PRELIMINARY OFFICIAL STATEMENT DATED MARCH 9, 2016

REFUNDING ISSUE — **SERIAL BONDS**
BOND RATING: Moody's Investors Service: "A1" — **SEE "BOND RATING" HEREIN**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; and is not included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS" herein.

The District will NOT designate the issue as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

$11,325,000*

GUILDERLAND CENTRAL SCHOOL DISTRICT

ALBANY COUNTY, NEW YORK

BOOK-ENTRY-ONLY BONDS

$11,325,000* School District Refunding Serial Bonds-2016
(the "Bonds")

Dated: Date of Delivery — **Due: June 15, 2016, December 15, 2016-2024**

MATURITIES*

Maturity	Amount	Rate	Yield	CUSIP	Maturity	Amount	Rate	Yield	CUSIP
June 15, 2016	$ 100,000	%	%		December 15, 2020	$ 1,545,000	%	%	
December 15, 2016	5,000				December 15, 2021	1,590,000 *			
December 15, 2017	5,000				December 15, 2022	1,640,000 *			
December 15, 2018	1,465,000				December 15, 2023	1,705,000 *			
December 15, 2019	1,505,000				December 15, 2024	1,765,000 *			

The Bonds are not subject to redemption prior to maturity.

The Bonds are general obligations of the Guilderland Central School District, Albany County, New York (the "District") and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District without limitation as to rate or amount.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM"). Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2016. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein.

The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Underwriter by its Counsel, Barclay Damon LLP. It is expected that delivery of the Bonds will be made through the facilities of DTC located in Jersey City, New Jersey on or about March 31, 2016.

RBC CAPITAL MARKETS

March __, 2016

* Preliminary, subject to change.

GUILDERLAND CENTRAL SCHOOL DISTRICT
ALBANY COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2015-2016 BOARD OF EDUCATION

ALAN SIMPSON
President

CHRISTINE HAYES
Vice President

CATHERINE BARBER
BARBAR FRATERRIGO
CHRISTINE HAYES
CHRISTOPHER MCMANUS
COLLEEN O'CONNELL
JUDY SLACK
GLORIA TOWLE-HILT

* * * * * * * * *

ADMINISTRATION

DR. MARIE WILES
Superintendent of Schools

NEIL SANDERS
Assistant Superintendent for Business

JOHN RIZZO
Business Administrator / District Treasurer

LINDA LIVINGSTON
District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

Hawkins
DELAFIELD & WOOD LLP
Bond Counsel

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKETS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
120 Walton Street, Suite 600
Syracuse, New York 13202
(315) 752-0051

www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

GUILDERLAND CENTRAL SCHOOL DISTRICT
ALBANY COUNTY, NEW YORK

$11,325,000* School District Refunding Serial Bonds-2016

This Official Statement, including the cover page and appendices thereto, has been prepared by the Guilderland Central School District, Albany County, New York (the "School District" or "District", "County", and "State", respectively) and presents certain information relating to the District's $11,325,000* School District Refunding Serial Bonds-2016 (referred to herein as the "Bonds").

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

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

THE BONDS

Description of the Bonds

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

The Bonds will be dated their date of delivery and will mature in the principal amounts as set forth on the cover page. The Bonds are not subject to redemption prior to maturity as described below. The "Record Date" of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2016. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

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* Preliminary, subject to change.

Nature of Obligation

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

The Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the State is specifically precluded from restricting the power of the District to levy taxes on real property therefor. On June 24, 2011, the Governor signed into law Chapter 97 of the Laws of 2011, imposing a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy above a certain specified amount. However, Chapter 97 of the Laws of 2011 expressly provides an exception from the annual tax levy limitation for any taxes levied to pay debt service on bonds or notes issued to finance voter approved capital expenditures or the refinancing or refunding of such bonds or notes. As the Bonds are being issued to refinance voter approved capital expenditures, the Bonds qualify for such exception to the Chapter 97 annual tax levy limitation. See "TAX INFORMATION – The Tax Levy Limit Law" herein.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds.

DTC 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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**.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2016. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

AUTHORIZATION AND PLAN OF REFUNDING

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly section 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Board of Education on February 23, 2016 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto. The Refunding Bond Resolution authorizes the refunding of all or a portion of the outstanding principal balance of the District's $21,540,000 (original principal amount) School District Serial Bonds – 2010, dated December 15, 2010 and authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds (as hereinafter defined).

The Refunded Bonds were authorized by the Board of Education pursuant to a bond resolution dated December 11, 2007 authorizing the issuance of $24,221,500 serial bonds to finance the construction of additions and alterations to various District buildings.

The proceeds of the Bonds are intended to be used to purchase a portfolio of non-callable direct obligations of the United States of America (the "Government Obligations") and pay certain costs of issuance related to the Bonds. The principal of and investment income on the portfolio of Government Obligations together with other available cash on deposit in the Escrow Deposit Fund (as hereinafter defined) are expected to be sufficient to pay the maturing principal of, interest on, and redemption premiums of the Refunded Bonds (as hereinafter defined).

The Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the District's refunding financial plan (the "Refunding Financial Plan") dated February 23, 2016. The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds), along with other unavailable funds of the District, are to be applied to the purchase of the Government Obligations. The Government Obligations are to be placed in an irrevocable trust fund (the "Escrow Deposit Fund") with The Bank of New York Mellon (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the District and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, to meet principal and interest payments with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and securities necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

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The District is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the District and will continue to be payable from District sources legally available therefore. However, inasmuch as the Government Obligations and cash held in the Escrow Deposit Fund will have been verified to be sufficient to meet all required payments of principal, interest and redemption premiums on the Refunded Bonds, it is not anticipated that such District sources of payment will be used.

The amount and maturities of Refunded Bonds set forth below (the "Refunded Bonds") may be changed by the District in its sole discretion due to market or other factors considered relevant by the District at the time of pricing of the Bonds and no assurance can be given that any particular maturity of the Refunded Bonds will be refunded.

$21,540,000 School District Serial Bonds – 2010, dated December 15, 2010
CUSIP BASE #: 401754

Due December 15th	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP
2018	$ 1,550,000	3.000%	12/15/2017	100.00%	QD1
2019	1,595,000	3.000	12/15/2017	100.00	QE9
2020	1,635,000	3.000	12/15/2017	100.00	QF6
2021	1,690,000	3.250	12/15/2017	100.00	QG4
2022	1,740,000	3.500	12/15/2017	100.00	QH2
2023	1,800,000	3.625	12/15/2017	100.00	QJ8
2024	1,860,000	3.750	12/15/2017	100.00	QK5
	$ 11,870,000				

All of the proceeds of the Refunded Bonds have been expended.

Verification of Mathematical Computations

Causey Demgen & Moore PC, a firm of independent public accountants, will deliver to the District, on or before the date of delivery of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the District and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal of and interest on the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

The verification performed by Causey Demgen & Moore PC will be solely based upon data, information and documents provided to Causey Demgen & Moore PC by the District and its representatives. Causey Demgen & Moore PC reports of its verification will state Causey Demgen & Moore PC has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	Par Amount of the Bonds		$
	Original Issue Premium (Discount)		
	District Contribution		
		Total	$
Uses:	Deposit to Escrow Fund		$
	Underwriter's Discount		
	Costs of Issuance and Contingency		
		Total	$

THE SCHOOL DISTRICT

There follows in this Official Statement a brief description of the District, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

General Information

The District, established in 1950, covers 66 square miles and is comprised of portions of the Towns of Guilderland, Bethlehem, Knox and New Scotland, all of which are located in Albany County. The District borders the City of Albany, the capital of the State of New York, on the west and is approximately 10 miles south of the City of Schenectady. The District is an integral part of the area known as the Capital District, or tri-city area, which includes the Cities of Albany, Schenectady and Troy, and has an aggregate population of approximately 800,000.

Major expressways serving the District include the New York State Thruway #90 and US route #20 and Interstate #87. Amtrak provides rail passenger service from stations located in nearby Schenectady and Rensselaer. Conrail provides freight service on two lines which pass through the District. Air transportation is available at the Albany International Airport where several major airlines and various commuter airlines provide service. Gas and electric services are provided by National Grid. Sewer and water services are available to residents in most areas by municipalities located in the District.

Source: District officials.

Population

The current estimated population of the District is 36,598. (2014 U.S. Census Bureau estimate)

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 Towns and County listed below. The figures set below with respect to such Towns, County and State are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County or the State are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2010-2014	2000	2006-2010	2010-2014
Towns of:						
Bethlehem	$ 31,492	39,867	$ 44,297	$ 77,211	$ 104,387	$ 112,146
Guilderland	29,508	38,039	41,921	68,472	99,529	104,602
Knox	22,670	29,968	31,354	63,697	89,583	94,412
New Scotland	29,231	40,542	39,227	65,753	84,072	96,020
County of:						
Albany	23,345	30,863	32,624	56,724	76,159	82,749
State of:						
New York	23,389	30,948	32,829	51,691	67,405	71,419

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2010-2014 American Community Survey data.

Major Employers

Name of Employer	Nature of Business	# Employed
Executive Park	Office Building	A
Crossgates Mall	Shopping Center	A
Guilderland Central Schools	Education	B
Northeast Industrial Park	Commercial	C
Town of Guilderland	Government	D
National Grid	Public Utility	D
Intermagnetics	Manufacturing	D
Agway Feed Division	Agriculture	D
Diamond W. Products	Production	D
Turbonetics	Research & Development	D

Key: A - Employees 1000-and more; B - Employees 500-999; C - Employees 250-499; D - Employees 100-249

Source: Albany County Planning Board.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Albany County. The information set forth below with respect to Albany 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 Albany County or the State is necessarily representative of the District, or vice versa.

Annual Average

	2009	2010	2011	2012	2013	2014	2015
Albany County	6.8%	7.0%	6.9%	7.1%	6.1%	4.9%	N/A
New York State	8.3%	8.6%	8.3%	8.5%	7.7%	6.3%	5.3%

2015-16 Monthly Figures

	2015										2016	
	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Albany County	4.3%	4.3%	4.4%	4.6%	4.8%	4.3%	4.4%	4.0%	4.0%	3.8%	N/A	N/A
New York State	5.7%	5.3%	5.3%	5.2%	5.4%	5.0%	4.8%	4.7%	4.8%	4.7%	5.5%	N/A

Note: Certain unemployment rates for January and February of 2016 are unavailable as of the date of this Official Statement.

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

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Assistant Superintendent for Business and the Supervisor of Finance / District Treasurer.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education. Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board of Education. Board members are generally elected for a term of three years, unless filling a vacancy.

In early July of each year, the Board of Education meets for the purpose of reorganization. At that time, the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

Budgetary Procedures

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. Under current law, the budget is submitted to voter referendum on the third Tuesday of May each year.

Recent Budget Votes

The budget for the 2013-2014 fiscal year was approved by the qualified voters on May 21, 2013 by a vote of 1,778 yes to 1,011 no. The budget called for a tax levy increase of 3.39%, which was below the District's tax levy limit of 3.52%

The budget for the 2014-2015 fiscal year was approved by the qualified voters on May 20, 2014 by a vote of 1,736 yes to 901 no. The budget called for a tax levy increase of 1.94%, which was below the District's tax levy limit of 1.96%

The budget for the 2015-2016 fiscal year was approved by the qualified voters on May 19, 2015 by a vote of 1,880 yes to 738 no. The budget called for a total tax levy increase of 2.76%, which was just below the District tax levy limit of 2.78%.

A summary of the District's recent budgets may be found in APPENDIX - A.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State 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 District; (6) obligations of a New York public corporation which are made lawful investments by the 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 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 a pledge of eligible securities as that term is defined in the law.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

State Aid

In its adopted budget for the 2015-2016 fiscal year, approximately 25.0% 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.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the School District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2015-2016 preliminary building aid ratios, the District State Building aid of approximately 64.8% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School district fiscal year (2010-2011): The total reduction in State aid for school districts' 2010-2011 fiscal year was approximately $2.1 billion; however, this amount was partially offset by $726 million in Federal aid for education, including funding from ARRA and other federal initiatives. As a result, the net State aid reduction totaled approximately $1.4 billion.

School district fiscal year (2011-2012): The total reduction in State aid for school districts' 2011-2012 fiscal year was $1.3 billion or 6.1% from the previous year, and all aid was received on time.

School district fiscal year (2012-2013): The State Legislature adopted the State budget on March 30, 2012. The budget included an increase of $751 million in State aid for school districts.

The 2012-13 State budget linked additional school aid to compliance with a new teacher evaluation process. A school district would not be eligible for an aid increase in 2012-2013 unless it had its teacher evaluation process reviewed and approved by the New York State Education Department by January 17, 2013. The New York State Education Department approved the District's initial Annual Professional Performance Review Plan (APPR) on December 12, 2012. The District's most recent APPR plan was approved on January 11, 2014.

School district fiscal year (2013-2014): The State Legislature adopted the State budget on March 29, 2013. The budget included an increase of $1.0 billion in State aid for school districts.

School district fiscal year (2014-2015): The 2014-2015 State budget included a $1.1 billion or 5.3% increase in State aid to school districts for the 2014-2015 school year. High-need school districts received 70% of the school aid increase. The 2014-15 State budget restored $602 million of Gap Elimination Adjustment ("GEA") reductions that had been imposed on school districts from 2010-2011 to 2012-2013. The 2014-2015 State budget invested $1.5 billion over five years to support the phase-in of a statewide universal full-day pre-kindergarten program.

The Smart Schools Bond Act was proposed as part of the 2014-2015 State budget and was subsequently approved by the voters of the State. The Smart Schools Bond Act authorizes the State to issue $2 billion of State general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds thereunder is $2,096,732.

School district fiscal year (2015-2016): The 2015-2016 State budget includes a partial reduction in the Gap Elimination Adjustment with $603 million in GEA cuts being restored, and provides an additional $428 million in foundation aid and $268 million in expense base aids which reimburses school districts for prior year expenses in school construction, transportation, BOCES and special education services. Further information may be obtained at the official website of the New York State Division of Budget and the New York State Education Department.

The Governor's budget for the 2016-2017 fiscal year proposes a school aid increase of $991 million over 2015-16, $863 million of which consists of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the Governor's budget includes a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase includes $100 million in Community Schools Aid, a newly proposed aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. It is not possible at this time to know whether the Governor's budget will be adopted by the Legislature and enacted into law.

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

Gap Elimination Adjustment (GEA)

The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. In 2014-2015, the District had a loss in funds totaling $3,158,341 and projects a loss in funds totaling $1,997,609 for the 2015-16 fiscal year as a result of GEA. Since the program began, the total GEA and Deficit Reduction Assessment reduction in school aid for the District has amounted to approximately $20,128,518. The District has been forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly.

The following table shows the history of state aid loss due to GEA since the 2010-11 fiscal year:

Fiscal Year Ending	Net GEA
2010-11	$ 2,647,721
2011-12	4,549,893
2012-13	4,096,905
2013-14	3,678,049
2014-15	3,158,341
2015-16	1,997,609
TOTAL	$ 20,128,518

Source: District officials.

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2010-2011	$ 84,328,121	$ 21,774,793	25.85%
2011-2012	85,141,757	20,785,326	24.41
2012-2013	86,406,722	20,782,320	24.05
2013-2014	88,846,108	21,070,636	23.72
2014-2015	90,814,260	22,187,029	24.43
2015-2016 (Budgeted)	93,219,600	23,315,540	25.01

Source: Audited financial statement and budgets of the District for the 2015-16 fiscal year. This table is not audited.

District Facilities

Name	Grades	Capacity	Originally Built	Additions
Guilderland Elementary	K-5	750	1956	2012
Altamont Elementary	K-5	594	1953	2012
Lynnwood Elementary	K-5	621	1967	2012
Pine Bush Elementary	K-5	765	1994	2012
Westmere Elementary	K-5	864	1953	2012
Farnsworth Middle School	6-8	1,800	1970	2012
Guilderland High School	9-12	2,200	1954	2012

Source: District officials.

Enrollment Trends

School Year	Enrollment	School Year	Projected Enrollment
2011-12	5,037	2016-17	4,830
2012-13	4,926	2017-18	4,792
2013-14	4,925	2018-19	4,760
2014-15	4,917	2019-20	4,780
2015-16	4,862	2020-21	4,764

Source: District officials.

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are as follows:

Number of Employees	Unit	Contract Expiration Date
450	Guilderland Teachers' Association	June 30, 2017
16	Guilderland Administrators' Association	June 30, 2015 (1)
98	Guilderland Employees Association	June 30, 2020
48	Guilderland Office Workers	June 30, 2016
116	Teaching Assistant Unit of GTA	June 30, 2016
122	Guilderland Support Staff Association	June 30, 2015 (1)
14	Non-instructional Supervisors & Other Personnel	June 30, 2016 (1)
6	Confidential Personnel	June 30, 2017
8	Building Principals	June 30, 2018
7	Technology & Communications Personnel	June 30, 2015 (1)
3	District Office Administrators	June 30, 2018

(1) Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement 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. 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 law became effective for new ERS and TRS hires on January 1, 2010. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2015-2016 fiscal years are as follows:

Fiscal Year	ERS	TRS
2010-2011	$ 1,361,000	$ 3,217,000
2011-2012	1,538,597	3,968,957
2012-2013	1,857,750	4,264,385
2013-2014	1,654,290	5,834,586
2014-2015	1,668,999	6,226,759
2015-2016 (Budgeted)	1,728,240	4,957,400

Source: District records.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2010 to 2017) is shown below:

Fiscal Year	ERS	TRS
2009-10	7.4%	6.19%
2010-11	11.9	8.62
2011-12	16.3	11.11
2012-13	18.9	11.84
2013-14	20.9	16.25
2014-15	20.1	17.53
2015-16	18.2	13.26
2016-17	15.5	11.72

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.

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

Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

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

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 will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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.

GASB 45 and 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 45 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

The District contracted with an actuarial firm to calculate its OPEB in accordance with GASB 45. Based on the most recent actuarial valuation dated July 1, 2014 and financial data as of June 30, 2015, the following tables show the components of the District's annual OPEB cost, the amount actuarially contributed to the plan, changes in the District's net OPEB obligation and funding status for the fiscal years ending June 30, 2014 and 2015:

Annual OPEB Cost and Net OPEB Obligation:	**2014**	**2015**
Annual required contribution (ARC)	$ 8,777,061	$ 8,428,948
Interest on net OPEB obligation	1,482,739	1,790,750
Adjustment to ARC	(1,110,707)	(1,341,436)
Annual OPEB cost (expense)	9,149,093	8,878,262
Contributions made	(2,988,866)	(2,852,074)
Increase in net OPEB obligation	6,160,227	6,026,188
Net OPEB obligation - beginning of year	29,654,772	35,814,999
Net OPEB obligation - end of year	$ 35,814,999	$ 41,841,187
Percentage of annual OPEB cost contributed	34.1%	32.1%
Funding Status:		
Actuarial Accrued Liability (AAL)	$ 109,854,654	$ 113,754,453
Actuarial Value of Assets	0	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 109,854,654	$ 113,754,453
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 8,878,262	32.1%	$ 41,841,187
2014	9,149,093	34.1	35,814,999
2013	8,583,637	36.1	29,654,772
2012	9,266,097	34.8	24,062,610

Source: Audited Financial Statements of the District. The above tables are not audited.

The aforementioned liability and ARC are recognized and will be disclosed in accordance with GASB 45 standards in the District's audited financial statements.

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

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

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

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

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

Under the proposed legislation, there are no restrictions on the amount a government can deposit into the trust.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five year period ending June 30, 2015 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2015 and may be found attached hereto as "APPENDIX – C" to this Official Statement. Certain financial information of the District can also be found attached as Appendices to this Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

The 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 District is currently in full compliance with GASB Statement No. 34.

New York State Comptroller Report of Examination

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.

There are no recent State Comptrollers audits of the District and none are currently in progress.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to school district officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

The most recent available report for fiscal year ending 2015 currently designates the District as "No Designation" with a Fiscal Score of 15.0%. The report for fiscal year ending 2014 designated the District as "Susceptible to Fiscal Stress" with a Fiscal Score of 26.7%.

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016
Towns of:					
Bethlehem	$ 206,917,834	$ 203,836,343	$ 203,761,989	$ 234,579,104	$ 235,461,239
Guilderland	2,778,870,852	2,776,134,503	2,786,287,063	2,813,612,947	2,846,397,814
Knox	14,034,504	14,101,576	14,140,507	14,085,055	14,037,481
New Scotland	15,263,681	15,277,650	15,215,978	15,179,637	15,170,765
Total Assessed Values	$ 3,015,086,871	$ 3,009,350,072	$ 3,019,405,537	$ 3,077,456,743	$ 3,111,067,299
State Equalization Rates					
Towns of:					
Bethlehem	97.00%	98.00%	100.00%	100.00%	100.00%
Guilderland	86.25%	87.72%	91.00%	90.00%	88.00%
Knox	57.00%	60.00%	62.00%	62.00%	62.00%
New Scotland	96.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 3,475,718,208	$ 3,411,544,560	$ 3,303,639,152	$ 3,398,713,179	$ 3,507,816,073

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016
Towns of:					
Bethlehem	$ 18.39	$ 18.95	$ 20.03	$ 19.65	$ 19.57
Guilderland	20.68	21.18	21.78	21.84	22.23
Knox	31.30	30.96	32.31	31.70	31.56
New Scotland	18.58	18.57	20.03	19.65	19.57

Tax Collection Procedure

Property taxes for the District are levied by the County and are collected by the town tax receivers. Such taxes are due and payable on September 1, but may be paid without penalty by September 30. Penalties on unpaid taxes are 2% from October 1 through November 15 and 3% per month thereafter.

On or about November 15, the tax receiver files a report of any uncollected school taxes with the County. The County thereafter on or before April 30 pays to the District the amount of its uncollected taxes. Thus, the District receives its full levy prior to the end of its fiscal year.

On June 24, 2011, Chapter 97 of the Laws of 2011 was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See "*The Tax Levy Limit Law*," herein.)

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2012	2013	2014	2015	2016
Total Tax Levy	$ 62,000,467	$ 63,366,735	$ 65,517,950	$ 66,790,715	$ 68,631,860
Amount Uncollected (1)	1,669,607	1,637,918	1,647,796	1,626,077	1,636,322
% Uncollected	2.69%	2.58%	2.52%	2.43%	2.38%

(1) The County reimburses the District for all uncollected tax receipts annually. See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Property Taxes Levy & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2010-2011	$ 84,328,121	$ 59,619,053	70.70%
2011-2012	85,141,757	62,010,692	72.83
2012-2013	86,406,722	63,518,579	73.51
2013-2014	88,846,108	65,860,601	74.13
2014-2015	90,814,260	66,792,699	73.55
2015-2016 (Budgeted)	93,219,600	68,631,860	73.62

Source: Audited financial statement and budgets of the District for the 2015-16 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2015 for 2015-2016 Tax Roll

Name	Type	Estimated Full Valuation
Pyramid Crossgates Company	Shopping Center	$ 296,432,386
Stuyvesant Plaza, Inc.	Shopping Center	57,305,455
National Grid	Public Utility	52,877,664
Northeastern Industrial Park	Industrial Park	25,169,318
Woodlake Apartments	Apartments	22,399,886
Regency Park Association	Apartments	21,302,273
Heritage Village Apartments	Apartments	19,984,659
Rosenblum Associates (Great Oaks)	Office Building	18,640,455
Twenty Mall	Shopping Center	11,726,932
Oxford	Public Utility	11,052,614

The ten larger taxpayers listed above have a total full valuation of $536,891,642 which represents 15.3% of the tax base of the District. As of the date of this Official Statement, the District currently has pending tax certioraris with Stuyvesant Plaza, Inc., and Beverwyck Inc., as well as with several other smaller taxpayers.

Source: Town Assessment Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. 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 $84,550 or less, 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 below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Bethlehem	$ 66,080	$ 30,360	4/8/2015
Guilderland	59,480	27,320	4/8/2015
Knox	40,970	18,820	4/8/2015
New Scotland	66,080	30,360	4/8/2015

Approximately $5,756,801 of the District's $68,631,860 school tax levy for 2015-2016 is expected to be exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2016.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, Chapter 97 of the Laws of 2011 imposes a statutory limit on the amount of real property taxes that a school district may levy. See "*The Tax Levy Limit Law*" herein.

The Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 (herein referred to as the "Tax Levy Limit Law" or "Law") was signed by the Governor. The Tax Levy Limit Law, as amended, modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. The Law is effective for school district's 2012-2013 fiscal year, commencing July 1, 2012 continuing through June 15, 2020 or later as provided in the Tax Levy Limit Law. As a result, the Law applies to taxes levied or to be levied to pay debt service on the Bonds.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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"). Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, and the refinancing or refunding of such bonds or notes, such as the Bonds, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "THE BONDS - Nature of Obligation" herein).

On February 20, 2013, the New York State United Teachers ("NYSUT") organization filed a lawsuit against the State challenging the Tax Levy Limitation Law as applied to school districts on multiple federal and state constitutional grounds. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT released a statement which indicated that it is very likely that NYSUT will continue its challenge to the constitutionality of the Tax Levy Limitation Law. On March 16, 2015, the New York State Supreme Court dismissed the latest complaint. NYSUT is planning to appeal, and the ultimate outcome of this litigation cannot be determined at this time.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applies in the years 2016 through 2019 and includes continued tax cap compliance.

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional and Statutory Requirements

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

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

The District may contract indebtedness only for a 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 initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "Nature of Obligation," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See “TAX INFORMATION – The Tax Levy Limit Law,” herein.

Statutory Procedure

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

The Board of Education, as the finance board of the District, has the power to authorize the sale and issuance of bonds and notes, including the Bonds. However, such finance board may delegate the power to sell the Bonds to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specification for such project have been approved by the Commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Bonds.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Remedies Upon Default

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State of New York (the "State") and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, 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 or note issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond or note 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 or note. 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 and notes 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 and notes 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 and notes 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 and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any of such successive allotments, apportionments or payments of such State aid deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes 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 and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bond and notes 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 or notes pursuant to said section of the SFL.

Under current law, provision is made for contract creditors (including the Bondholders) of the District to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. 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 current funds or the proceeds of a tax levy.

Remedies for enforcement of payment are not expressly included in the District's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a Bondholders remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

In recent times, certain events and legislation affecting remedies on 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 municipalities of the State require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2011	2012	2013	2014	2015
Bonds	$ 53,560,000	$ 48,320,000	$ 42,995,000	$ 37,675,000	$ 32,210,000
Bond Anticipation Notes	2,605,504	2,534,918	2,747,052	2,878,226	2,946,800
Tax Anticipation Notes	0	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 56,165,504	$ 50,854,918	$ 45,742,052	$ 40,553,226	$ 35,156,800

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of March 9, 2016.

Type of Indebtedness	Maturity		Amount
Bonds	2016-2028		$ 30,750,000 [(1)]
Bond Anticipation Notes	July 16, 2016		16,604,740
		Total Indebtedness	$ 47,354,740

[(1)] $11,870,000 of bonds outstanding are to be refunded with the proceeds of the Bonds

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 9, 2016:

Full Valuation of Taxable Real Property			$ 3,507,819,073
Debt Limit 10% thereof			350,781,907
Inclusions:			
Bonds	$ 30,750,000		
Bond Anticipation Notes	16,604,740		
Principal of this issuance	11,325,000 *		
Total Inclusions		$ 58,679,740 *	
Exclusions:			
Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 58,679,740 *
Net Debt-Contracting Margin			$ 292,102,167 *
The percent of debt contracting power exhausted is			16.73% *

[(1)] Pursuant to the applicable provisions of the Education Law, the District expects to receive aid on existing bonded debt. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Receipt of such building aid has not been included in the above table. However, the District anticipates State building aid of 64.8% on its outstanding bonds and bond anticipation notes.

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

Long-Term Bond Indebtedness

A schedule of Bonded Debt Service may be found in "APPENDIX – B" to this Continuing Disclosure Statement.

* Preliminary, subject to change.

Capital Project Plans

The qualified voters of the District have approved a building project for $17,324,650 for reconstruction of various District buildings. To date, the District issued $13,500,000 bond anticipation notes to mature July 15, 2016, which represents the initial borrowing for this project. The District plans on borrowing the remaining amount and renew the outstanding bond anticipation notes in July 2016.

The qualified voters of the District passed a proposition authorizing $1,160,000 for the construction and reconstruction of various facilities in May 2015. The District received State Education Department approval on December 18, 2015 and will likely borrow for this project in June/July 2016.

Cash Flow Borrowings

The District has found it necessary to borrow from time to time in anticipation of taxes and revenues, which borrowing is necessitated by the schedule of State aid revenue payments.

The following is a history of such tax and revenue anticipation note borrowing since the 2005 fiscal year.

Fiscal Year	Amount Issued	Type	Issued Date	Maturity Date
2004-05	$ 5,000,000	TAN	7/8/04	10/29/04
2005-06	5,000,000	TAN	7/7/05	10/28/05
2006-07	3,800,000	TAN	7/5/06	10/27/06
2007-08	N/A	N/A	N/A	N/A
2008-09	N/A	N/A	N/A	N/A
2009-10	N/A	N/A	N/A	N/A
2010-11	5,000,000	TAN	7/21/10	10/20/10
2011-12	5,000,000	TAN	7/20/11	10/20/11
2012-13	N/A	N/A	N/A	N/A
2013-14	4,000,000	TAN	7/17/13	10/25/13
2014-15	N/A	N/A	N/A	N/A

The District did not issue revenue or tax anticipation notes in the 2014-15 fiscal year, and does not plan to issue revenue or tax anticipation notes in 2015-16 fiscal year, or in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the 2014 fiscal year of the respective municipalities.

Unit	Total Indebtedness [1]	Exclusions [2]	Net Indebtedness	% Within District	Net Indebtedness
County of:					
Albany	$ 262,823,608	$ 19,695,000	$ 243,128,608	14.13%	$ 34,354,072
Towns of:					
Bethlehem	20,398,196	9,972,938	10,425,258	6.24	650,536
Guilderland	19,608,000	16,196,000	3,412,000	91.14	3,109,697
Knox	639,981	0	639,981	10.43	66,750
New Scotland	2,681,912	2,477,370	204,542	1.66	3,395
Village of:					
Altamont	4,505,000	1,045,000	3,460,000	100.00	3,460,000
				Total:	$ 41,644,450

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2014.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of March 9, 2016:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 58,679,740 *	$ 1,603.36 *	1.67% *
Net Indebtedness Plus Net Overlapping Indebtedness [d]	100,324,190 *	2,741.25 *	2.86% *

(a) The current estimated population of the District is 36,598. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for 2015-16 is $3,507,816,073. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $41,644,450. (See "Estimated Overlapping Indebtedness" herein.)

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

* Preliminary, subject to change.

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND SCHOOL DISTRICTS OF THE STATE

There are certain potential risks associated with an investment in the Bonds, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Bonds.

In addition, if and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Bonds. The price or principal value of the Bonds is dependent on the prevailing level of interest rates. If interest rates should increase, the price of a bond may decline causing the bondholder to potentially incur a capital loss if such bond is sold prior to its maturity.

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "THE SCHOOL DISTRICT - State Aid" herein).

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 reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon school districts, could have an impact upon the market price for the Bonds. (See “TAX INFORMATION – The Tax Levy Limit Law” herein).

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The District has yet to determine whether an insurance policy will be purchased with the Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the “Policy”) for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the bond insurer chooses to pay such amounts at an earlier date.

In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

Neither the District nor the Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LITIGATION

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of the law firm of Hawkins Delafield & Wood LLP, Bond Counsel to the District. Certain legal matters will be passed upon for the Underwriter by its counsel, Barclay Damon, LLP, Albany, New York.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code, and is not included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Bonds, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel to the District expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on such Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of each of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bonds after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the obligation bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price as marketability of the Bonds. For example, budgets proposed by the Obama Administration from time to time have recommended a 28% limitation on certain itemized deductions, and other tax benefits including tax-exempt interest. The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt obligation with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt obligation regardless of issue date.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the District will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION"; and in Appendix A, on or prior to the last day of the sixth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2016 along with (ii) the audited financial statement, if any, of the District for each fiscal year commencing with the fiscal year ending June 30, 2016 unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than 360 days after the end of each fiscal year;

(2) in a timely manner, not in excess of ten (10) business days after occurrence, notice of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) 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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District]; (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

(3) in a timely manner, not in excess of ten (10) business days after occurrence, notice of a failure to provide the annual financial information by the date specified.

The District's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule 15c2-12 which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the District and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the District to comply with the Undertaking will not constitute a default with respect to the Bonds.

The District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with Rule 15c2-12, as amended.

Historical Continuing Disclosure Compliance

The School District on occasion failed to file in a timely manner certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the District. The underlying rating of the District was not affected by such bond insurer rating changes.

The School District failed to file bond call notices with respect to the refunding of its 2002B serial bonds, which were redeemed on June 15, 2012, and its 2003A and 2003B serial bonds which were redeemed on May 29, 2012.

The School District is otherwise in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to $_____________, (being the par amount of the Bonds plus a net original issue premium of $_____________, less an underwriter's fee for the transaction of $_____________). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

BOND RATING

Moody's Investors Service ("Moody's") assigned a rating of "A1" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's.

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

FINANCIAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Financial Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor serves as independent financial advisor to the District on matters relating to debt management. The Financial 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 Financial Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Financial 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 Financial Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

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

Statements in 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 District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "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 Bonds.

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

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

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

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

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

The School District will act as Paying Agent for the Bonds. The School District contact information is as follows: Mr. Neil Sanders, Assistant Superintendent for Business, 6076 State Farm Road, Guilderland, New York 12084, phone: (518) 456-6200, fax: (518) 456-1152, email address: sandersn@guilderlandschools.org.

Additional information may be obtained upon request from Fiscal Advisors & Marketing, Inc. (315) 752-0051.

By: ______________________

Dated: March __, 2016

President of the Board of Education
and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2011	2012	2013	2014	2015
ASSETS					
Unrestricted Cash	$ 6,574,366	$ 6,671,925	$ 7,225,370	$ 8,973,851	$ 7,350,714
Restricted Cash	2,366,123	1,754,416	1,757,862	1,772,055	2,523,838
Taxes Receivable	-	-	-	-	-
Due from Other Funds	1,858,596	2,931,446	2,355,994	1,300,957	3,780,829
Due from Fiducuary Funds	-	-	-	-	906
Due from Other Governments	620,391	526,096	472,926	-	579,136
State and Federal Aid Receivable	1,033,790	640,791	732,666	1,238,519	702,919
Prepaid Expenses	-	2,185	-	1,772	1,427
Other Receivables	196,329	237,151	162,781	180,649	105,146
TOTAL ASSETS	$ 12,649,595	$ 12,764,010	$ 12,707,599	$ 13,467,803	$ 15,044,915
LIABILITIES AND FUND EQUITY					
Accounts Payable and Accrued Liabilities	$ 697,689	$ 855,073	$ 1,301,628	$ 1,105,201	$ -
Accounts Payable	-	-	-	-	709,462
Accrued Liabilities	-	-	-	-	869,195
Due to Other Funds	300	-	-	-	-
Due to Other Governments	-	4,214	41,634	-	-
Due to Employee's Retirement System	383,109	459,868	509,827	463,466	418,627
Due to Teachers' Retirement System	3,492,054	4,345,040	4,506,410	6,052,782	6,438,732
Deferred Revenues	12,000	10,800	11,725	6,800	4,400
TOTAL LIABILITIES	$ 4,585,152	$ 5,674,995	$ 6,371,224	$ 7,628,249	$ 8,440,416
FUND EQUITY					
Reserved:	$ 2,377,872	$ 1,766,204	$ 1,769,673	$ 1,772,055	$ 2,525,255
Unreserved:					
Appropriated	2,379,784	2,650,367	2,198,288	1,592,589	398,284
Unappropriated	3,309,278	2,672,444	2,368,414	2,474,910	3,680,950
TOTAL FUND EQUITY	$ 8,066,934	$ 7,089,015	$ 6,336,375	$ 5,839,554	$ 6,604,489
TOTAL LIABILITIES and FUND EQUITY	$ 12,652,086	$ 12,764,010	$ 12,707,599	$ 13,467,803	$ 15,044,905

Note: The District changed its auditor for the fiscal year ending 2015, which has resulted in a different presentation of the financial data above.

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:	2010	2011	2012	2013	2014
REVENUES					
Real Property Taxes	$ 52,132,952	$ 54,461,395	$ 56,699,655	$ 57,924,187	$ 60,070,907
Real Property Tax Items	5,113,535	5,157,658	5,311,037	5,594,392	5,789,694
Charges for Services	664,768	578,990	646,541	612,871	598,972
Use of Money & Property	481,606	422,559	479,892	402,832	402,699
Sale of Property and Compensation for Loss	86,584	39,251	40,129	36,992	36,870
Miscellaneous	417,754	532,408	460,666	379,915	527,963
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	20,348,593	21,774,793	20,785,326	20,782,320	21,070,636
Revenues from Federal Sources	2,839,384	1,361,067	113,511	140,683	248,367
Total Revenues	$ 82,085,176	$ 84,328,121	$ 84,536,757	$ 85,874,192	$ 88,746,108
Other Sources:					
Interfund Transfers	-	-	605,000	532,530	100,000
Total Revenues and Other Sources	$ 82,085,176	$ 84,328,121	$ 85,141,757	$ 86,406,722	$ 88,846,108
EXPENDITURES					
General Support	$ 8,228,440	$ 8,026,695	$ 7,988,754	$ 7,858,633	$ 7,927,410
Instruction	47,382,157	46,648,176	45,268,861	45,148,567	45,611,189
Pupil Transportation	4,625,789	4,703,961	4,693,178	4,426,332	4,343,057
Community Services	370	-	-	-	-
Employee Benefits	16,212,285	18,350,312	19,910,877	21,556,225	23,607,112
Debt Service	6,330,991	6,917,704	8,030,095	7,923,682	7,526,831
Total Expenditures	$ 82,780,032	$ 84,646,848	$ 85,891,765	$ 86,913,439	$ 89,015,599
Other Uses:					
Interfund Transfers	250,000	100,000	227,911	245,923	327,330
Total Expenditures and Other Uses	$ 83,030,032	$ 84,746,848	$ 86,119,676	$ 87,159,362	$ 89,342,929
Excess (Deficit) Revenues Over Expenditures	(944,856)	(418,727)	(977,919)	(752,640)	(496,821)
FUND BALANCE					
Fund Balance - Beginning of Year	9,374,817	8,429,961	8,066,934	7,089,015	6,336,375
Prior Period Adjustments (net)	-	55,700	-	-	-
Fund Balance - End of Year	$ 8,429,961	$ 8,066,934	$ 7,089,015	$ 6,336,375	$ 5,839,554

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:	2015			2016
	Adopted Budget	Modified Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	$ 61,175,090	$ 61,175,090	$ 61,184,798	$ 68,631,860
Real Property Tax Items	5,615,625	5,615,625	5,607,901	-
Charges for Services	542,500	542,500	626,736	453,000
Use of Money & Property	393,400	393,400	406,405	249,100
Sale of Property and Compensation for Loss	24,900	24,900	13,116	-
Miscellaneous	237,700	237,700	646,289	320,100
Interfund Revenues	-	-	-	-
Revenues from State Sources	21,963,685	21,963,685	22,187,029	23,315,540
Revenues from Federal Sources	150,000	150,000	141,986	-
Total Revenues	$ 90,102,900	$ 90,102,900	$ 90,814,260	$ 92,969,600
Other Sources:				
Interfund Transfers	250,000	250,000	-	250,000
Total Revenues and Other Sources	$ 90,352,900	$ 90,352,900	$ 90,814,260	$ 93,219,600
EXPENDITURES				
General Support	$ 8,011,322	$ 8,050,176	$ 7,496,144	$ 7,580,065
Instruction	46,883,470	47,271,270	46,375,262	48,003,095
Pupil Transportation	4,887,954	4,644,389	4,140,944	6,062,700
Community Services	-	-	-	-
Employee Benefits	24,764,415	24,713,915	24,244,902	24,432,590
Debt Service	7,585,739	7,545,739	7,545,716	7,611,150
Total Expenditures	$ 92,132,900	$ 92,225,489	$ 89,802,968	$ 93,689,600
Other Uses:				
Interfund Transfers	-	-	246,347	-
Total Expenditures and Other Uses	$ 92,132,900	$ 92,225,489	$ 90,049,315	$ 93,689,600
Excess (Deficit) Revenues Over Expenditures	(1,780,000)	(1,872,589)	764,945	(470,000)
FUND BALANCE				
Fund Balance - Beginning of Year	1,780,000	1,872,589	5,839,554	300,000
Reserve Funds	-	-	-	170,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 6,604,499	$ -

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

Fiscal Year Ending June 30th	PRIOR TO REFUNDING Principal	Interest	Total	Refunded Bonds Debt Service	REFUNDING BONDS* Principal	Interest	Total	Total New Debt Service
2016	$ 5,660,000	$ 933,775.00	$ 6,593,775.00	$ 197,112.50	$ 100,000	$ -	$ 100,000.00	$ 6,496,662.50
2017	3,850,000	768,375.00	4,618,375.00	394,225.00	5,000	-	5,000.00	4,229,150.00
2018	3,955,000	662,675.00	4,617,675.00	394,225.00	5,000	-	5,000.00	4,228,450.00
2019	3,775,000	556,825.00	4,331,825.00	1,920,975.00	1,465,000	-	1,465,000.00	3,875,850.00
2020	2,900,000	462,050.00	3,362,050.00	1,918,800.00	1,505,000	-	1,505,000.00	2,948,250.00
2021	2,090,000	384,200.00	2,474,200.00	1,910,350.00	1,545,000	-	1,545,000.00	2,108,850.00
2022	2,160,000	321,550.00	2,481,550.00	1,913,362.50	1,590,000	-	1,590,000.00	2,158,187.50
2023	2,230,000	246,587.50	2,476,587.50	1,905,450.00	1,640,000	-	1,640,000.00	2,211,137.50
2024	1,985,000	170,362.50	2,155,362.50	1,902,375.00	1,705,000	-	1,705,000.00	1,957,987.50
2025	2,055,000	97,081.26	2,152,081.26	1,894,875.00	1,765,000	-	1,765,000.00	2,022,206.26
2026	200,000	55,868.76	255,868.76	-	-	-	-	255,868.76
2027	205,000	49,368.76	254,368.76	-	-	-	-	254,368.76
2028	215,000	42,450.00	257,450.00	-	-	-	-	257,450.00
2029	220,000	34,925.00	254,925.00	-	-	-	-	254,925.00
2030	230,000	26,950.00	256,950.00	-	-	-	-	256,950.00
2031	235,000	18,612.50	253,612.50	-	-	-	-	253,612.50
2032	245,000	9,800.00	254,800.00	-	-	-	-	254,800.00
TOTALS	$ 32,210,000	$ 4,841,456.28	$ 37,051,456.28	$ 14,351,750.00	$ 11,325,000	$ -	$ 11,325,000.00	$ 34,024,706.28

* Preliminary, subject to change at pricing.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 Reconstruction / Construction Principal	Interest	Total	2012 Refunding of 2002A & 2002B Principal	Interest	Total
2016	$ 1,460,000	$ 506,125	$ 1,966,125	$ 2,150,000	$ 120,163	$ 2,270,163
2017	1,480,000	462,025	1,942,025	260,000	55,663	315,663
2018	1,520,000	417,025	1,937,025	270,000	45,263	315,263
2019	1,550,000	370,975	1,920,975	280,000	37,163	317,163
2020	1,595,000	323,800	1,918,800	280,000	31,563	311,563
2021	1,635,000	275,350	1,910,350	285,000	25,963	310,963
2022	1,690,000	223,363	1,913,363	295,000	19,550	314,550
2023	1,740,000	165,450	1,905,450	310,000	7,750	317,750
2024	1,800,000	102,375	1,902,375	-	-	-
2025	1,860,000	34,875	1,894,875	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
TOTALS	$ 16,330,000	$ 2,881,363	$ 19,211,363	$ 4,130,000	$ 343,075	$ 4,473,075

Fiscal Year Ending June 30th	2012 Refunding of 2003A & 2003B Principal	Interest	Total	2013 Refunding of 2006 Bonds Principal	Interest	Total
2016	$ 390,000	$ 144,288	$ 534,288	$ 1,660,000	$ 163,200	$ 1,823,200
2017	405,000	128,688	533,688	1,705,000	122,000	1,827,000
2018	420,000	112,488	532,488	1,745,000	87,900	1,832,900
2019	155,000	95,688	250,688	1,790,000	53,000	1,843,000
2020	165,000	89,488	254,488	860,000	17,200	877,200
2021	170,000	82,888	252,888	-	-	-
2022	175,000	78,638	253,638	-	-	-
2023	180,000	73,388	253,388	-	-	-
2024	185,000	67,988	252,988	-	-	-
2025	195,000	62,206	257,206	-	-	-
2026	200,000	55,869	255,869	-	-	-
2027	205,000	49,369	254,369	-	-	-
2028	215,000	42,450	257,450	-	-	-
2029	220,000	34,925	254,925	-	-	-
2030	230,000	26,950	256,950	-	-	-
2031	235,000	18,613	253,613	-	-	-
2032	245,000	9,800	254,800	-	-	-
TOTALS	$ 3,990,000	$ 1,173,719	$ 5,163,719	$ 7,760,000	$ 443,300	$ 8,203,300

GUILDERLAND CENTRAL SCHOOL DISTRICT
ALBANY COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2015

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.

GUILDERLAND CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

JUNE 30, 2015

C O N T E N T S

WEST & COMPANY
CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Guilderland Central School District
Guilderland Center, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Guilderland Central School District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Guilderland Central School District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and pages 45 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements.

The supplementary information on pages 50 through 52 as described in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2015, 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 this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
September 29, 2015

GUILDERLAND CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2015. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's basic financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Following is a summary of the District's most significant and meaningful financial aspects for the fiscal year ended June 30, 2015:

- The District experienced an increase of approximately $3.8 million on the District-wide financial statements as shown in the Reconciliation of Changes in Fund Balance to Statement of Activities on page 17.

- The District's 2014-2015 general fund budgeted expenditures were under expended by $2,077,849 due in most part to lower actual expenses than anticipated in general support, instruction, pupil transportation services and employee benefits.

- In May, 2014, the 2014-2015 budget proposals for the vehicle and equipment purchase resolutions were approved with 65% and 63% of the vote, respectively.

- The District's total assessed valuation increased by just under $58 million, or 1.9%, in the 2014-2015 fiscal year which is indicative of a relative stable commercial tax base.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements are *District-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.

The remaining statements are *fund* financial statements that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the District-wide statements. The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.

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

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 summarizes the major features of the School District's basic financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Table A-1 Major Features of the District-wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The daily operating activities of the School District, such as instruction and special education	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

In the District-wide financial statements, the School District's activities are shown as *governmental activities*. Most of the School District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by bond covenants.

- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.

  Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balances.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

	Fiscal Year 2015	Fiscal Year 2014	% Change (Incr.; - Decr.)
Assets			
Current and other assets	$ 41,193,305	$ 14,093,619	192
Capital assets - net	86,611,373	87,004,662	0
Total Assets	127,804,678	101,098,281	26
Deferred Outflows of Resources			
Pensions	772,870	0	100
Deferred amount on prior year bond refunding	436,505	545,382	-20
Total Deferred Outflows of Resources	1,209,375	545,382	122
Liabilities			
Current liabilities	5,716,499	17,422,338	-67
Long-term liabilities	84,359,396	69,320,383	22
Total Liabilities	90,075,895	86,742,721	4
Deferred Inflows of Resources			
Pensions	12,432,479	0	100
Total Deferred Inflows of Resources	12,432,479	0	100
Net Position			
Net investment in capital assets	51,261,541	46,221,521	11
Restricted	3,336,617	2,595,750	29
Unrestricted	(28,092,479)	(33,916,329)	17
Total Net Position	$ 26,505,679	$ 14,900,942	78

Changes in Net Position

The School District's 2015 revenue was $94,214,162 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 64.9% and 24.2%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

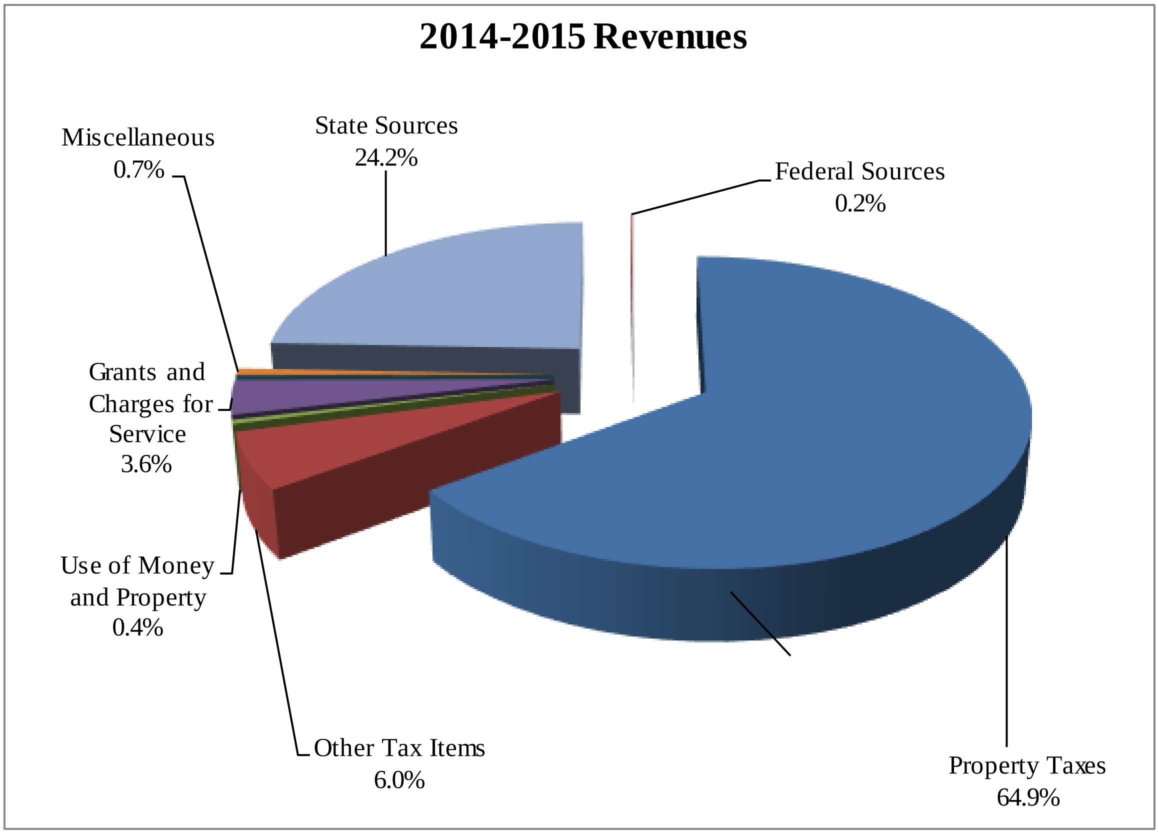
The total cost of all programs and services totaled $90,375,206 for 2015. These expenses (85.3%) are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative, occupancy and business activities accounted for 12% of total costs.

Net position increased during the year by $3,838,956.

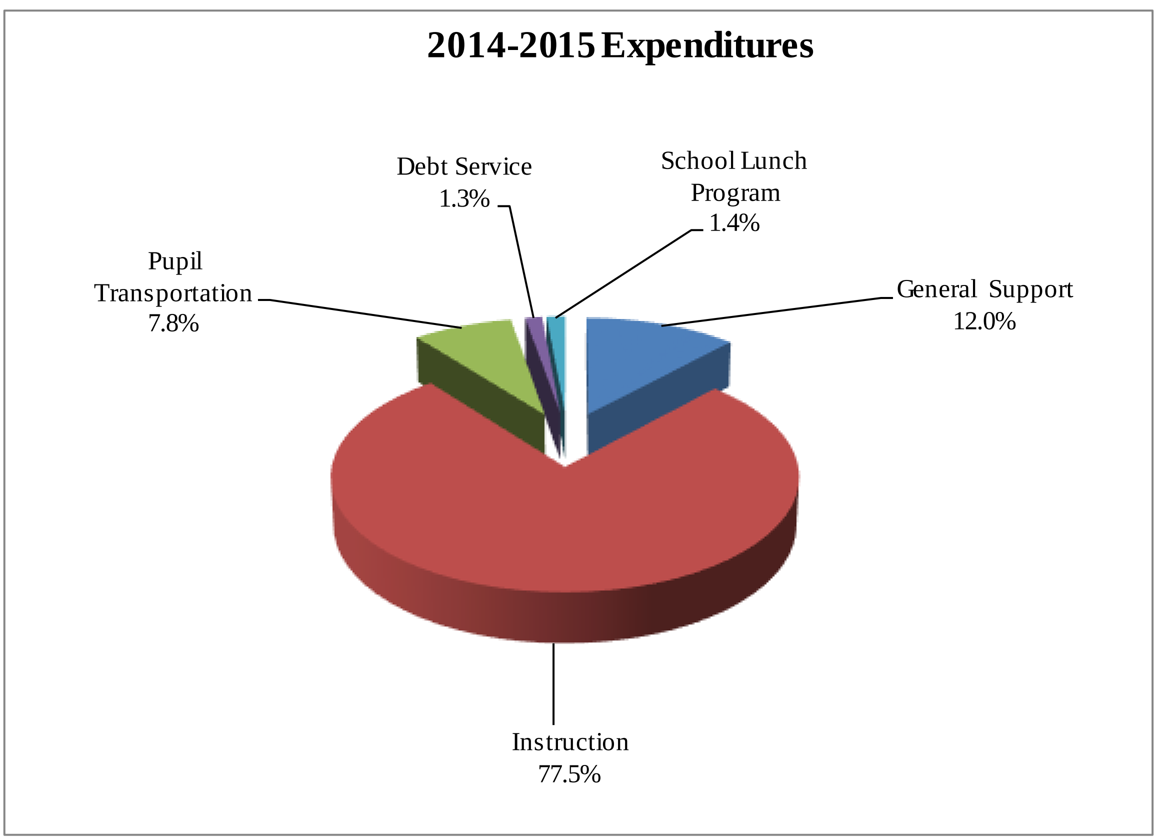
Table A-3

	Fiscal Year 2015	Fiscal Year 2014	% Change Incr.; - Decr.)
Revenues			
Program Revenues			
Charges for services	$ 1,440,356	$ 1,453,177	-1
Operating grants and contributions	1,964,726	2,375,288	-17
General Revenues			
Property taxes	66,792,699	65,860,601	1
State sources	22,807,662	21,070,636	8
Federal sources	141,986	248,367	-43
Use of money and property	407,328	428,035	-5
Sale of property and compensation for loss	13,116	36,870	-64
Miscellaneous	646,289	541,657	19
Total Revenues	94,214,162	92,014,631	2
Expenses			
General support	10,808,129	11,020,747	-2
Instruction	69,997,935	74,644,306	-6
Transportation	7,077,771	7,582,982	-7
Debt service	1,186,101	1,363,616	-13
Cost of sales – Lunch Program	1,305,270	1,294,072	1
Total Expenses	90,375,206	95,905,723	-6
Total Change in Net Position	$ 3,838,956	$ (3,891,092)	199

REVENUES – TABLE A–4



EXPENDITURES – TABLE A–5



Governmental Activities

Revenue for the School District's governmental activities totaled $94,214,162 while total expenses were $90,375,206. Accordingly, net position increased during the year by $3,838,956.

Table A-6 presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2015	2014	(Incr.; -Decr.)	2015	2014	(Incr.; -Decr.)
General support	$ 10,808,129	$ 11,020,747	-2%	$ 10,808,129	$ 11,020,747	-2%
Instruction	69,997,935	74,644,306	-6%	67,819,604	72,051,506	-6%
Pupil transportation	7,077,771	7,582,982	-7%	7,077,771	7,582,982	-7%
Debt service - interest	1,186,101	1,363,616	-13%	1,186,101	1,363,616	-13%
Cost of sales - lunch program	1,305,270	1,294,072	1%	78,519	58,407	34%
Totals	$ 90,375,206	$ 95,905,723	-6%	$ 86,970,124	$ 92,077,258	-6%

- The cost of all governmental activities for the year was $90,375,206.
- The users of the School District's programs financed $1,440,356 of the costs.
- The federal and State government grants financed $1,964,726.
- The majority of costs were financed by the School District's taxpayers and State aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

No other variances are reflected in the governmental funds financial statements for 2015.

General Fund Budgetary Highlights

There were no significant differences in actual expenses versus budgeted expenses in 2014-2015 as presented in the financial statements on pages 46 and 47. The favorable general fund variance represented 2.3% of the overall 2014-2015 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2015, the School District had $86,611,373 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (Net of Depreciation)

	Fiscal Year 2015	Fiscal Year 2014
Land, buildings, improvements and construction in progress	$ 82,071,803	$ 82,453,127
Machinery and equipment, vehicles	4,539,570	4,551,535
Totals	$ 86,611,373	$ 87,004,662

Long-Term Debt

As of June 30, 2015, the School District had $76,362,988 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding Long-Term Debt

	Fiscal Year 2015	Fiscal Year 2014
General obligation bonds (financed with property taxes)	$ 32,403,032	$ 37,904,915
All other debt	43,959,956	37,721,936
Totals	$ 76,362,988	$ 75,626,851

During 2015, the School District issued $-0- of serial bonds and paid down its debt by retiring $5,501,883 of outstanding bonds. Other debt represented compensated absences and other post-employment benefits.

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 it financial health in the future:

- Health insurance and other post-retirement costs continue to grow at rates in excess of the rate of inflation. With the passage of the Affordable Care Act legislation, it places increased uncertainty in health care costs as well as increased reporting compliance requirements for the School District.

- District contributions to the Employee Retirement System and Teachers Retirement System will decrease next year mainly due to an improved market pension performance. However, the inherent volatility in financial markets could over time reverse that trend.

- The New York State limit on tax levy growth will result in further limitations on tax revenue that could affect the financial health of the District, especially in the current low inflation environment of less than 2%.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Guilderland Central School District
District Office
PO Box 18
8 School Road
Guilderland Center, New York 12085
(518) 456-6200

GUILDERLAND CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

ASSETS	
Cash	
Unrestricted	$ 8,028,850
Restricted	3,348,456
Receivables	
State and Federal aid	1,850,945
Due from fiduciary funds	906
Due from other governments	579,136
Other receivables	105,871
Inventories	69,316
Net pension asset - proportionate share	27,209,825
Capital assets, net of depreciation	86,611,373
Total Assets	127,804,678
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on prior year bond refunding	436,505
Pensions	772,870
Total Deferred Outflows of Resources	1,209,375
LIABILITIES	
Payables	
Accounts payable	1,548,831
Accrued liabilities	898,987
Accrued interest payable	315,814
Unearned grant revenue	6,067
Bond anticipation notes payable	2,946,800
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	6,438,732
Due to Employees' Retirement System	418,627
Bonds payable	5,660,000
Due and payable after one year	
Bonds payable	26,743,032
Other post-employment benefits	41,841,187
Net pension liability - proportionate share	1,139,049
Compensated absences payable	2,118,769
Total Liabilities	90,075,895
DEFERRED INFLOWS OF RESOURCES	
Pensions	12,432,479
Total Deferred Inflows of Resources	12,432,479
NET POSITION	
Net investment in capital assets	51,261,541
Restricted	
Reserve for employee benefit liability	489,224
Reserve for debt service	824,618
Tax certiorari reserve	350,000
Unemployment insurance reserve	94,375
Reserve for retirement contribution	723,929
Workers compensation reserve	799,015
Reserve for repairs	55,456
Unrestricted	(28,092,479)
Total Net Postion	$ 26,505,679

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 10,808,129	$ 0	$ 0	$ (10,808,129)
Instruction	69,997,935	(626,736)	(1,551,595)	(67,819,604)
Pupil transportation	7,077,771	0	0	(7,077,771)
Debt service	1,186,101	0	0	(1,186,101)
School lunch program	1,305,270	(813,620)	(413,131)	(78,519)
Total Functions and Programs	$ 90,375,206	$ (1,440,356)	$ (1,964,726)	(86,970,124)
GENERAL REVENUES				
Real property taxes				61,184,798
Other tax items				5,607,901
Use of money and property				407,328
Sale of property and compensation for loss				13,116
Miscellaneous				646,289
State sources				22,807,662
Federal sources				141,986
Total General Revenues				90,809,080
CHANGE IN NET POSITION				3,838,956
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED				22,666,723
TOTAL NET POSITION - END OF YEAR				$ 26,505,679

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	General	Special Aid	School Lunch	Debt Service	Capital	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 7,350,714	$ 425,226	$ 206,703	$ 0	$ 46,207	$ 8,028,850
Restricted	2,523,838	0	0	824,618	0	3,348,456
Due from other funds	3,780,829	0	0	0	0	3,780,829
Due from fiduciary funds	906	0	0	0	0	906
State and Federal aid	702,919	1,118,375	29,651	0	0	1,850,945
Due from other governments	579,136	0	0	0	0	579,136
Other receivables	105,146	240	485	0	0	105,871
Inventories	1,427	0	67,889	0	0	69,316
TOTAL ASSETS	$ 15,044,915	$ 1,543,841	$ 304,728	$ 824,618	$ 46,207	$ 17,764,309
LIABILITIES						
Accounts payable	$ 709,462	$ 73,734	$ 0	$ 0	$ 765,635	$ 1,548,831
Accrued liabilities	869,195	0	29,792	0	0	898,987
Due to other funds	0	1,468,440	74,065	0	2,238,324	3,780,829
Bond anticipation notes payable	0	0	0	0	2,946,800	2,946,800
Due to Employees' Retirement System	418,627	0	0	0	0	418,627
Due to Teachers' Retirement System	6,438,732	0	0	0	0	6,438,732
Unearned revenue	4,400	1,667	0	0	0	6,067
Total Liabilities	8,440,416	1,543,841	103,857	0	5,950,759	16,038,873
FUND BALANCE						
Nonspendable						
Reserved for inventory	1,427	0	67,889	0	0	69,316
Restricted						
Capital reserve	11,839	0	0	0	0	11,839
Reserve for employee benefit liability	489,224	0	0	0	0	489,224
Reserve for debt service	0	0	0	824,618	0	824,618
Tax certiorari reserve	350,000					350,000
Unemployment insurance reserve	94,375	0	0	0	0	94,375
Reserve for retirement contribution	723,929	0	0	0	0	723,929
Workers compensation reserve	799,015	0	0	0	0	799,015
Reserve for repairs	55,456	0	0	0	0	55,456
Assigned	98,284	24,625	132,982	0	1,901,552	2,157,443
Assigned - Appropriated	300,000	0	0	0	0	300,000
Unassigned	3,680,950	(24,625)	0	0	(7,806,104)	(4,149,779)
Total Fund Balance	6,604,499	0	200,871	824,618	(5,904,552)	1,725,436
TOTAL LIABILITIES AND FUND BALANCE	$ 15,044,915	$ 1,543,841	$ 304,728	$ 824,618	$ 46,207	$ 17,764,309

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION

JUNE 30, 2015

Total fund balance - governmental funds balance sheet (page 14)	$	1,725,436
Add:		
Loss on bond refunding does not expend current resources, and therefore are not reported in the funds		436,505
Net pension asset - proportionate share (TRS) at year-end in District-wide statements under full accrual accounting		27,209,825
Pensions (ERS) - Deferred outflow under full accrual accounting		772,870
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds		86,611,373
Total		115,030,573
Deduct:		
Compensated absences at year-end in District-wide statements under full accrual accounting		2,118,769
Other post-employment benefits that are not due and payable in the current period, and therefore are not reported in the funds		41,841,187
Accrued interest payable at year-end in the District-wide statements under full accrual accounting		315,814
Net pension liability - proportionate share (ERS) at year-end in District-wide statements under full accrual accounting		1,139,049
Pensions (TRS) - Deferred inflow under full accrual accounting		12,432,479
Bonds payable, including bond premiums that are not due and payable in the current period, and therefore are not reported in the funds		32,403,032
Total		90,250,330
NET POSITION, GOVERNMENTAL ACTIVITIES	$	26,505,679

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	General	Special Aid	School Lunch	Debt Service	Capital	Total Governmental Funds
REVENUES						
Real property taxes	$ 61,184,798	$ 0	$ 0	$ 0	$ 0	$ 61,184,798
Other tax items	5,607,901	0	0	0	0	5,607,901
Charges for services	626,736	0	0	0	0	626,736
Use of money and property	406,405	0	0	923	0	407,328
Sale of property and compensation for loss	13,116	0	0	0	0	13,116
Miscellaneous	646,289	0	8,563	0	0	654,852
State sources	22,187,029	620,633	18,915	0	0	22,826,577
Federal sources	141,986	1,551,595	335,020	0	0	2,028,601
Surplus food	0	0	50,633	0	0	50,633
Sales - school lunch	0	0	813,620	0	0	813,620
Total Revenues	90,814,260	2,172,228	1,226,751	923	0	94,214,162
EXPENDITURES						
General support	7,496,144	0	0	0	0	7,496,144
Instruction	46,375,262	2,172,883	0	0	0	48,548,145
Pupil transportation	4,140,944	123,040	0	0	984,214	5,248,198
Employee benefits	24,244,902	122,652	320,404	0	0	24,687,958
Debt service						
Principal	5,465,000	0	0	0	0	5,465,000
Interest	2,080,716	0	0	0	0	2,080,716
Cost of sales	0	0	938,356	0	0	938,356
Capital outlay	0	0	0	0	2,284,382	2,284,382
Total Expenditures	89,802,968	2,418,575	1,258,760	0	3,268,596	96,748,899
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,011,292	(246,347)	(32,009)	923	(3,268,596)	(2,534,737)
OTHER FINANCING SOURCES AND USES						
Operating transfers in	0	246,347	0	0	0	246,347
Operating transfers (out)	(246,347)	0	0	0	0	(246,347)
BANs redeemed from appropriations	0	0	0	0	926,426	926,426
Total Other Sources (Uses)	(246,347)	246,347	0	0	926,426	926,426
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	764,945	0	(32,009)	923	(2,342,170)	(1,608,311)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	5,839,554	0	232,880	823,695	(3,562,382)	3,333,747
FUND BALANCE (DEFICIT) - END OF YEAR	$ 6,604,499	$ 0	$ 200,871	$ 824,618	$ (5,904,552)	$ 1,725,436

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2015

REVENUES		
Governmental funds		$ 94,214,162
EXPENDITURES	$ 96,748,899	
Add:		
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	3,610,912	
Current year accrued interest expense does not require the expenditure of current resources, and therefore is not reported as expenditures in the governmental funds	315,814	
Amortization of deferred amount on prior year refunding is not recorded as an addition of interest expense over the life of the bonds in the governmental funds	108,877	
Other post-employment benefits do not require the expenditure of current resources, and therefore are not reported as expenditures in the governmental funds	6,026,188	
Compensated absences do not require the expenditure of current resources, and therefore are not reported as expenditures in the governmental funds	211,832	
	10,273,623	
Deduct:		
Principal payments of long-term debt (General Fund) are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	5,465,000	
Prior year accrued interest does not require the expenditure of current resources, and therefore is not reported as expenditures in the governmental funds	355,998	
Amortization of bond premiums is not recorded as a reduction of interest expense over the life of the bonds in the governmental funds	36,883	
Increases in proportionate share of net pension asset reported in the Statement of Activities do not provide for or require the use of current financial resources, and therefore are not reported as a revenue in the governmental funds	6,645,386	
BANs redeemed from appropriations are not recognized as revenue in the statement of activities	926,426	
Capital outlays are expenditures in governmental funds, but are not capitalized in the statement of net position	3,217,623	
	16,647,316	
EXPENDITURES - STATEMENT OF ACTIVITIES		90,375,206
CHANGE IN NET POSITION		$ 3,838,956

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Private Purpose Trust	Agency
ASSETS		
Cash	$ 352,892	$ 2,265,356
Total Assets	$ 352,892	$ 2,265,356
LIABILITIES		
Due to governmental funds	$ 0	$ 906
Extraclassroom activity balances	0	198,291
Other liabilities	0	2,066,159
Total Liabilities	0	$ 2,265,356
NET POSITION	$ 352,892	

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

ADDITIONS	
Interest	$ 1,045
Gifts and contributions	51,068
Total Additions	52,113
DEDUCTIONS	
Scholarships and awards	24,334
Changes in Net Assets	27,779
NET POSITION - BEGINNING OF YEAR	325,113
NET POSITION - END OF YEAR	$ 352,892

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Guilderland Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies used by the District are described below:

A) Reporting Entity

The Guilderland Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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 reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for assets held as an agent for various student organizations in an agency fund.

B) Joint Venture

The District is a component school district in Capital Region Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

B) Joint Venture – (Continued)

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $6,755,040 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued $-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of $-0-.

The District's share of BOCES aid amounted to $1,288,296.

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

C) Basis of Presentation

1) District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2) Funds Statements

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

The District reports the following major governmental funds:

General Fund – This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds – These funds account for the proceeds of specific revenue sources, such as federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund – These funds are used to account for the financial resources used for acquisition, construction or major repair of capital facilities.

Debt Service Fund – The Debt Service Fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

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

C) Basis of Presentation – (Continued)

2) Funds Statements – (Continued)

The District reports the following fiduciary funds:

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

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

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

D) Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 120 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.

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

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by the County of Albany. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G) Interfund Transactions

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

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

I) Cash (and Cash Equivalents)/Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

J) Accounts Receivable

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

K) Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these nonliquid assets (inventories and prepaids) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L) Other Assets/Restricted Assets

In the District-wide financial statements, bond issuance costs are expensed when incurred. In the funds statements, these same costs are netted against bond proceeds and recognized in the period of issuance.

M) Capital Assets

Capital assets are reported at actual cost for acquisition subsequent to September 27, 2007. For assets acquired prior to September 27, 2007, estimated historical costs, based on appraisals conducted by third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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

M) Capital Assets – (Continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 15,000	N/A	N/A
Buildings and improvements	15,000	Straight-line	30-50
Furniture and equipment	5,000	Straight-line	5
Buses	15,000	Straight-line	10

N) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. The item is related to pensions reported in the District's proportion of the collective net pension liability (ERS System) and net pension asset (TRS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

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

At June 30, 2015, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2015 for ERS and June 30, 2014 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

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

N) Deferred Outflows and Inflows of Resources – (Continued)

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

	ERS	TRS
Actuarial valuation date	March 31, 2015	June 30, 2014
Net pension asset (liability)	$ (1,139,049)	$ 27,209,825
District's portion of the Plan's total net pension asset (liability)	.0337172%	.244267%

For the year ended June 30, 2015, the District's recognized pension expense of $1,668,999 for ERS and $6,226,759 for TRS. At June 30, 2015 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows (Inflows) of Resources	Deferred Inflows (Outflows) of Resources
	ERS	TRS
Differences between expected and actual experience	$ 36,462	$ 397,894
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	197,838	18,274,355
Changes in proportion and differences between the District's contributions and proportionate share of contributions	119,943	(13,011)
District's contributions subsequent to the measurement date	418,627	(6,226,759)
Total	$ 772,870	$ 12,432,479

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2016	$ 88,561	$ (4,613,343)
2017	88,561	(4,613,343)
2018	88,561	(4,613,343)
2019	88,561	(44,754)
2020	0	(161,114)
Thereafter	0	0

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

N) Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2015	June 30, 2014
Actuarial valuation date	April 1, 2014	June 30, 2013
Interest rate	7.5%	8%
Salary scale	4.9%	4.01% - 10.91%
Decrement tables	April 1, 2005 - March 31, 2010 System's experience	July 1, 2005 – June 30, 2010 System's experience
Inflation rate	2.7%	3.0%

For ERS, annuitant mortality rates are based on April 1, 2005 through March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2005 through June 30, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 through March 31, 2010. For TRS, the actuarial assumptions used in the June 30, 2013 valuation are based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2010.

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

	ERS	TRS
Measurement date	March 31, 2015	June 30, 2014
Asset type		
Domestic equity	7.30%	7.30%
International equity	8.55	8.50
Real estate	8.25	5.00
Domestic fixed income securities	0	1.50
Global fixed income securities	0	1.40
Mortgages	0	3.40
Short-term	0	0.80
Private equity/alternative investments	11.00	11.00
Absolute return strategies	6.75	0
Opportunistic portfolio	8.60	0
Bonds and mortgages	4.00	0
Cash	2.25	0
Inflation index bonds	4.00	0

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

N) Deferred Outflows and Inflows of Resources – (Continued)

Discount Rate

The discount rate used to calculate the total pension liability was 7.5% for ERS and 8% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.5% for ERS and 8% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5% for ERS and 7% for TRS) or 1 percentage point higher (8.5% for ERS and 9% for TRS) than the current rate:

ERS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension asset (liability)	$ (7,592,256)	$ (1,139,049)	$ 4,309,057

TRS	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
Employer's proportionate share of the net pension asset (liability)	$ 586,954	$ 27,209,825	$ 49,896,209

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of the employers as of the respective valuation dates were as follows:

	(Dollars in thousands)		
	ERS	TRS	Total
Valuation date	March 31, 2015	June 30, 2014	
Employers' total pension asset (liability)	$ (164,591,504)	$ (97,015,707)	$ (261,607,211)
Plan net position asset (liability)	161,213,259	108,155,083	269,368,342
Employers' net pension asset (liability)	(3,378,245)	11,139,377	14,517,622
Ratio of plan net position to the employers' total pension asset (liability)	97.9%	111.48%	102.97%

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

N) Deferred Outflows and Inflows of Resources – (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2015 amounted to $418,627.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2015 are paid to the System in September, October and November, 2015 through a state aid intercept. Accrued retirement contributions as of June 30, 2015 represent employee and employer contributions for the fiscal year ended June 30, 2015 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2015 amount to $6,438,732.

Additional pension information can be found in Note 10.

O) Unearned Revenue

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

P) Vested Employee Benefits

Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

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

Q) Other Benefits

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

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

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

R) Short-Term Debt

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

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

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

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

S) Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

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

T) Equity Classifications

District-Wide Statements

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

i) Net Investment in Capital Assets

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

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund and the General Fund of $67,889 and $1,427 respectively.

2. Restricted

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

Currently Utilized by the District:

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service, this reserve must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement.

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

T) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: - (Continued)

Unemployment Insurance

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

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, this reserve must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Retirement Contributions

According to General Municipal Law §6-r, this reserve must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Capital

According to 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 voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Tax Certiorari

According to Education Law §3651.1-a, this reserve must be used to established a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund under Restricted Fund Balance.

NOTE 1 – SUMMARY OF SIGNIFICIANT ACCOUNTING POLICIES – (CONTINUED)

T) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: - (Continued)

Repairs

According to General Municipal Law §6-d, this reserve must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

Workers' Compensation

According to General Municipal Law §6-j, this reserve must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

Encumbrances

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

3. Committed

Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balance as of June 30, 2015.

4. Assigned

Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $98,284.

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

T) Equity Classifications – (Continued)

Funds Statements – (Continued)

5. Unassigned

Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance

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

U) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2015, the District implemented the following new standards issued by GASB:

GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*, effective for the year ending June 30, 2015.

GASB has issued Statement 69, *Government Combinations and Disposals of Government Operations*, effective for the year ending June 30, 2015.

GASB has issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the year ending June 30, 2015.

GASB has issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68,* effective for the year ending June 30, 2015.

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

V) Future Changes in Accounting Standards

GASB has issued Statement No. 72, *Fair Value Measurement and Application,* effective for the year ending June 30, 2016.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions,* effective for the year ending June 30, 2018. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* effective for the year ending June 30, 2016.

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the funds statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the District-wide statements compared with the current financial resources focus of the governmental funds.

A) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets.

B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories. The amounts shown below represent:

i) Long-Term Revenue Differences

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)

B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities – (Continued)

ii) Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) Pension Differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset (liability) and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The implementation of the statements requires the District to report as an asset and/or liability its portion of the collective net pensions asset and liability in the New York State Teachers' and Employees' Retirement Systems. The implementation of the statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow, is the District contributions to the pension systems subsequent to the measurement date. See Note 14 for the financial statement impact of implementation of the statements.

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (CONTINUED)

Budgets – (Continued)

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

Capital Fund Deficit

The Capital Project had a deficit fund balance of $5,904,552. This will be funded when the District obtains permanent financing for its current construction project.

NOTE 5 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	15,834,618

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,586,617 within the governmental funds and $2,618,248 in the fiduciary funds.

NOTE 6 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 779,749	$ 0	$ 0	$ 779,749
Construction in process	1,075,791	2,273,584	321,261	3,028,114
Total nondepreciable historical cost	1,855,540	2,273,584	321,261	3,807,863
Capital assets that are depreciated:				
Buildings and improvements	125,688,839	321,261	0	126,010,100
Furniture and equipment	12,285,241	1,009,451	437,179	12,857,513
Total depreciable historical cost	137,974,080	1,330,712	437,179	138,867,613
Less accumulated depreciation:				
Buildings	45,091,252	2,654,908	0	47,746,160
Furniture and equipment	7,733,706	956,004	371,767	8,317,943
Total accumulated depreciation	52,824,958	3,610,912	371,767	56,064,103
Net depreciable historical cost	85,149,122	(2,280,200)	65,412	82,803,510
GRAND TOTAL	$ 87,004,662	$ (6,616)	$ 386,673	$ 86,611,373

Depreciation was allocated to the following programs as follows:

General support	$ 440,530
Instruction	2,853,055
Pupil transportation	243,353
School lunch program	73,974
TOTAL	$ 3,610,912

NOTE 7 – SHORT-TERM DEBT

Transactions in short-term debt are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	3/19/15	1.00	$ 0	$2,946,800	$ 0	$ 2,946,800

NOTE 8 – LONG-TERM DEBT

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation debt:					
MS renovations	$ 1,510,000	$ 0	$ 1,510,000	$ 0	$ 0
DW renovations	17,750,000	0	1,420,000	16,330,000	1,460,000
2012 advance refunding	6,215,000	0	2,085,000	4,130,000	2,150,000
2012 advance refunding	4,365,000	0	375,000	3,990,000	390,000
2013 MS renovations refunding	7,835,000	0	75,000	7,760,000	1,660,000
Unamortized premium on obligations	229,915	0	36,883	193,032	0
Total bonds	37,904,915	0	5,501,883	32,403,032	5,660,000
Other liabilities:					
Other post-employment benefits	35,814,999	6,026,188	0	41,841,187	0
Compensated absences, net	1,906,937	211,832	0	2,118,769	0
Total other liabilities	37,721,936	6,238,020	0	43,959,956	0
TOTAL LONG-TERM LIABILITIES	$ 75,626,851	$ 6,238,020	$ 5,501,883	$ 76,362,988	$ 5,660,000

The current portion (amount due within one year) of other liabilities as of June 30, 2015, was not determinable.

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

Interest paid	$ 1,118,313
Less interest accrued in the prior year	(355,998)
Add amortization of premium	(36,883)
Less amortization of deferred amount on prior year refunding	108,877
Add interest accrued in the current year	315,814
TOTAL EXPENSE	$ 1,150,123

NOTE 8 – LONG-TERM DEBT – (CONTINUED)

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

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2015 Balance
DW Renovations	2010	2025	2.25-3.75%	$ 16,330,000
2012 Advance Refunding	2012	2023	2.0-4.00%	4,130,000
2012 Advance Refunding	2012	2032	3.0-4.00%	3,990,000
2013 MS Renovations Refunding	2013	2020	2.0-4.00%	7,760,000

	Principal	Interest	Total
Fiscal year ended June 30:			
2016	$ 5,660,000	$ 933,775	$ 6,593,775
2017	3,850,000	768,376	4,618,376
2018	3,955,000	662,676	4,617,676
2019	3,775,000	556,825	4,331,825
2020	2,900,000	462,050	3,362,050
Thereafter	12,070,000	1,457,755	13,527,755
TOTALS	$ 32,210,000	$ 4,841,457	$ 37,051,457

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $14,968,112 of bonds outstanding are considered defeased.

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 3,781,735	$ 0	$ 0	$ 246,347
Special Aid Funds	0	1,468,440	246,347	0
School Lunch Fund	0	74,065	0	0
Debt Service Fund	0	0	0	0
Capital Projects Fund	0	2,238,324	0	0
Total Governmental Activities	3,781,735	3,780,829	246,347	246,347
Fiduciary Agency Fund	0	906	0	0
TOTALS	$ 3,781,735	$ 3,781,735	$ 246,347	$ 246,347

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

NOTE 10 – PENSION PLANS

General Information

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

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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 2, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

NOTE 10 – PENSION PLANS – (CONTINUED)

The District is required to contribute at a rate determined actuarially by the Systems. The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions for the current and two preceding years were:

	NYSTRS	NYSERS
2014-2015	$ 6,226,759	$ 1,668,999
2013-2014	5,834,587	1,654,290
2012-2013	4,253,372	1,802,825

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

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

NOTE 11 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

The District provides post-employment health insurance coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

The District implemented GASB Statement #45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions,* in the school year ended June 30, 2009. This required the District to calculate and record a net other post-employment benefit obligation at year end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2015, the District recognized $2,852,074 for its share of insurance premiums for currently enrolled retirees.

The District has obtained an actuarial valuation report as of July 1, 2014 which indicates that the total liability for other post-employment benefits is $41,841,187 which is reflected in the Statement of Net Position.

Plan Description

Guilderland Central School District provides medical and prescription drug insurance benefits for retirees, spouses and their covered dependents while contributing a portion of the expenses. Such post-employment benefits are an included value in the exchange of salaries and benefits for employee services rendered. An employee's total compensation package includes not only the salaries and benefits received during active service, but all compensation and benefits received for their services during post-employment. Nevertheless, both types of benefits constitute compensation for employee services.

Funding Policy

The contribution requirements of the plan members and the District are established by the Board of Education. The required contribution is based on a projected pay-as-you-go financing requirements.

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

Annual Other Post-employment Benefit (OPEB) Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the District's net OPEB obligation to the healthcare plan:

Annual required contribution	$ 8,428,948
Interest on net OPEB obligation	1,790,750
Adjustment to annual required contribution	(1,341,436)
Annual OPEB cost (expense)	8,878,262
Contributions made	(2,852,074)
Increase in net OPEB obligation	6,026,188
Net OPEB obligation - beginning of year	35,814,999
Net OPEB obligation - end of year	$ 41,841,187

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/15	$ 8,878,262	32.1%	$ 41,841,187
06/30/14	9,149,093	34.1%	35,814,999
06/30/13	8,583,637	36.1%	29,654,772

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $113,754,453 and the actuarial value of assets was $-0- resulting in an unfunded actuarial accrued liability (UAAL) of $113,754,453. The covered payroll (annual payroll of active employees covered by the plan) was $42,404,910, and the ratio of the UAAL to the covered payroll was 268.3%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumption about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5% investment rate of return (net of administrative expenses), which is based on the expected earnings of the District's General Fund investments at the valuation date, and an annual healthcare cost trend rate of 4.7%, initially reduced by decrements to an ultimate rate of 3.84%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 30 years.

NOTE 12 – RISK MANAGEMENT

General Information

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation

The District has been named as defendant in several tax certiorari cases. A review by management and the District's attorneys indicate these actions are not substantial enough to materially affect the financial position of the District.

The District has also been named as a defendant in certain other actions. The District intends to defend itself vigorously in each of these cases and management believes that the entire amount will be covered by insurance. Accordingly, no loss contingency has been accrued.

Other Contingencies

The District has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

Commitments

The District has a school facilities improvement construction project underway, in the initial stage of completion. Future expenses for this project is expected to be approximately $16,500,000.

NOTE 14 – RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27.* The implementation of Statement No. 68 resulted in the reporting of an asset, deferred outflow of resources, liability and deferred inflow of resources related to the District's participation in the New York State Teachers' and Employees' retirement systems. The District's net position has been restated as follows:

Net position beginning of year as previously stated	$	14,900,942
GASB Statement No. 68 implementation:		
Beginning System asset – Teachers' Retirement System		1,622,420
Beginning System liability – Employees' Retirement Systems		(1,523,633)
Beginning deferred outflow of resources for contributions subsequent to the measurement date:		
Teachers' Retirement System		6,928,166
Employees' Retirement System		738,828
Net position beginning of year as restated	$	22,666,723

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the issuance of the audit report. There were no issues to report that would have a material effect on the financial statements, except those mentioned in the above paragraph.

GUILDERLAND CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual Revenues	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:				
Local Sources				
Real property taxes	$ 61,175,090	$ 61,175,090	$ 61,184,798	$ 9,708
Real property tax items	5,615,625	5,615,625	5,607,901	(7,724)
Charges for services	542,500	542,500	626,736	84,236
Use of money and property	393,400	393,400	406,405	13,005
Sale of property and compensation for loss	24,900	24,900	13,116	(11,784)
Miscellaneous	237,700	237,700	646,289	408,589
Total Local Sources	67,989,215	67,989,215	68,485,245	496,030
State Sources	21,963,685	21,963,685	22,187,029	223,344
Federal Sources	150,000	150,000	141,986	(8,014)
Total Revenues	90,102,900	90,102,900	90,814,260	711,360
OTHER FINANCING SOURCES				
Transfers from other funds	250,000	250,000	0	(250,000)
Total Revenues and Other Financing Sources	90,352,900	90,352,900	90,814,260	$ 461,360

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual Expenditures	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	42,970	28,730	22,668	$ 0	$ 6,062
Central administration	251,015	252,850	251,298	0	1,552
Finance	604,624	595,319	591,912	0	3,407
Staff	715,599	720,402	652,985	0	67,417
Central services	5,532,059	5,589,621	5,210,720	56,547	322,354
Special items	865,055	863,254	766,561	0	96,693
Instructional					
Instruction, administration and improvements	3,684,310	3,673,597	3,567,870	321	105,406
Teaching – regular school	26,824,867	26,687,590	26,350,009	14,203	323,378
Programs for children with handicapping conditions	10,023,275	10,456,387	10,167,806	65	288,516
Occupational education	717,840	712,075	712,074	0	1
Teaching - special school	115,960	97,103	78,357	0	18,746
Instructional media	2,004,747	2,097,269	2,064,165	3,141	29,963
Pupil services	3,512,471	3,547,249	3,434,981	0	112,268
Pupil Transportation	4,887,954	4,644,389	4,140,944	24,007	479,438
Employee Benefits	24,764,415	24,713,915	24,244,902	0	469,013
Debt Service	7,585,739	7,545,739	7,545,716	0	23
Total Expenditures	92,132,900	92,225,489	89,802,968	98,284	2,324,237
Other Financing Uses					
Transfers to other funds	0	0	246,347	0	(246,347)
Total Expenditures and Other Uses	92,132,900	92,225,489	90,049,315	$ 98,284	$ 2,077,890
NET CHANGE IN FUND BALANCE	(1,780,000)	(1,872,589)	764,945		
FUND BALANCE – BEGINNING	5,839,554	5,839,554	5,839,554		
FUND BALANCE – ENDING	$ 4,059,554	$ 3,966,965	$ 6,604,499		

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – OTHER POST-EMPLOYMENT BENEFITS PLAN

FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/14	$ 0	$ 113,754,453	$ 113,754,453	0%	$ 42,404,910	268.3%
07/01/13	0	109,854,654	109,854,654	0%	46,647,893	235.5%
07/01/12	0	103,120,335	103,120,335	0%	46,161,974	223.4%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2015

NYS Teachers' Retirement System

District's proportion of the net pension liability (asset)		0.244267%
District's proportionate share of the net pension liability (asset)	$	(27,209,825)
District's covered-employee payroll		35,731,449
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		76.2%
Plan fiduciary net position as a percentage of the total pension liability (asset)		111.48%

NYS Employees' Retirement System

District's proportion of the net pension liability (asset)		0.0337172%
District's proportionate share of the net pension liability (asset)	$	1,139,049
District's covered-employee payroll		9,145,916
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		12.5%
Plan fiduciary net position as a percentage of the total pension liability		97.9%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2015

NYS Teachers' Retirement

Contractually required contribution	$	6,263,723
Contributions in relation to the contractually required contribution		6,263,723
Contribution deficiency (excess)	$	0
District's covered-employee payroll	$	35,731,449
Contribution as a percentage of covered-employee payroll		17.53%

NYS Employees' Retirement

Contractually required contribution	$	1,674,507
Contributions in relation to the contractually required contribution		1,674,507
Contribution deficiency (excess)	$	0
District's covered-employee payroll	$	9,145,916
Contribution as a percentage of covered-employee payroll		18.31%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2015

ADOPTED BUDGET	$ 92,132,900
ADDITIONS:	
Prior year's encumbrances	92,589
FINAL BUDGET	$ 92,225,489

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2015

2015-2016 voter-approved expenditure budget	$ 93,689,600
Maximum allowed (4% of 2015-2016 budget)	3,747,584
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	398,284
Unassigned fund balance	3,680,950
Total unrestricted fund balance	4,079,234
Less:	
Appropriated fund balance	300,000
Encumbrances included in assigned fund balance	98,284
Total Adjustments	398,284
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 3,680,950
Actual percentage	3.9%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2015

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpanded Balance	Local Sources	Federal Aid	State Aid	Proceeds of Obligations	Fund Balances
Major Projects											
Project #7021-GHS Reconstruction	$ 26,971,500	$ 27,961,568	$ 27,925,569	$ 0	$ 27,925,569	$ 35,999	$ 2,609,764	$ 242,098	$ 1,778,873	$ 23,330,833	$ 35,999
Project #0136-GHS Energy/Wireless	255,000	355,000	349,017	0	349,017	5,983	200,000	0	0	155,000	5,983
Project #0136-2013 Capital Improv & Tech	730,210	3,007,344	730,210	2,273,585	3,003,795	3,549	0	0	0	0	(3,003,795)
	27,956,710	31,323,912	29,004,796	2,273,585	31,278,381	45,531	2,809,764	242,098	1,778,873	23,485,833	(2,961,813)
Non-Major Projects											
Bus Purchase (2010)	998,400	998,400	998,400	0	998,400	0	0	0	0	798,720	(199,680)
Bus Purchase (2011)	778,100	778,100	778,100	0	778,100	0	0	0	0	466,860	(311,240)
Bus Purchase (2012)	1,050,800	1,050,800	1,050,800	0	1,050,800	0	0	0	0	420,320	(630,480)
Bus Purchase (2013)	1,013,000	1,013,000	1,008,850	0	1,008,850	4,150	0	0	0	202,600	(806,250)
Bus Purchase (2014)	995,000	995,000	77	994,923	995,000	0	0	0	0	0	(995,000)
Bus Purchase (2015)	0	0	0	89	89	(89)	0	0	0	0	(89)
	4,835,300	4,835,300	3,836,227	995,012	4,831,239	4,061	0	0	0	1,888,500	(2,942,739)
TOTALS	$ 32,792,010	$ 36,159,212	$ 32,841,023	$ 3,268,597	$ 36,109,620	$ 49,592	$ 2,809,764	$ 242,098	$ 1,778,873	$ 25,374,333	$ (5,904,552)

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2015

CAPITAL ASSETS, NET		$ 86,611,373
DEDUCT:		
Bond anticipation note payable	$ 2,946,800	
Short-term portion of bonds payable	5,660,000	
Long-term portion of bonds payable	26,743,032	
		35,349,832
NET INVESTMENT IN CAPITAL ASSETS		$ 51,261,541

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

FEDERAL AWARD PROGRAM INFORMATION
(SINGLE AUDIT)

(OMB CIRCULAR A-133)

JUNE 30, 2015

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

To the President and the Other Members
of the Board of Education of the
Guilderland Central School District
Guilderland Center, 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 Guilderland Central School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guilderland Central School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Guilderland Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Guilderland Central School District's internal control.

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

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

97 North Main St., PO Box 1219, Gloversville, NY 12078-0354 ▪ 60 Railroad Place, Suite 302, Saratoga Springs, NY 12866
www.westcpapc.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guilderland Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WEST & COMPANY CPAs PC

Gloversville, New York
September 29, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *OMB CIRCULAR A-133*

To the President and the Other Members
of the Board of Education of the
Guilderland Central School District
Guilderland Center, New York

Report on Compliance for Each Major Federal Program

We have audited Guilderland Central School District's compliance with the types of compliance requirements described in the OMB Circular A-133,*Compliance Supplement*, that could have a direct and material effect on each of Guilderland Central School District's major federal programs for the year ended June 30, 2015. Guilderland Central School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Guilderland Central School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Guilderland Central School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Guilderland Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Guilderland Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Guilderland Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Guilderland Central School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

WEST & COMPANY CPAs PC

Gloversville, New York
September 29, 2015

GUILDERLAND CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through NYS Education Department:			
Title I - Grants to Local Educational Agencies	84.010	0021-14-0555	$ 327,110
Title II A - Teacher and Principal Training and Recruitment	84.367	0147-14-0555	112,255
IDEA, Part B Section 611 - Special Ed Grants to State	84.027	0032-14-0028	1,028,181
IDEA, Part B Section 619 - Special Ed Preschool Grant	84.173	0033-14-0028	34,808
Title III Part A LEP	84.367	0293-14-0055	41,331
Race to the Top - Recovery Act	84.395	5500-14-0055	7,910
Total U.S. Department of Education			1,551,595
U.S. DEPARTMENT OF AGRICULTURE			
Direct:			
Food Distribution	10.555	N/A	50,633
Passed Through NYS Education Department:			
National School Lunch Program	10.555	N/A	309,439
National School Breakfast Program	10.553	N/A	25,581
Total U.S. Department of Agriculture			385,653
TOTAL FEDERAL AWARDS			$ 1,937,248

See notes to schedule of expenditures of federal awards.

GUILDERLAND CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the District's federal award programs presented on the accrual basis of accounting as contemplated by accounting principles generally accepted in the United States of America.

NOTE 2 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2015, the District had food commodities totaling $50,633 in inventory.

NOTE 3 – CLUSTERS

The special education cluster consists of IDEA – Section 611 and IDEA – Section 619.

The child nutrition cluster consists of food distribution, National School Breakfast Program, and National School Lunch and Snack Program.

GUILDERLAND CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. Type of auditors' report issued: unqualified
2. Internal control over financial reporting:
   a. Material weakness(es) identified? ___Yes _X_No
   b. Significant deficiency(ies) identified? ___Yes _X_ No
3. Noncompliance material to financial statements noted? ___Yes _X_ No

Federal Awards

1. Internal control over major programs:
   a. Material weakness(es) identified? ___Yes _X_ No
   b. Significant deficiency(ies) identified? ___Yes _X_ No
2. Type of auditors' report issued on compliance for major programs: unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ___Yes _X_ No
4. Identification of major programs:

CFDA Number	Name of Federal Program
84.010	Title I – Grants to Local Educational Agencies
84.027	Special Education Cluster (IDEA)
84.173	Special Education Cluster (IDEA)

5. Dollar threshold used to distinguish between type A and B programs: $300,000.
6. Auditee qualified as low-risk auditee? _X_ Yes ____ No

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None.

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

None.

GUILDERLAND CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2015

WEST & COMPANY
CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Guilderland Central School District
Guilderland, New York

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Guilderland Central School District as of June 30, 2015, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

97 North Main St., PO Box 1219, Gloversville, NY 12078-0354 ▪ 60 Railroad Place, Suite 302, Saratoga Springs, NY 12866
www.westcpapc.com

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the Guilderland Central School District as of June 30, 2015, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
September 29, 2015

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2015

ASSETS		
Cash	$	198,291
TOTAL ASSETS	$	198,291
LIABILITIES AND CLUB BALANCES		
Club balances	$	198,291
TOTAL LIABILITIES AND CLUB BALANCES	$	198,291

See independent auditors' report.

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
Senior High School:				
Class of '18	$ 0	$ 16,210	$ 8,011	$ 8,199
Class of '17	4,346	6,010	3,268	7,088
Class of '16	10,769	43,601	38,242	16,128
Class of '15	10,814	26,317	35,888	1,243
Class of '14	4,684	250	4,934	0
Amnesty International	981	1,055	331	1,705
Alliance	334	40	134	240
Art Club	388	0	17	371
FBLA - Business	795	0	100	695
Shakespeare Society	1,134	960	646	1,448
GAPP - German	2,507	0	536	1,971
Harry Potter Club	0	790	743	47
Natural Helpers	246	57	230	73
Best Buddies	149	1,947	1,665	431
CBS Bowling	19	1,352	1,153	218
Cultural Fair	3,030	4,363	4,637	2,756
Dance Squad	1,922	1,778	1,615	2,085
Other School Accounts	16,702	69,825	66,988	19,539
Sports Teams	7,024	15,419	15,263	7,180
Spanish Club	185	0	0	185
Free the Children/GL	1,622	246	1,868	0
SIHC	88	0	0	88
Club Med	125	0	0	125
Guilderland Players	8,257	24,086	20,300	12,043
Huntington's Club	0	179	179	0
Math League	422	0	0	422
Journal	1,173	3,075	715	3,533
Key Club	1,241	7,724	7,562	1,403
Latin Dance Club	1	0	0	1
Malawi Project Club	245	0	245	0
Media Club	549	360	440	469
Model UN	0	22,414	18,674	3,740
Music Department	3,330	5,251	5,258	3,323
Pens & Paper	0	40	40	0
National Honor Society	1,170	8,225	8,543	852
Physics Research Club	210	529	390	349
Red Cross Club	17	0	0	17
SADD	76	145	75	146
Saving Saturdays	7	0	0	7
Science Olympiad	127	0	90	37
Ski Club	8,182	20,972	21,868	7,286
STAR	82	108	110	80
Student Government	1,528	420	942	1,006
Static	89	0	0	89
Woodworkers Club	400	90	322	168
Yearbook Account	6,759	20,750	25,994	1,515
Young Democrats	70	0	0	70
Total Senior High School	101,799	304,588	298,016	108,371

See note to financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
Middle School:				
All Team Accounts	0	56,993	56,993	0
TV News Club	12	276	288	0
FMS Mask	25,983	18,110	18,381	25,712
Jr. Ski Club	1,937	31,121	31,562	1,496
Sr. Ski Club	1	0	1	0
Student Council	1,812	4,109	3,738	2,183
Organic Garden	2,385	2,138	1,385	3,138
Yearbook	2,438	13,569	16,007	0
Enrichment	330	2,302	2,370	262
Student Funds	35,486	79,647	86,909	28,224
Total Middle School	70,384	208,265	217,634	61,015
Elementary School:				
Altamont Elementary Fund	1,023	11,708	10,813	1,918
Guilderland Elementary Fund	11,386	20,864	21,854	10,396
Lynnwood Elementary Fund	5,000	17,655	20,166	2,489
Pine Bush Elementary Fund	7,438	28,036	28,623	6,851
Westmere Elementary Fund	7,985	32,635	33,369	7,251
Total Elementary School	32,832	110,898	114,825	28,905
Total Extraclassroom Activity Clubs	$ 205,015	$ 623,751	$ 630,475	$ 198,291

See note to financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Guilderland Central School District. The related year end cash balances are shown as part of the Trust and Agency Fund with the offset being shown as agency liabilities. The Extraclassroom Activity Funds of Guilderland Central School District represent funds of the students of the District. The District's Board exercises general oversight on these funds. The Extraclassroom Activity Funds are independent of the District with respect to the financial transactions and the designation of student management.

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