th	2014 Capital Project - DASNY Principal	Interest	Total	2015 Refunding of 2008 Bonds Principal	Interest	Total
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	$ 20,210,000	$ 3,612,250	$ 23,822,250	$ 6,750,000	$ 819,141	$ 7,569,141

Fiscal Year Ending June 30th	2016 Capital Project - DASNY Principal	Interest	Total
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	$ 4,455,000	$ 892,263	$ 5,347,263

* 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.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2020 Capital Project			2021 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 60,000	$ 14,276	$ 74,276	$ 985,000	$ 287,500	$ 1,272,500
2025	60,000	13,280	73,280	1,000,000	267,800	1,267,800
2026	65,000	12,243	77,243	1,020,000	247,800	1,267,800
2027	65,000	11,164	76,164	1,045,000	227,400	1,272,400
2028	65,000	10,085	75,085	1,060,000	206,500	1,266,500
2029	65,000	9,006	74,006	1,080,000	185,300	1,265,300
2030	70,000	7,885	77,885	1,100,000	163,700	1,263,700
2031	70,000	6,723	76,723	1,125,000	141,700	1,266,700
2032	70,000	5,561	75,561	1,145,000	119,200	1,264,200
2033	75,000	4,358	79,358	1,170,000	96,300	1,266,300
2034	75,000	3,113	78,113	1,190,000	72,900	1,262,900
2035	75,000	1,868	76,868	1,215,000	49,100	1,264,100
2036	75,000	623	75,623	1,240,000	24,800	1,264,800
TOTALS	$ 890,000	$ 100,181	$ 990,181	$ 14,375,000	$ 2,090,000	$ 16,465,000

EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

(g) modifications to rights of security holders, if material

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2023

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

ENLARGED CITY SCHOOL DISTRICT
OF TROY, NEW YORK

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2023

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

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ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and additional information on pages 53 through 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards 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 19, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 19, 2023

As management of the Enlarged City School District of Troy, New York (the District), 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 year ended June 30, 2023. 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 $14,072,477 and $19,962,445 during the course of the years ended June 30, 2023 and 2022, respectively, primarily due to additions to capital assets in 2023.
- Government-Wide revenue was $142,046,532 and $130,272,836 for the years ended June 30, 2023 and 2022, respectively. Government-Wide expense was $127,974,055 and $110,310,391 for the years ended June 30, 2023 and 2022, respectively.
- General fund revenue were greater (less) than general fund expenditures by($343,494) and $8,277,340 for the years ended June 30, 2023 and 2022, respectively.
- General fund equity was $42,958,697 at June 30, 2023 as compared to $43,302,191 at June 30, 2022.

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 supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are Government-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.

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 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 District's Financial Report

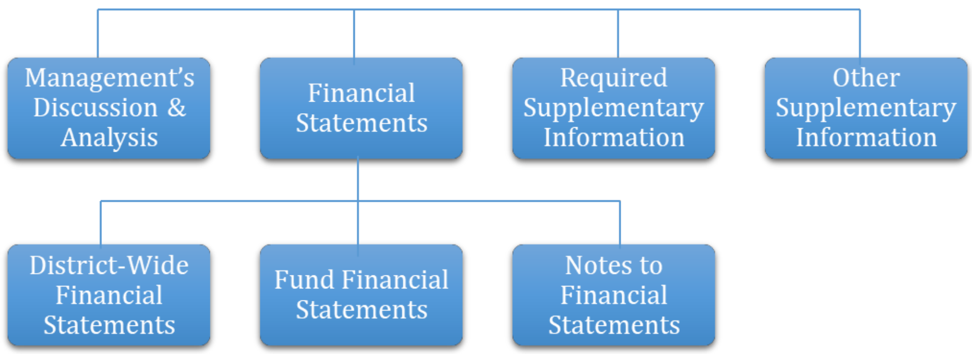


Table A-2: Summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and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

Table A-2: Major Features of the Government-Wide and Fund Financial Statements

		Fund Financial Statements
Description	District-wide Statements	Governmental Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/ 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
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-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 (deficit). 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 revenue 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 Government-Wide financial statements can be found on pages 13 and 14 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. The District funds are as follows:

- 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 Government-Wide statements, additional information in the reconciliation section of the governmental funds statements explains the relationship (or differences) between them.

The fund financial statements can be found on pages 15 and 17 of this report.

GOVERNMENT-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 $27,764,238 at June 30, 2023 primarily due to the recognition of the District's other postemployment liability in accordance with GASB Statement No. 75. We refer you to the notes to financial statements for more detailed information.

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

	2023	2022	Increase (decrease)	Percentage change
Current assets	$ 80,541,542	80,691,083	(149,541)	(0.2%)
Capital assets and other long term assets	166,550,847	191,439,204	(24,888,357)	(13.0%)
Total assets	247,092,389	272,130,287	(25,037,898)	(9.2%)
Deferred outflows of resources	45,681,702	50,232,179	(4,550,477)	(9.1%)
Liabilities:				
Current liabilities	60,414,491	55,357,626	5,056,865	9.1%
Long-term liabilities	191,967,824	204,021,390	(12,053,566)	(5.9%)
Total liabilities	252,382,315	259,379,016	(6,996,701)	(2.7%)
Deferred inflows of resources	68,156,014	104,820,165	(36,664,151)	(35.0%)
Net position:				
Net investment in capital assets	75,100,841	69,958,263	5,142,578	7.4%
Restricted	24,884,757	22,530,500	2,354,257	10.4%
Unrestricted	(127,749,836)	(134,325,478)	6,575,642	4.9%
Total net position	$ (27,764,238)	(41,836,715)	14,072,477	33.6%

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

	2023	2022	Increase (decrease)	Percentage change
Revenue:				
Program revenue:				
Charges for services	$ 2,016,500	1,855,694	160,806	8.7%
Operating grants	22,187,943	15,917,937	6,270,006	39.4%
General revenue:				
Property and other taxes	42,160,882	41,545,570	615,312	1.5%
State sources	73,403,122	68,839,843	4,563,279	6.6%
Federal sources	255,898	296,044	(40,146)	(13.6%)
Use of money and property	719,671	26,065	693,606	2661.1%
Sale of property and compensation for loss	44,407	83,095	(38,688)	(46.6%)
Miscellaneous	1,258,109	1,708,588	(450,479)	(26.4%)
Total revenue	142,046,532	130,272,836	11,773,696	9.0%
Expenses:				
General support	14,459,195	12,773,678	1,685,517	13.2%
Instruction	76,446,702	70,537,689	5,909,013	8.4%
Pupil transportation	7,892,634	6,450,816	1,441,818	22.4%
Employee benefits	18,436,967	11,269,088	7,167,879	63.6%
Interest and other debt expense	2,473,601	1,455,346	1,018,255	70.0%
Depreciation - unallocated	4,617,019	5,010,057	(393,038)	(7.8%)
Other	3,647,937	2,813,717	834,220	29.6%
Total expenses	127,974,055	110,310,391	17,663,664	16.0%
Change in net position	$ 14,072,477	19,962,445	(5,889,968)	(29.5%)

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

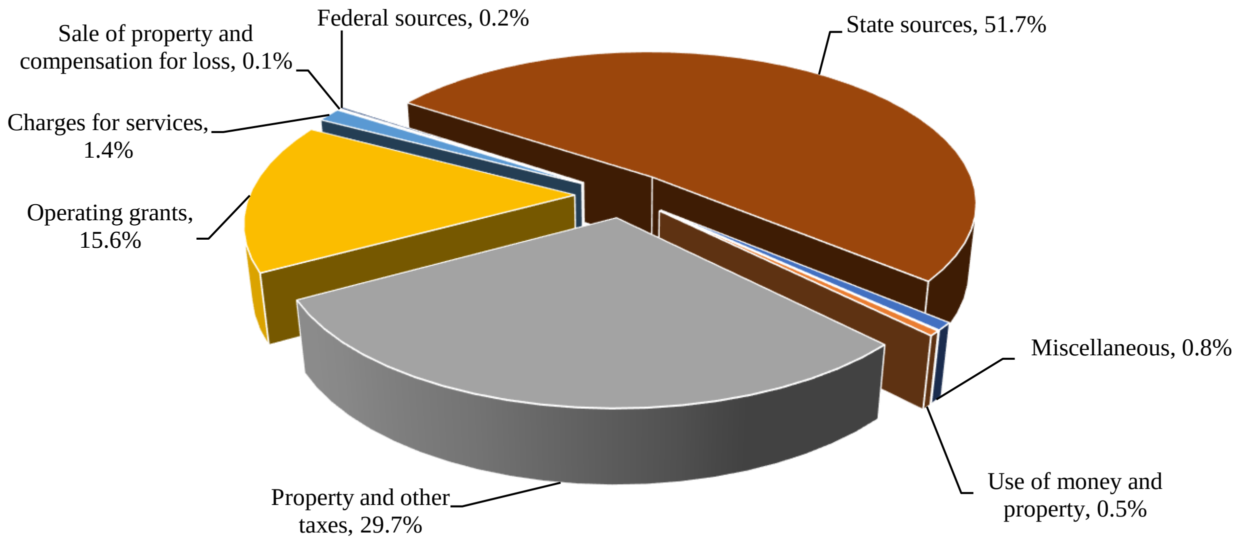
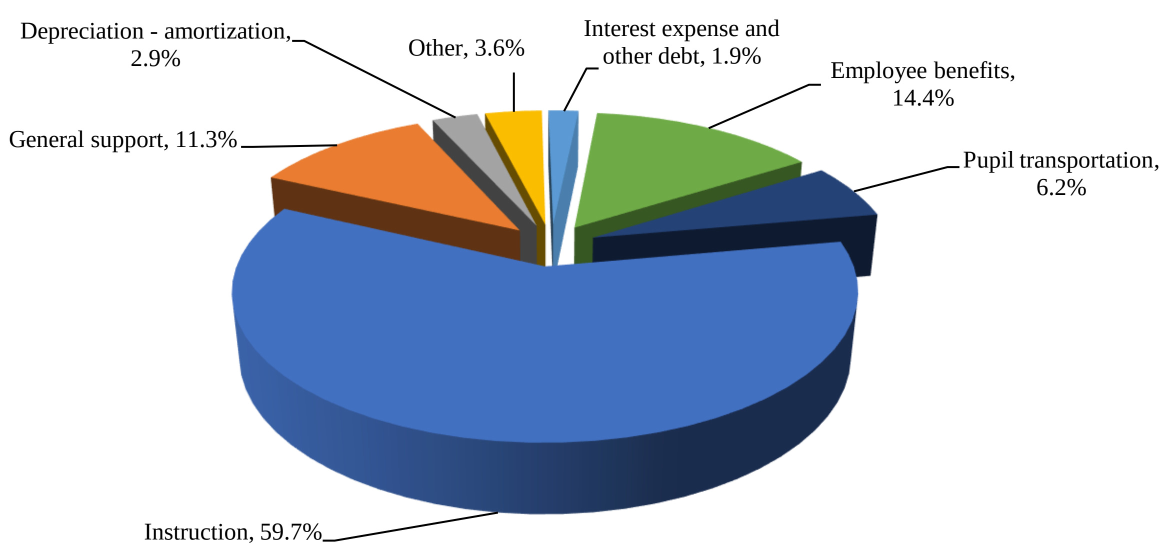


Table A-6: Expenses for Fiscal Year 2023



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 revenue and other financing sources for the year ended June 30, 2023 were $119,303,747 an increase of 4.7% from the year ended June 30, 2022.

Total general fund expenditures and other financing uses for the year ended June 30, 2023 were $119,647,241, an increase of 13.4% from the year ended June 30, 2022. The key factors in this increase were a return to classroom in the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2023, the District had invested $158,307,704 net of depreciation of $95,299,499, 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 $8,577,760 from June 30, 2022 (more detailed information about capital assets can be found in note 2(a) to the financial statements). Total depreciation expense for the year was $4,617,020, while equipment acquisitions and additional construction on capital projects, net of disposals, amounted to $13,111,321 during the year ended June 30, 2023.

The following table reflects the total net cost of various building renovations and additions, technology and equipment expenditures at June 30, 2023 and 2022:

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

	2023	2022
Land and land improvements	$ 1,903,590	2,077,555
Construction in progress	67,611,038	55,118,949
Buildings	87,068,721	90,205,384
Machinery, equipment and vehicles	1,383,749	1,980,892
Right to use lease asset	340,606	347,164
	$ 158,307,704	149,729,944

Long-Term Debt

At June 30, 2023 the District had $51,862,062 in general obligation and $146,095,762 in other long-term debt outstanding. More detailed information about the District's long-term liabilities is presented in note 2(b)(3) to the financial statements.

Table A-8: Outstanding Long-Term Debt

	2023	2022
Due to workers' compensation consortium	$ 101,005	874,618
Bonds and unamortized bond premium	51,862,062	58,938,334
Compensated absences	3,629,913	3,619,161
Other postemployment benefits	133,146,939	147,079,277
Pension liability	9,217,905	-
Total	$ 197,957,824	210,511,390

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 58 to 61% range of all revenue. Should aid be reduced as a result of the curtailment of COVID-19 pandemic funding, 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 $12 million 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

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Statement of Net Position
Governmental Activities
June 30, 2023

Assets	
Current assets:	
Cash:	
Unrestricted	$ 40,518,276
Restricted	24,468,774
Taxes receivable	3,562,869
State and federal aid receivable	11,538,366
Due from other governments	355,574
Accounts receivable	35,106
Inventory	62,577
Total current assets	80,541,542
Long-term assets:	
Due from healthcare consortium	8,243,143
Nondepreciable capital assets	67,956,354
Depreciable capital assets, net	90,351,350
Total noncurrent assets	166,550,847
Total assets	247,092,389
Deferred outflows of resources	
Pensions	24,601,869
OPEB	21,079,833
Total deferred outflows of resources	45,681,702
Liabilities	
Current liabilities:	
Accounts payable	4,711,675
Accrued liabilities	1,441,456
Accrued interest	208,177
Due to other governments	350
Due to teachers' retirement system	3,997,657
Due to employees' retirement system	206,475
Bond anticipation notes payable	43,590,000
Overpayments and collections in advance	102,668
Unearned revenue	166,033
Bonds due and payable within one year	5,990,000
Total current liabilities	60,414,491
Long-term liabilities:	
Due to workers' compensation consortium	101,005
Bonds and unamortized bond premium	45,872,062
Compensated absences	3,629,913
Other postemployment benefit	133,146,939
Net pension liability	9,217,905
Total long-term liabilities	191,967,824
Total liabilities	252,382,315
Deferred inflows of resources	
Pensions	2,467,218
OPEB	65,688,796
Total deferred inflows of resources	68,156,014
Net position	
Net investment in capital assets	75,100,841
Restricted	24,884,757
Unrestricted - unassigned deficit	(127,749,836)
Total net position	$ (27,764,238)

See accompanying notes to financial statements.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Statement of Activities
Governmental Activities
Year ended June 30, 2023

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Net Expense and Changes in Net Position
Functions and programs:				
General support	$ 14,459,195	-	-	(14,459,195)
Instruction	76,446,702	1,968,963	19,205,625	(55,272,114)
Pupil transportation	7,892,634	-	-	(7,892,634)
Employee benefits	18,436,967	-	-	(18,436,967)
Debt service - interest	2,473,601	-	-	(2,473,601)
Depreciation - unallocated	4,617,019	-	-	(4,617,019)
Food service program	3,647,937	47,537	2,982,318	(618,082)
Total functions and programs	$ 127,974,055	2,016,500	22,187,943	(103,769,612)
General revenue:				
Real property taxes				35,320,587
Other tax items				5,181,079
Nonproperty taxes				1,659,216
Use of money and property				719,671
Sale of property and compensation for loss				44,407
State aid				73,403,122
Federal aid				255,898
Miscellaneous				1,258,109
Total general revenue				117,842,089
Change in net position				14,072,477
Net position (deficit) at beginning of year				(41,836,715)
Net position (deficit) at end of year				$ (27,764,238)

See accompanying notes to financial statements.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Balance Sheet - Governmental Funds
June 30, 2023

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
Assets					
Cash:					
Unrestricted	$ 26,135,758	122,838	12,245,199	2,014,481	40,518,276
Restricted	18,921,759	-	-	5,547,015	24,468,774
Receivables:					
Accounts receivable	35,106	-	-	-	35,106
Taxes	3,562,869	-	-	-	3,562,869
Due from other funds	4,227,380	235,156	4,099,118	436,601	8,998,255
State and federal aid	4,114,044	7,248,631	-	175,691	11,538,366
Due from other governments	355,574	-	-	-	355,574
Inventory	-	-	-	62,577	62,577
Total assets	$ 57,352,490	7,606,625	16,344,317	8,236,365	89,539,797
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	3,203,740	339,124	1,062,651	104,258	4,709,773
Accrued liabilities	1,413,201	25,626	-	2,629	1,441,456
Due to other governments	99	-	-	251	350
Due to other funds	1,780,863	7,200,160	-	17,232	8,998,255
Due to teachers' retirement system	3,997,657	-	-	-	3,997,657
Due to employees' retirement system	206,475	-	-	-	206,475
Bond anticipation notes payable	-	-	43,590,000	-	43,590,000
Overpayments and collections in advance	102,668	-	-	-	102,668
Other liabilities	1,902	-	-	-	1,902
Unearned revenue	124,318	41,715	-	-	166,033
Total liabilities	10,830,923	7,606,625	44,652,651	124,370	63,214,569
Deferred inflows or resources - uncollected real estate taxes	3,562,870	-	-	-	3,562,870
Fund balances:					
Nonspendable - inventory	-	-	-	62,577	62,577
Restricted:					
Tax certiorari	1,577,181	-	-	-	1,577,181
Employee benefit accrued liability	1,157,187	-	-	-	1,157,187
Unemployment insurance reserve	401,451	-	-	-	401,451
Workers' compensation	101,005	-	-	-	101,005
Capital reserve	7,029,935	-	-	-	7,029,935
Retirement reserve	6,700,000	-	-	-	6,700,000
Debt service	-	-	-	5,962,998	5,962,998
Liability reserve	1,955,000	-	-	-	1,955,000
Total restricted	18,921,759	-	-	5,962,998	24,884,757
Assigned:					
General support	725,576	-	-	-	725,576
Instruction	2,743,356	-	-	-	2,743,356
Pupil transportation	164,912				164,912
Other	144,478	-	-	-	144,478
Food service	-	-	-	1,708,531	1,708,531
Other special revenue	-	-	-	377,889	377,889
Appropriated for subsequent year's expenditures	8,500,000	-	-	-	8,500,000
Total assigned	12,278,322	-	-	2,086,420	14,364,742
Unassigned	11,758,616	-	(28,308,334)	-	(16,549,718)
Total fund balances	42,958,697	-	(28,308,334)	8,111,995	22,762,358
Total liabilities, deferred inflows of resources, and fund balances	$ 57,352,490	7,606,625	16,344,317	8,236,365	89,539,797

See accompanying notes to financial statements.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2023

Total governmental fund balances	$ 22,762,358
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term amounts due from healthcare consortium under full accrual accounting.	8,243,143
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	158,307,704
Pension liabilities, including deferred outflows and inflows.	12,916,746
Long-term liabilities, including workers' compensation, bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	(52,005,918)
Deferral of charges for state aid reduction and property taxes earned in the current year are recognized as revenue under full accrual accounting.	3,562,870
Other postemployment benefit liability is recognized as a liability under full accrual accounting, including deferred outflows and inflows.	(177,755,902)
Interest payable in the government-wide statements under full accrual accounting.	(208,177)
Premium on bond borrowings is deferred in the government-wide financial statements under full accrual accounting	(3,587,062)
Total net position	$ (27,764,238)

See accompanying notes to financial statements.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2023

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
Revenue:					
Real property taxes	$ 34,772,478	-	-	-	34,772,478
Other tax items	5,181,079	-	-	-	5,181,079
Nonproperty taxes	1,659,216	-	-	-	1,659,216
Charges for services	1,968,963	-	-	-	1,968,963
Use of money and property	620,860	-	-	98,811	719,671
Sale of property and compensation for loss	44,407	-	-	-	44,407
Interfund revenue	214,918	-	-	-	214,918
State sources	73,403,122	3,919,236	-	55,550	77,377,908
Federal sources	255,898	15,286,389	-	2,926,768	18,469,055
Miscellaneous	1,182,806	-	-	75,303	1,258,109
Sales	-	-	-	47,537	47,537
Total revenue	119,303,747	19,205,625	-	3,203,969	141,713,341
Expenditures:					
General support	14,637,746	29,120	-	-	14,666,866
Instruction	60,965,625	15,787,751	-	112,435	76,865,811
Pupil transportation	7,647,444	245,190	-	-	7,892,634
Employee benefits	19,420,557	3,356,179	-	-	22,776,736
Debt service:					
Principal	6,900,000	-	-	-	6,900,000
Interest	2,863,254	-	-	635,761	3,499,015
Cost of sales	-	-	-	3,723,847	3,723,847
Capital outlay	-	-	12,492,089	-	12,492,089
Total expenditures	112,434,626	19,418,240	12,492,089	4,472,043	148,816,998
Excess (deficiency) of revenue over expenditures	6,869,121	(212,615)	(12,492,089)	(1,268,074)	(7,103,657)
Other financing sources (uses):					
Transfers in	-	212,615	7,000,000	-	7,212,615
Transfers out	(7,212,615)	-	-	-	(7,212,615)
Proceeds from serial bonds	-	-	410,000	-	410,000
Premium on BAN issuance	-	-	-	404,423	404,423
Total other financing sources (uses)	(7,212,615)	212,615	7,410,000	404,423	814,423
Changes in fund balances	(343,494)	-	(5,082,089)	(863,651)	(6,289,234)
Fund balances (deficit) at beginning of year	43,302,191	-	(23,226,245)	8,975,646	29,051,592
Fund balances (deficit) at end of year	$ 42,958,697	-	(28,308,334)	8,111,995	22,762,358

See accompanying notes to financial statements.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year ended June 30, 2023

Net change in fund balances	$ (6,289,234)
Amounts reported for governmental activities in the statement of activities are different because:	
Long-term amounts due from healthcare consortium do not provide current resources and, therefore, the increase in the asset in 2022 is not reported as revenue in the governmental funds.	2,114,729
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	13,057,957
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(4,473,639)
Right to use assets are expenditures in governmental funds, but are capitalized in the statement of net position.	136,823
Amortization of right to use assets is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(143,381)
Net pension expense in accordance with GASB Statement No. 68 is a higher expense in the government-wide financial statements under full accrual accounting.	(1,937,926)
Amortization of premium on debt over the life of the debt is a reduction to the current year interest expense in the Government-Wide financial statements.	586,272
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.	6,490,000
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.	548,109
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 2022 results in less expense.	34,719
Certain expenses in the statement of activities related to the workers' compensation liability do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds. The decrease in the liability in 2022 results in less expense.	773,613
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 funds. The increase in the liability in 2022 results in more expense.	(10,752)
Certain postemployment benefits are recognized as an expense in the statement of activities under full accrual accounting.	3,185,187
Change in net position of governmental activities	$ 14,072,477

See accompanying notes to financial statements.

(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 State). The District is an independent entity governed by an elected Board of Education (the Board) consisting of nine 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 accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on such criteria, the District has determined there are no component units to be included within their reporting entity.

Extraclassroom Activity Fund

The extraclassroom activity fund of the District represent funds of the students of the District. The Board exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity fund can be found elsewhere in this report. The District accounts for assets held as an agent for various student organizations in the other special revenue fund.

(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.

(1) Summary of Significant Accounting Policies, Continued

(b) Joint Ventures

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.

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, 2023, the District was billed $1,132,598 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, New York 12033. The District's share of BOCES income amounted to $658,117.

(c) Basis of Presentation Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to eliminate the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenue, 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 presents a comparison between direct expenses and program revenue 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. Revenue that are not classified as program revenue, including all taxes, are presented as general revenue.

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation Government-Wide Statements, Continued

The fund statements provide information about the District's funds. 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.

Governmental Fund Types

The District reports the following major governmental funds:

(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.

(2) 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.

(3) 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.

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

(4) 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) School Food Fund - Used to account for transactions of the school food programs.

(b) Other Special Revenue Fund - Used to account for the extraclassroom activity and scholarship funds.

(c) Debt Service Fund - The debt service fund is used to account for and report on the accumulation of resources to be used for reduction of long-term indebtedness.

(1) Summary of Significant Accounting Policies, Continued

(d) Basis of Accounting/Measurement Focus General Information

The Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is 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.

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

The District reports unearned revenue 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 may have three items that qualify for reporting in this category. The first item relates to pensions reported in the Government-Wide statement of net position. This represents the effect of the net change in the District’s proportionate share of the collective net pension asset or liability and difference during the measurement

(1) Summary of Significant Accounting Policies, Continued

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

period between the District's contributions and its proportionate 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) subsequent to the measurement date. The third item relates to OPEB reporting in the Government-Wide statement of net position. This represents the effect of the change in the actual and expected experience and other changes related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflows of resources (revenue) until that time. The District may have three 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 relates to pensions reported in the Government-Wide statement of net position. This represents the effect of the net change in the District's proportionate share of the collective net pension liability (TRS and ERS) and the difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The third item related to OPEB reported in the Government-Wide statement of net position. This represents the effect of the net changes of assumptions and other inputs.

(f) Property Taxes

- Calendar - Real property taxes are levied annually by the Board of Education no later than August 1. Taxes are collected bi-annually from August 1 to August 31 and February 1 to February 28 without penalty.

- Enforcement - Uncollected real property taxes are enforced by the City of Troy (the City) and the County of Rensselaer (the County). An amount representing all uncollected real property taxes must be transmitted by the City and County to the District within two years from the return of unpaid taxes to the City and County.

(g) Budgetary Procedures and Budgetary Accounting

- Budget Policies - The budget policies are as follows:

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

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

  - Appropriations are adopted at the program level.

(1) Summary of Significant Accounting Policies, Continued

(g) Budgetary Procedures and Budgetary Accounting, Continued

- 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 beyond the carryover of the June 30, 2022 encumbrances of $4,908,489 occurred during the year:

Various gifts	$ 27,952

- 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.

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

The District's investment policies are governed by State statutes. District monies must be deposited in Federal Deposit Insurance Corporation (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 FDIC. 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.

(1) Summary of Significant Accounting Policies, Continued

(h) Cash and Investments, Continued

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 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.

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:

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.

(1) Summary of Significant Accounting Policies, Continued

(h) Cash and Investments, Continued

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 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.

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 net of uncollectible amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(1) Summary of Significant Accounting Policies, Continued

(j) Inventory

Inventory of food and/or supplies in the school food 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 expenditures and revenue to provide financing or other services.

In the Government-Wide statements, eliminations have been made for all interfund receivables and payables between the funds.

(l) Equity Classifications

Government-Wide statements - In the Government-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 fund at June 30, 2023.

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.

(1) Summary of Significant Accounting Policies, Continued

(l) Equity Classifications, Continued

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the 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 Board. The District had no committed fund balances at June 30, 2023.

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 $3,778,322 at June 30, 2023 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. The District had $8,500,000 assigned for tax reduction at June 30, 2023.

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 assigned 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:

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.

(1) Summary of Significant Accounting Policies, Continued

(l) Equity Classifications, Continued

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.

Reserve for Employee Benefit 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.

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. This reserve is accounted for in the debt service fund.

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.

Retirement Reserve

Authorized by General Municipal Law §6-r, the Retirement 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.

(1) Summary of Significant Accounting Policies, Continued

(l) Equity Classifications, Continued

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. The capital reserve is accounted for in the general fund.

Tax Certiorari Reserve

Authorized by Education Law §3651, this reserve is used to fund tax certiorari and to expend from the reserve without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgements and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund.

Liability Reserve

Authorized by Education Law §1950, this reserve is used to settle pending liability claims. The funds cannot be used for any other purpose except the Board of Education may use the monies to purchase insurance policies to cover losses previously self-insured. This reserve is accounted for in the general fund.

(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 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 569 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 the year ended June 30, 2023 by recording approximately $876,219, its share of insurance premiums for currently enrolled retirees, as an expenditure.

(n) Due To/From Other Funds

The amounts reported on the balance sheet - governmental funds, for due to and due from other funds represents amounts due between different fund types. Eliminations have been made for amounts due to and due from the same fund type.

(1) Summary of Significant Accounting Policies, Continued

(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 Government-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 Government-Wide Statements

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

- 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 (deficit) versus the solely current financial resources focus of governmental fund balance sheets.

- Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities:

  Differences between the governmental funds statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

  Long-term Revenue Differences

  Long-term revenue differences arise because governmental funds report revenue only when they are considered “available”, whereas the statement of activities and change in net position reports revenue 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.

(1) Summary of Significant Accounting Policies, Continued

(p) Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements, Continued

Capital Related Differences

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

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.

(q) 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.

(r) 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.

(1) Summary of Significant Accounting Policies, Continued

(r) Compensated Absences, Continued

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 No. 16 - "Accounting for Compensated Absences," an accrual for accumulated leave is included in the compensated absences liability at year-end in the Government-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.

(s) Other Benefits

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

(t) Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN) in anticipation of the receipt of revenue. 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.

(1) Summary of Significant Accounting Policies, Continued

(t) Short-Term Debt, Continued

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 revenue 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.

(u) Unamortized Bond Premium

The District issued serial bonds with original issue premiums of $7,803,153. The premiums are amortized over the life of the debt using the effective interest method and grouped with the long-term portion of bonds payable.

(v) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) Detail Notes On All Funds

(a) Assets

Cash

- 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, 2023 all deposits were fully insured and collateralized by the District's agent in the District's name.

- Restricted Cash

  General - Restricted cash of $24,468,774 consists of amounts set aside by the District to fund the District's restricted reserves.

  Debt Service - Restricted cash of $5,547,015 consists of unexpended closed capital projects and premiums earned on borrowings restricted for debt payment.

(2) Detail Notes On All Funds, Continued

(a) Assets, Continued

Interfund Receivables and Payables

Interfund transactions and balances are as follows:

	Interfund Receivable	Interfund Payable	Interfund Transfers In	Interfund Transfers Out
General	$ 4,227,380	1,780,863	-	7,212,615
Special aid	235,156	7,200,160	212,615	-
Capital projects	4,099,118	-	7,000,000	-
School lunch	20,618	17,232	-	-
Debt service	415,983	-	-	-
Total	$ 8,998,255	8,998,255	7,212,615	7,212,615

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position (deficit). 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.

Accounts Receivables

Accounts receivables in the governmental funds at June 30, 2023 consisted of the following, which are stated at net realizable value. District management has deemed the amounts to be fully collectible.

Fund	Description	Amount
General fund	Repayment of sabbatical salary	$ 32,500
General fund	Other	2,606
		$ 35,106

Health Insurance Trust

The District is a member in Capital Area Schools Health Insurance Consortium (the Consortium). The Consortium is considered a public entity risk pool which is defined as a cooperative group of governmental entities joining together to finance an exposure, liability or risk. The Consortium includes New York public school districts located in the Capital District area. The Consortium was formed on May 1, 1994, to allow member schools to obtain health insurance and prescription drug benefits at lower cost through a pooled purchasing arrangement. The Consortium procures group insurance contracts with insurance carriers for medical, prescription drug and dental benefits, in which the Consortium is not liable for any medical or dental claims. However, the Consortium also maintains a self-insured prescription drug plan for which the individual Consortium members are liable for any claims in excess of the balances maintained by the

(2) Detail Notes On All Funds, Continued

(a) Assets, Continued

Consortium. As of June 30, 2023, the District's prescription drug plan account balance maintained by the Consortium is $4,732,791 of which $367,000 is estimated as the outstanding estimated liability for the self-insured prescription plan. The excess balance of $4,365,791 has been recorded as Due from Health Insurance Consortium on the statement of net position. Additionally, the Consortium has net assets attributable to the District resulting from prior premium settlement recoveries at June 30, 2023 of $3,877,352.

The following represents changes in the prescription drug trust balances for the past two years:

	2023	2022
Unpaid claims prescription drug trust at beginning of year	$ 559,000	554,000
Net claims	4,157,381	4,046,110
Payments made	(4,349,381)	(4,041,110)
Unpaid claims prescription drug trust end of year	$ 367,000	559,000

The Consortium issues a publicly available audited financial statements that may be obtained by contacting the treasurer of the Consortium, 12 Computer Drive West, Albany, New York 12205.

Capital Assets

Capital asset balances for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Adjustments/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 345,316	-	-	345,316
Construction in progress	55,118,949	12,492,089	-	67,611,038
Total capital assets not being depreciated	55,464,265	12,492,089	-	67,956,354
Capital assets being depreciated:				
Buildings	160,534,232	-	-	160,534,232
Machinery and equipment	19,065,894	337,321	(58,851)	19,344,364
Land improvements	3,974,151	-	-	3,974,151
Vehicles	786,556	228,547	-	1,015,103
Right to use assets	670,784	136,823	(24,608)	782,999
Total capital assets being depreciated	185,031,617	702,691	(83,459)	185,650,849

(2) Detail Notes On All Funds, Continued

(a) Assets, Continued

	Beginning Balance	Additions	Adjustments/ Reclassifications	Ending Balance
Less accumulated depreciation:				
Buildings	$ 70,328,848	3,136,663	-	73,465,511
Machinery and equipment	17,206,150	1,112,670	(58,851)	18,259,969
Land improvements	2,241,912	173,965	-	2,415,877
Vehicles	665,408	50,341	-	715,749
Right to use assets	323,620	143,381	(24,608)	442,393
Total accumulated depreciation	90,765,938	4,617,020	(83,459)	95,299,499
Total capital assets, being depreciated, net	94,265,679	(3,914,329)	-	90,351,350
Total governmental activities, net	$ 149,729,944	8,577,760	-	158,307,704

(b) Liabilities

(1) 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.

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 Annual Comprehensive Financial Report, which can be found on the System's website at www.nystrs.org.

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

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 Annual Comprehensive Report, which can be found at www.osc.state.ny.us/retire/publications/index/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.

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

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 ended 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.

ERS and TRS Contributions

At June 30, 2023, the District reported a net pension liability of $3,884,752 (TRS) and $5,333,153 (ERS) for its proportionate share of the net pension liability. The net pension liability (TRS) was measured as of June 30, 2022, and the net pension liability (ERS) was measured as of March 31, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of those dates. The District's proportion of the net pension asset 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, 2022	March 31, 2023
District's proportionate share of the net pension liability	$ 3,884,752	5,333,153
District's portion of the Plan's total net pension asset	0.202448%	0.0248701%

For the year ended June 30, 2023, the District recognized a net pension expense of $6,805,632 in the statement of activities resulting from $4,905,699 for TRS and $1,899,933 for ERS.

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 568,023	4,070,728	149,775	77,844
Changes of assumptions	2,590,123	7,535,762	28,626	1,564,888
Net difference between projected and actual investment earnings on pension plan investments	-	5,019,468	31,332	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	93,064	481,488	42,204	572,549
District's contributions subsequent to the measurement date	245,556	3,997,657	-	-
Total	$ 3,496,766	21,105,103	251,937	2,215,281

ERS and TRS Contributions

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

Year ending	ERS	TRS
2024	$ 714,378	2,869,104
2025	(272,554)	1,512,879
2026	1,092,954	(607,312)
2027	1,464,495	9,860,229
2028	-	1,244,605
Thereafter	-	12,660
	$ 2,999,273	14,892,165

TRS Actuarial Assumptions

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

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

TRS Actuarial Assumptions, Continued

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

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

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

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2020, applied on a generational basis. Active members mortality rates are based on plan member experience.

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

Significant actuarial assumptions used in the valuation were as follows:

Inflation rate	2.7%
Salary increase	4.4%
Projected COLA	1.4%
Investment rate of return	5.9%

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

Long-Term Expected Rate of Return, Continued

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020.

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

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:

	ERS		TRS	
Measurement date	March 31, 2023		June 30, 2022	
	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*	Target allocation
Asset class:				
Domestic equity	4.30%	32%	6.50%	33%
International equity	6.85%	15%	7.20%	16%
Real estate equity	4.60%	9%	6.20%	11%
Global equity	-	-	6.90%	4%
Domestic fixed income	-	-	1.10%	16%
Global bonds	-	-	0.60%	2%
High-yield bonds	-	-	3.30%	1%
Real estate debt	-	-	2.40%	6%
Private equity	6.50%	10%	9.90%	8%
Private debt	-	-	5.30%	2%
Real assets	5.84%	3%	-	-
Fixed income	1.50%	23%	-	-
Opportunistic/ARS portfolio	5.38%	3%	-	-
Credit	5.43%	4%	-	-
Cash	-	1%	(0.30%)	1%
		100%		100%

* Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.5% for ERS.

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

Discount Rate

The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.9% ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

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

ERS	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability (asset)	$ 12,887,944	5,333,153	(979,753)

TRS	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability (asset)	$ 35,819,235	3,884,752	(22,971,939)

Pension Plan Fiduciary Net Position

The components of the net pension liability (TRS and ERS) of the employer as of June 30, 2021 and March 31, 2022, respectively, are as follows (in thousands):

	TRS	ERS
Employers' total pension liability	$ 133,883	223,627
Plan fiduciary net position	(131,965)	(211,183)
Employers' net pension liability	$ 1,918	12,444
Ratio of plan fiduciary net position to the employers' total pension liability	98.6%	90.78%

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(1) Pension Plans, Continued

Payables and Pension Plan

For TRS, employer and employee contributions for the year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the year ended June 30, 2023 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the year as reported to the TRS System. Accrued employer retirement contributions as of June 30, 2023 amounted to $3,997,657, along with employee withholdings of $619,910 as of June 30, 2023.

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, 2023 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2023 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to $206,475. Employee contributions are remitted monthly.

(2) Other Postemployment Benefits (OPEB)

- 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's Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Employees Covered by Benefit Terms - At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	569
Active employees	632
	1,201

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(2) Other Postemployment Benefits (OPEB), Continued

- Total OPEB Liability

The District's total OPEB liability of $133,146,939 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

Salary increases	2.6%, average, including inflation
Discount rate	2.16%
Healthcare cost trend rates	5.3% for 2023, decreasing to an ultimate rate of 4.1% over 55 years

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

- Changes in the Total OPEB Liability

Balance at June 30, 2022	$ 147,079,277
Changes for the year:	
Service cost	5,375,258
Interest	5,325,628
Change of assumptions	(20,571,818)
Benefit payments	(4,061,406)
Net changes	(13,932,338)
Balance at June 30, 2023	$ 133,146,939

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 or 1-percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 156,262,502	133,146,939	114,724,239

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(2) Other Postemployment Benefits (OPEB), Continued

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	$ 111,701,516	133,146,939	161,123,880

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

For the year ended June 30, 2023, the District recognized OPEB expense of $876,219.

At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 972,222	(19,561,822)
Changes in assumptions	20,107,611	(46,126,974)
	$ 21,079,833	(65,688,796)

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

Year ending	Amount
2024	$ (9,824,667)
2025	(9,824,667)
2026	(7,563,214)
2027	(5,456,023)
2028	(6,456,216)
Thereafter	(5,484,176)
	$ (44,608,963)

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(3) Indebtedness

Short-Term Debt

Transactions in short-term debt related to bond anticipation notes for the year ended June 30, 2023 are as follows:

Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
6/1/2024	3.52%	$ -	43,590,000	-	43,590,000
6/8/2023	4.00%	36,000,000	-	(36,000,000)	-
		$ 36,000,000	43,590,000	(36,000,000)	43,590,000

Interest on short-term debt in the Government-Wide statement of activities for the year ended June 30, 2023 was composed of :

Interest paid	$ 1,440,000
Less interest accrued in the prior year	(86,796)
Less amortization of BAN premium	(404,423)
Total expense	$ 948,781

Long-term Debt

- 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 $2,373,100 of expenditures for serial and statutory bond debt interest in the governmental funds statement of revenue, expenditures and changes in fund balances.

Interest on long-term debt in the Government-Wide statement of activities for the year ended June 30, 2023 was composed of:

Interest paid	$ 2,059,015
Less interest accrued in the prior year	(156,100)
Less amortization of bond premium	(586,272)
Plus interest accrued in the current year	208,177
Total expense	$ 1,524,820

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(3) Indebtedness, Continued

- 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.

- Changes

The changes in indebtedness during the year ended June 30, 2023 are summarized as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Due to workers' compensation plan	$ 874,618	-	(773,613)	101,005
Bonds	54,765,000	-	(6,490,000)	48,275,000
Unamortized bond premium	4,173,334	-	(586,272)	3,587,062
Compensated absences	3,619,161	10,752	-	3,629,913
Other postemployment benefits	147,079,277	10,700,886	(24,633,224)	133,146,939
Pension liability	-	9,217,905	-	9,217,905
	$ 210,511,390	19,929,543	(32,483,109)	197,957,824

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

(3) Indebtedness, Continued

- Maturity

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

Description of Issue	Type	Date of Issue	Maturity	Interest	Outstanding June 30, 2023
School Construction Bonds, 2012	Serial bond	6/14/2012	6/15/2027	1.30 - 4.35%	$ 1,595,000
Bond Authorization Series, 2014	Serial bond	7/12/2014	6/15/2029	2.00 - 5.00%	20,210,000
School District Refunding Bonds, 2015	Serial bond	3/31/2015	7/1/2028	2.00 - 5.00%	6,750,000
Government-wide Renovations, Bonds, 2016	Serial bond	6/15/2016	6/15/2031	2.00 - 5.00%	4,455,000
Community Schools Bonds, 2021	Serial bond	10/22/2020	10/15/2035	1.66%	890,000
District Reconstruction Bonds, 2021	Serial bond	6/1/2021	6/1/2036	2.00%	14,375,000
Total					$ 48,275,000

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

Year ending	Principal	Interest
2024	$ 5,990,000	1,819,510
2025	6,240,000	1,565,146
2026	6,515,000	1,296,407
2027	6,805,000	906,839
2028	6,270,000	729,772
2029-2033	12,585,000	1,116,173
2034-2036	3,870,000	155,515
Total	$ 48,275,000	7,589,362

(4) Worker's Compensation Self-Insurance Plan

The District participates in a self-insurance plan for worker's compensation called the Rensselaer Columbia-Greene Counties Workers' Compensation Consortium (Consortium). The Consortium 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 including the cost of medical treatment. The Consortium was accepted as a self-insurer by the State of New York Workers' Compensation Board effective July 1, 1985. The Consortium has a stop loss policy to protect participants from unusually high claims.

(2) Detail Notes On All Funds, Continued

(b) Liabilities, Continued

(4) Worker's Compensation Self-Insurance Plan, Continued

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, 2023, there were 18 participating members from Rensselaer, Columbia and Greene Counties in New York State, including Questar III. The amount held by the Consortium on behalf of the District at June 30, 2023 was $3,297,440, with an actuarial liability of $3,196,435 resulting in an estimated liability for self-insured workers' compensation claims of $106,005 at June 30, 2023. The general fund reserve for workers' compensation in the amount of $101,005 has been subsequently removed from the balance sheet and recorded on the statement of net position as a long-term liability. Payments made to the Consortium for the year ended June 30, 2023 were $1,040,699.

The following represents changes in the self-insured workers compensation plan for the past two years:

	2023	2022
Unpaid claims, self-insured workers compensation plan, beginning of year	$ (874,618)	(1,491,289)
Net claims and expenses	(267,086)	(303,979)
Payments made	1,040,699	920,650
Unpaid claims, self-insured workers compensation plan, end of year	$ (101,005)	(874,618)

The Consortium issues publicly available audited financial statements which may be obtained by contacting the treasurer of the Consortium, c/o Questar III, 10 Empire State Boulevard, Castleton, New York 12033.

(5) Constitutional Debt Limit

The constitution of the State of New York limits the amounts of indebtedness which may be issued by the District. The 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, 2023, the District has exhausted approximately 96% 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

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

Bargaining Unit	Contract Expiration Date
Troy Administrators' Association	June 30, 2025
CSEA, LOCAL 1000 AFSCME, AFL - C10	June 30, 2024
UPSEU	June 30, 2025
Troy Teachers' Association	June 30, 2025

(e) Tax Abatement Agreements

The County and City enter into various property tax abatement programs for the purpose of economic development. The District property tax revenue was increased by $107,746. The District received payment in lieu of tax (PILOT) payments totaling $2,374,920 for the year ended June 30, 2023.

(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 defeased bonds were called and paid in full.

(4) Future Implementations of GASB Pronouncements

GASB has issued Statement No. 99 - Omnibus 2022, effective for various periods through fiscal years beginning after June 15, 2023, which will be implemented in the years required. The effects of the implementation of this pronouncement are not known at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year ended June 30, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance with Budgetary Actual
Revenue:				
Real property taxes	$ 35,191,094	35,191,094	34,772,478	(418,616)
Other tax items	5,000,000	5,000,000	5,181,079	181,079
Nonproperty taxes	1,300,000	1,300,000	1,659,216	359,216
Charges for services	1,720,000	1,720,000	1,968,963	248,963
Use of money and property	30,000	30,000	620,860	590,860
Sale of property and compensation for loss	-	-	44,407	44,407
Interfund revenue and operating transfers	150,000	150,000	214,918	64,918
Miscellaneous	725,000	752,951	1,182,806	429,855
State sources	74,037,178	74,037,178	73,403,122	(634,056)
Medicaid reimbursements	150,000	150,000	212,525	62,525
Interest subsidy - Build American Bonds	100,000	100,000	43,373	(56,627)
Total revenue	118,403,272	118,431,223	119,303,747	872,524

(Continued)

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
Expenditures:					
General support:					
Board of Education	$ 92,500	93,000	69,117	-	23,883
Central administration	305,592	345,723	320,738	118	24,867
Finance	1,024,185	1,063,521	876,686	66,492	120,343
Staff	1,043,245	1,146,963	685,409	78,884	382,670
Central services	9,560,598	12,458,786	11,072,278	578,900	807,608
Special items	1,772,723	1,750,351	1,613,518	1,182	135,651
Total general support	13,798,843	16,858,344	14,637,746	725,576	1,495,022
Instruction:					
Instruction, administration and improvement	4,828,549	4,841,912	4,297,174	102,646	442,092
Teaching - regular school	32,101,502	34,373,079	31,267,155	2,119,758	986,166
Programs for children with handicap conditions	18,194,403	18,984,338	17,811,845	245,238	927,255
Programs for English language learners	565,518	570,741	538,834	-	31,907
Occupational education	676,594	942,306	935,135	2,107	5,064
Teaching - special school	837,191	333,619	274,135	184	59,300
Employment prep - BOCES	31,482	31,482	15,000	-	16,482
Instructional media	1,533,467	1,728,160	1,305,497	249,447	173,216
Pupil services	4,395,347	4,617,359	4,520,850	23,976	72,533
Total instruction	63,164,053	66,422,996	60,965,625	2,743,356	2,714,015
Pupil transportation	7,654,407	8,438,948	7,647,444	164,912	626,592
Employee benefits	26,025,012	23,144,229	19,420,557	144,478	3,579,194
Debt service:					
Principal	6,490,000	6,490,000	6,900,000	-	(410,000)
Interest	2,605,956	3,320,195	2,863,254	-	456,941
Total expenditures	119,738,271	124,674,712	112,434,626	3,778,322	8,461,764
Other uses - transfers out	7,165,000	7,165,000	7,212,615	-	(47,615)
Total expenditures and other uses	$ 126,903,271	131,839,712	119,647,241	3,778,322	8,414,149
Change in fund balance			(343,494)		
Fund balance at beginning of year			43,302,191		
Fund balance at end of year			$ 42,958,697		

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
Year ended June 30, 2023

Total OPEB liability	2023	2022	2021	2020	2019	2018
Service cost	$ 5,375,258	7,961,852	7,253,277	4,591,827	7,294,003	6,914,141
Interest	5,325,628	3,965,845	3,538,505	4,469,500	5,389,122	5,131,733
Changes of benefit terms	-	-	1,565,176	-	(21,598,029)	-
Difference between expected and actual experience	-	-	-	-	-	51,728
Changes of assumptions	(20,571,818)	(38,093,199)	15,078,410	24,973,462	(36,460,786)	-
Benefit payments	(4,061,406)	(4,769,163)	(4,538,218)	(4,017,797)	(3,708,450)	(4,084,418)
Net change in total OPEB liability	(13,932,338)	(30,934,665)	22,897,150	30,016,992	(49,084,140)	8,013,184
Total OPEB liability - beginning	147,079,277	178,013,942	155,116,792	125,099,800	174,183,940	166,170,756
Total OPEB liability - ending	$ 133,146,939	147,079,277	178,013,942	155,116,792	125,099,800	174,183,940
Covered payroll	$ 38,404,607	36,328,139	36,328,139	35,197,225	35,197,225	36,573,553
Total OPEB liability as a percentage of covered payroll	346.70%	404.86%	490.02%	440.71%	355.43%	476.26%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	2022	2021	2020	2019	2018
3.54%	3.54%	2.16%	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Asset (Liability)
Year ended June 30, 2023

TRS System - Asset (Liability)	2023	2022	2021	2020	2019	2018	2017	2016	2015
The District's proportion of the pension asset (liability)	0.202448%	0.194166%	0.207635%	0.205540%	0.210050%	0.209331%	0.208102%	N/A	N/A
The District's proportionate share of the net pension asset (liability)	$ (3,884,752)	33,647,131	(5,737,526)	5,339,954	3,797,449	1,591,127	(2,228,857)	21,677,739	22,434,544
The District's covered payroll	$ 40,792,415	35,864,163	32,956,220	35,242,293	34,314,068	34,840,419	33,701,861	32,719,326	30,607,552
The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	9.52%	93.82%	17.41%	15.15%	11.07%	4.57%	6.61%	66.25%	73.30%
Plan fiduciary net position as a percentage of the total pension asset (liability)	98.60%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
ERS System - Asset (Liability)									
The District's proportion of the net pension asset (liability)	0.0248701%	0.0236552%	0.0240244%	0.0235282%	0.0240432%	0.0240432%	N/A	N/A	N/A
The District's proportionate share of the net pension asset (liability)	$ (5,333,153)	1,933,715	(23,922)	(6,230,409)	(1,703,536)	(763,026)	(2,222,917)	(3,837,028)	(810,005)
The District's covered payroll	$ 8,265,692	7,698,940	7,136,523	7,037,823	6,965,147	6,761,521	6,250,536	6,092,745	6,287,935
The District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	64.52%	25.12%	0.34%	88.53%	24.46%	11.28%	35.56%	62.98%	12.88%
Plan fiduciary net position as a percentage of the total pension asset (liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Required Supplementary Information
Schedule of the District's Pension Contributions
Year ended June 30, 2023

TRS System	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,140,728	3,140,728	3,122,467	3,643,513	3,667,723	4,190,000	4,556,697	5,781,619	5,086,355
Contribution in relation to the contractually required contribution	3,140,728	3,140,728	3,122,467	3,643,513	3,667,723	4,190,000	4,556,697	5,781,619	5,086,355
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-
District's covered payroll	$ 40,792,415	35,864,163	32,956,220	35,242,293	34,314,068	34,840,419	33,701,861	32,719,326	30,607,552
Contribution as a percentage of covered payroll	7.70%	8.76%	9.47%	10.34%	10.69%	12.03%	13.52%	17.67%	16.62%
ERS System									
Contractually required contribution	$ 890,803	890,803	956,945	979,501	952,546	937,681	1,035,853	1,150,543	1,332,650
Contribution in relation to the contractually required contribution	890,803	890,803	956,945	979,501	952,546	937,681	1,035,853	1,150,543	1,332,650
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-
District's covered payroll	$ 8,265,692	7,698,940	7,136,523	7,037,823	6,965,147	6,761,521	6,250,536	6,092,745	6,287,935
Contribution as a percentage of covered payroll	10.78%	11.57%	13.41%	13.92%	13.68%	13.87%	16.57%	18.88%	21.19%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Schedule of Change from Adopted Budget to Final Budget and
the Real Property Tax Limit - General Fund
Year ended June 30, 2023

Change from adopted budget to final budget:		
Original budget		$ 126,903,271
Add prior year's encumbrances		4,908,489
Adopted budget		131,811,760
Additional budget amendments		27,952
Final budget		$ 131,839,712

Section 1318 of Real Property Tax Law Limit Calculation

2023-2024 voter approved expenditure budget		$ 131,898,112
Maximum allowed 4% of 2023-2024 budget		5,275,924
General fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Appropriated fund balance	$ 12,278,322	
Unassigned fund balance	11,758,616	
Total unrestricted fund balance		24,036,938
Less:		
Appropriated for subsequent year's expenditures	8,500,000	
Encumbrances	3,778,322	
Total adjustments		12,278,322
General fund fund balance subject to Section 1318 of Real Property Tax Law		$ 11,758,616
Actual percentage		8.91%

* Per New York State 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 Section 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.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
Year ended June 30, 2023

				Expenditures				Methods of Financing				Fund Balance
Project title	Project Number	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State and Federal Aid	Local Sources	Total	(Deficit) 6/30/2023
School 18 PA system	0010.012	$ 100,000	100,000	95,197	-	95,197	4,803	-	-	100,000	100,000	4,803
Doyle middle school reconstruction (DMS)	0012.015	100,000	100,000	61,877	-	61,877	38,123	-	-	100,000	100,000	38,123
Capital outlay project	0009.003	100,000	100,000	94,818	-	94,818	5,182	-	-	100,000	100,000	5,182
Paving improvements	0009.002	124,100	124,100	116,932	-	116,932	7,168	-	-	124,100	124,100	7,168
District-wide infrastructure	1	23,300,000	23,300,000	23,607,536	15,329	23,622,865	(322,865)	16,508,400	-	6,500,000	23,008,400	(614,465)
Emergency pool project	0011.029	500,000	650,000	649,063	-	649,063	937	-	-	500,000	500,000	(149,063)
PS 2 community schools	0002.010	1,200,000	1,300,000	1,197,230	-	1,197,230	102,770	1,000,000	-	260,109	1,260,109	62,879
High school roof	0011.031	3,850,000	3,650,000	2,301,582	-	2,301,582	1,348,418	-	-	577,500	577,500	(1,724,082)
Emergency gym roof	0011.0.31	1,500,000	1,500,000	1,058,244	-	1,058,244	441,756	-	-	1,500,000	1,500,000	441,756
Building modernization project	1	56,000,000	63,000,000	25,701,443	12,153,821	37,855,264	25,144,736	410,000	-	8,922,500	9,332,500	(28,522,764)
Capital outlay project	0011.032	100,000	200,000	149,402	-	149,402	50,598	-	-	200,000	200,000	50,598
PS 12 Heating and Cooling	0005.016	2,000,000	2,000,000	13,984	60,139	74,123	1,925,877	-	-	2,000,000	2,000,000	1,925,877
PS 14 exterior repair	009.007	100,000	75,000	71,546	3,400	74,946	54	-	-	-	-	(74,946)
High school classroom	0011.035	500,000	500,000	-	259,400	259,400	240,600	-	-	500,000	500,000	240,600
		$ 89,474,100	96,599,100	55,118,854	12,492,089	67,610,943	28,988,157	17,918,400	-	21,384,209	39,302,609	(28,308,334)

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

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ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2023

Capital assets, net		$ 158,307,704
Deduct:		
Short-term portion of bonds and bond anticipation notes payable	$ 49,580,000	
Long-term portion of bonds payable	42,285,000	
Unamortized bond premium	3,587,062	
Less unspent cash, capital projects	(12,245,199)	83,206,863
Net investment in capital assets		$ 75,100,841

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2023

	School Food	Other Special Revenue	Debt Service	Total Non-Major Funds
Assets:				
Cash:				
Unrestricted	$ 1,636,592	377,889	-	2,014,481
Restricted	-	-	5,547,015	5,547,015
Due from other funds	20,618	-	415,983	436,601
State and federal aid	175,691	-	-	175,691
Inventory	62,577	-	-	62,577
Total assets	$ 1,895,478	377,889	5,962,998	8,236,365
Liabilities:				
Accounts payable	104,258	-	-	104,258
Accrued liabilities	2,629	-	-	2,629
Due to other governments	251	-	-	251
Due to other funds	17,232	-	-	17,232
Total liabilities	124,370	-	-	124,370
Fund balances:				
Nonspendable - inventory	62,577	-	-	62,577
Restricted for debt service	-	-	5,962,998	5,962,998
Assigned for:				
Food service	1,708,531	-	-	1,708,531
Other special revenue	-	377,889	-	377,889
Total fund balances	1,771,108	377,889	5,962,998	8,111,995
Total liabilities and fund balances	$ 1,895,478	377,889	5,962,998	8,236,365

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures and Changes in Fund Balance -
Non-Major Governmental Funds
Year ended June 30, 2023

	School Food	Other Special Revenue	Debt Service	Total Non-Major Funds
Revenue:				
Use of money and property	$ -	-	98,811	98,811
Sate sources	55,550	-	-	55,550
Federal sources	2,926,768	-	-	2,926,768
Miscellaneous	(43,488)	118,791	-	75,303
Sales	47,537	-	-	47,537
Total revenue	2,986,367	118,791	98,811	3,203,969
Expenditures:				
Interest	-	-	635,761	635,761
Instruction	-	112,435	-	112,435
Cost of sales	3,723,847	-	-	3,723,847
Total expenditures	3,723,847	112,435	635,761	4,472,043
Excess of revenue over expenditures	(737,480)	6,356	(536,950)	(1,268,074)
Other financing sources - premium on BAN issuance	-	-	404,423	404,423
Excess of revenue and other financing sources over expenditures	(737,480)	6,356	(132,527)	(863,651)
Fund balance at beginning of year	2,508,588	371,533	6,095,525	8,975,646
Fund balance at end of year	$ 1,771,108	377,889	5,962,998	8,111,995

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Other Special Revenue Funds
June 30, 2023

	Extraclassroom Activity Funds	Scholarship Fund	Total
Assets - cash	$ 67,212	310,677	377,889
Fund balance - assigned	$ 67,212	310,677	377,889

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures and Changes in Fund Balance -
Other Special Revenue Funds
Year ended June 30, 2023

	Extraclassroom Activity Funds	Scholarship Fund	Total
Revenue:			
Contributions	$ 101,535	5,750	107,285
Interest	-	11,506	11,506
Total revenue	101,535	17,256	118,791
Expenditures - program expense	99,124	13,311	112,435
Excess (deficiency) of revenue over expenditures	2,411	3,945	6,356
Fund balance at beginning of year	64,801	306,732	371,533
Fund balance at end of year	$ 67,212	310,677	377,889

FEDERAL GRANT COMPLIANCE AUDIT

Award Program Information

EFPR GROUP, CPAs PLLC

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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

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, 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, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not detected.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 19, 2023

EFPR GROUP, CPAs PLLC

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Enlarged City School District of Troy, New York's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

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

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York
October 19, 2023

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number	Agency or pass-through number	Expenditures	Expenditures to Subrecipients
U.S. Department of Education - passed through New York State Education Department:				
ESEA Title I	84.010	0021-23-2530	$ 1,904,262	-
ESEA Title I	84.010	0021-22-2530	883,119	-
Title I School Improvement	84.010	0011-22-2194	98,929	-
Title I School Improvement	84.010	0011-23-2194	249,932	-
Title I School Improvement	84.010	0011-23-8098	10,100	-
Title I School Improvement	84.010	0011-22-6010	132,922	-
Title I School Improvement	84.010	0011-23-6010	173,255	-
Title I Delinquent Facilities	84.010	0016-22-2530	17,561	-
			3,470,080	-
Special Education Cluster (IDEA):				
IDEA, Part B, Section 611	84.027	0032-23-0760	1,289,696	-
IDEA, Part B, Section 611	84.027	5532-22-0760	95,230	-
			1,384,926	-
IDEA, Part B, Section 619	84.173	0033-23-0760	84,442	-
IDEA, Part B, Section 619	84.173	5533-22-0760	11,095	-
			95,537	-
Total Special Education Cluster			1,480,463	-
Title III, Part A, LEP	84.365	0293-22-2530	16,836	-
Title III, Part A, LEP	84.365	0293-23-2530	15,089	-
			31,925	-
Title II - Part A - Teaching and Principal Training	84.367	0147-22-2530	65,726	-
Title II - Part A - Teaching and Principal Training	84.367	0147-23-2530	272,288	-
			338,014	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK
Schedule of Expenditures of Federal Awards, Continued

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number	Agency or pass-through number	Expenditures	Expenditures to Subrecipients
Title IV - Student Support and Academic Enrichment Program	84.424	0204-22-2530	$ 18,214	-
Title IV - Student Support and Academic Enrichment Program	84.424	0204-23-2530	79,688	-
			97,902	-
Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Homeless Children and Youth	84.425W	5212-21-3034	13,302	-
Elementary and Secondary School Emergency Relief Fund (ESSER) Fund (COVID-19)	84.425D	5880-21-2530	5,244,341	-
Elementary and Secondary School Emergency Relief Fund (ESSER) Fund (COVID-19)	84.425U	5891-21-2530	4,569,774	-
Elementary and Secondary School Emergency Relief Fund (ESSER) Fund (COVID-19)	84.425W	5218-21-2530	2,500	-
Total Education Stabilization Fund			9,829,917	-
Total U.S. Department of Education			15,248,301	-
U.S. Department of Agriculture - Child Nutrition Cluster:				
School Breakfast Program	10.553		815,625	-
National School Lunch Program	10.555		1,938,967	-
National School Lunch Program	10.555		25,310	-
Total National School Lunch Program			1,964,277	-
Total U.S. Department of Agriculture - Child Nutrition Cluster			2,779,902	-
Total Expenditures of Federal Awards			$ 18,028,203	-

See accompanying notes to schedule of expenditures of federal awards.

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

(3) 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, 2023, the District received food commodities totaling $144,038.

(4) Relationship to Basic Financial Statements

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

Federal aid per financial statements	$ 18,469,055
Less federal Medicaid and other federal receipts	(440,852)
Total federal assistance	$ 18,028,203

(5) 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 established by New York State.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statement audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	____Yes __x__No
2. Significant deficiency(ies)?	____Yes __x__None reported
3. Noncompliance material to financial statements noted?	__x__Yes ____No

Federal Awards:

Internal control over major programs:	
4. Material weakness(es) identified?	____Yes __x__No
5. Significant deficiency(ies)?	____Yes __x__None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?	____Yes __x__No

7. The District's major programs audited were:

Name of Federal Programs	Assisted Listing Number
Child Nutrition Cluster	10.553/10.555
Education Stabilization Fund	84.425D/84.425U/84.425W

8. Dollar threshold used to distinguish between Type A and Type B programs.	$750,000
9. Auditee qualified as low-risk auditee?	____Yes __x__No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See page 75.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings.

Section 1318 of the New York State Real Property Tax Law

Reference: 2023-001

Criteria - This District's general fund balance subject to §1318 of the New York State Real Property Tax Law was in excess of the 4% limit, at 8.91% as of June 30, 2023.

Effect - The District is not in compliance with §1318 of the New York State Real Property Tax Law as its unassigned fund balance at June 30, 2022 of $11,758,616 was at 8.91% of the 2023-2024 voter approved expenditure budget.

Cause - 2022 surplus of $8,277,340 caused the District to have an excess of unassigned fund balance at June 30,2022. The District is working to reduce this balance. Last year the District was at 14.62%.

Recommendation - The District should implement procedures to assess general fund fund balance subject to New York State Real Property Tax Law to ensure compliance with the 4% limitation, and make appropriate adjustments to the restricted or appropriated fund balance before the real property tax is levied.

Management's Response - Management will closely monitor fund balance throughout the following fiscal year and during the budget preparation process.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

Status of Prior Year Audit Findings

June 30, 2023

Reference: 2022-001

Criteria - During the audit for the year ended June 30, 2022, it was noted several adjustments were made to the balance sheet and statement of revenue, expenditures and changes in fund balance (deficit) reports to properly adjust certain accounts. These adjustments resulted in material changes to the general fund, special aid funds, extraclassroom fund and scholarship fund.

Status - In 2023, the accounting records were appropriately maintained.

Reference: 2022-002

Criteria - The general fund balance subject to §1318 of New York State Real Property Tax Law was in excess of the 4% limit as of June 30, 2022.

Status - This finding is repeated as finding 2023-001 in the current year.

Reference: 2022-003

Criteria - During the audit of the June 30, 2022 schedule of expenditures of federal awards several adjustments were required to properly state the schedule's balances.

Status - The schedule of federal awards for the year ended June 30, 2023 was properly stated.

ENLARGED CITY SCHOOL DISTRICT OF TROY, NEW YORK

Corrective Action Plan

Year ended June 30, 2023

Name of Auditee: Enlarged City School District of Troy, New York

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended June 30, 2023

CAP Prepared by: Adam Hotaling

Phone: (518) 328-5005

(A) Current Finding on the Schedule of Findings and Questioned Costs

Finding 2023-001

(a) Comments on the finding and recommendation - The District agrees with the finding and agrees with the recommendation.

(b) Action taken - Management will closely monitor fund balance throughout the fiscal year and during the budget process.

(c) Anticipated Completion Date - June 30, 2024