OFFICIAL STATEMENT DATED JUNE 11, 2020

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, under the existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "Tax Exemption" herein.

The Notes will be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

NORTH COLLINS CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

(the "District" or the "School District")

$7,880,000

BOND ANTICIPATION NOTES, 2020

(the "Notes")
(Designated/Bank Qualified)

At an Interest Rate of 2.0% to Yield 0.81%
CUSIP #: 658714 HR4

Dated: June 25, 2020 **Due: June 25, 2021**

Security and Source of Payment: The Notes 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 Notes. Unless paid from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). See "Tax Levy Limitation Law" herein.

Prior Redemption: The Notes will NOT be subject to redemption, in whole or in part, prior to maturity.

Form and Denomination: The Notes will be issued as registered notes and will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC" or the "securities depository") in New York, New York, which will act as securities depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof, as may be determined by such successful bidder(s). Initial purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payment of the principal of and interest on the Notes will be made 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 Notes. See "Book-Entry-Only System", herein.

Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinion as to the validity of the Notes of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) on or about June 25, 2020.

BNY MELLON CAPITAL MARKETS, LLC

THE REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED JUNE 3, 2020 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISION RULE 15c2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE AND THE DATED DATE ON PAGE 40, THERE HAVE BEEN NO REVISIONS TO SAID OFFICIAL STATEMENT.

NORTH COLLINS CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

School District Officials

2019-20 BOARD OF EDUCATION

Shannon McGrath-Locking - President
Lisa Petrus - Vice President

Michelle DeCarlo
Mary Petkov
Heather Puntillo
James Sager
Michael Stefan

Scott Taylor– Superintendent of Schools
Crystal A. Cocca –Senior Accountant Clerk/Treasurer
Kathleen A. Mason – District Clerk

School District Attorney

Hodgson Russ LLP

BOND COUNSEL

Hodgson Russ LLP

MUNICIPAL ADVISOR

R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF: **R. G. Timbs, Inc.**

24 Sherman Oaks Drive
New Hartford, New York 13413
315.749.3637
Expert@rgtimbsinc.net

OFFICIAL STATEMENT

OFFICIAL STATEMENT

NORTH COLLINS CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK
(the "District")

$7,880,000
Bond Anticipation Notes, 2020
(the "Notes")

This Official Statement, which includes the cover page, has been prepared by the North Collins Central School District, Erie County, New York (the "District" or "School District", "County" and "State," respectively) in connection with the sale by the District of its $7,880,000 Bond Anticipation Notes, 2020 (the "Notes).

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

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

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

DESCRIPTION OF THE NOTES

The Notes are dated June 25, 2020 and mature, without option of prior redemption, on June 25, 2021. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are general obligations of the District, and will contain a pledge of its faith and credit of the District for payment of the principal of and interest on the Notes, as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid for from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, sufficient to pay such principal and interest as the same become due, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW," herein.

The Notes will be issued in registered form. At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s), with principal of and interest on the Notes being payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof as may be determined by such successful bidder(s). Alternatively, the Notes may be registered in the name of Cede & Co., as nominee of DTC, with DTC acting as securities depository for the Notes. See "Book-Entry-Only System," herein. Under the DTC scenario, one fully registered note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, each in the aggregate principal amount of such issue, and purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (federal funds) by the District directly to DTC for its nominee, Cede &Co.

The financial condition of the District as well as the market for the Notes could be affected a variety of factors, some of which are beyond the control of the District. See "MARKET AND RISK FACTORS," herein.

Purpose and Authorization

The Notes are issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the District (the "Board") on January 8, 2019, following a positive vote at a annual meeting of the qualified voters of the District that was held on December 11, 2018, authorizing the issuance of up to $7,880,000 of serial bonds to undertake capital improvement project consisting of the partial reconstruction and renovation of, and the construction of additions, improvements and upgrades to, various District buildings and facilities (and sites thereof).

The proceeds of this issue will provide $7,880,000 in new money for the aforementioned purpose.

Book-Entry-Only System

The following is relevant only if the Notes are issued in book-entry form. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered Notes 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, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

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

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

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

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON

THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

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

Certificated Notes

At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s). In such event, principal of and interest on the Notes will be in federal funds at such bank or trust company located and authorized to do business in the State as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, as may be determined by such bidder(s).

Security and Source of Payment

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

The Notes are general obligation of the District will contain a pledge of the faith and credit of the District for the payment of the principal of and interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all of the taxable real property in the District, subject to certain statutory limitation imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW," herein.

Under the State Constitution, the District is required to pledge its faith and credit for the payment of principal of and interest on the Notes and the State is specifically precluded from restricting the power of the District to levy taxes on real property therefor. See the discussion under "TAX LEVY LIMITATION LAW," herein.

Remedies of Noteholders on Default

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for the school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b of SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

Under current law, provision is made for contract creditors (including holders of the Notes) 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 judgement, although judicia mandates have been issued to officials to appropriate and pay judgements out of current funds or the proceeds of a tax levy.

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 noteholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require exercise by the State of its emergency police power to assure the continuation of essential public service

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgement or accrued claim against it shall not exceed nine per centrum per annum This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

In accordance with a general rule with respect to municipalities, judgements against the District may not be enforced to levy and execution against property owned by the District.

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

Under the Bankruptcy Code, a petition may be filed in federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Bankruptcy Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The District has legal capacity to file a petition under the Bankruptcy Code.

It might be asserted that under the Bankruptcy Code interest and principal debt service payments made by the District within 90 days of the District filing a bankruptcy petition were voidable preferences. In the event these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on action to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State’s highest court, declared such act to be invalid on the ground that it violated the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authoring any county, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has ever been declared with respect to the District.

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

THE SCHOOL DISTRICT

General Information

The North Collins Central School District is a small rural district located 22 miles south of Buffalo, New York on Route 62. The District covers approximately 58 square miles. The District's facilities are located on two campuses, the Elementary School (Grades Pre-K-6) and the Jr.-Sr. High School (Grades 7-12). The District is served by an excellent network of State highways, providing access to the New York State Thruway at Exit 57A, approximately six miles to the North. The District is a mixture of residential and agricultural areas with many of its residents commuting to nearby areas for employment. Other residents are employed in agriculture with fruit farms, dairy farms and nursery farms. Water and sewer services are provided primarily by the Village of North Collins. Electricity, natural gas and telephone service are provided by the Niagara Grid, National Fuel Gas and Verizon New York Inc., respectively. Part-time police protection is provided by the Village of North Collins, supplemented by the County Sheriff's Department and the New York State Police. Fire protection and ambulance service are provided each by its own volunteer organization. The District provides public education for grades Pre-K-12. Opportunities for higher education include SUNY at Buffalo and many colleges and universities in and around the Buffalo area. The North Collins Central School is enrolled in the "3-1-3" program with SUNY Fredonia and also offers several college level Advanced Placement courses.

District Population

The 2018 population of the School District is estimated to be 4,187. (Source: 2018 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 include the District are the Towns, Village and County listed below. The figures set below with respect to such Towns, Village, County and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns, Village, County or State are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2014-2018	2000	2006-2010	2014-2018
Towns Of:						
Brant	$19,803	$24,215	$31,322	$47,130	$60,473	$56,625
Collins	14,082	14,908	19,056	45,647	54,261	71,146
Concord	19,477	23,650	30,047	49,848	55,202	68,750
Eden	23,060	28,379	35,082	60,640	73,675	86,927
Evans	19,122	26,968	32,374	50,765	67,734	78,750
North Collins	19,253	26,168	25,948	50,781	55,984	73,403
Village of:						
North Collins	16,528	21,362	24,720	47,679	54,583	60,938
County Of:						
Erie	20,357	26,378	32,795	49,490	63,404	75,761
State Of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2014-2018 American Community Survey Estimates are not available as of the date of this Official Statement

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2014-2018 American Survey data.

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Economic Developments

A new Tractor Supply store opened in October of 2019 within the District. A new Crosby gas station is scheduled to open in 2020.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Elementary School	Pre-K-6	1958	592	2009
Junior/Senior High School	7-12	1936	572	2009

Source: District Officials

District Employees

The School District employs 122 full-time employees and 16 part-time employees. The number of members, the collective bargaining units which represent them and their current contract expiration dates are as follows:

Employees	Bargaining Unit	Expiration Date
75	United Teachers	6/30/2022
57	Civil Service Employees Association	6/30/2021

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2015-16	611	2020-21	604
2016-17	607	2021-22	600
2017-18	596	2022-23	597
2018-19	609	2023-24	593
2019-20	581	2024-25	595

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. 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 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.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.

• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, legislation was signed into law that created a new Tier VI pension program. The Tier VI plan only applies to those employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% to 6% of salary; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under previous tiers, there was no limit to the number of public employers a public employee worked for from which retirement benefits could be calculated. Tier VI permits only two salaries to be included in the calculation. The pension multiplier for Tier VI is 1.75% for the first 20 years of service and 2% thereafter; Vesting will occur after 10 years of service. The final average salary is based on a five-year average instead of the previous Tiers' three-year average. Pension eligible overtime for civilian and non-uniformed employees will be capped at $15,000, indexed for inflation. For uniformed employees outside of New York City, the cap is set at 15% of base pay. The number of sick and leave days that can be applied toward retirement service credit is reduced from 200 to 100. The legislation includes an optional defined contribution plan for new non-union employees with annual salaries of $75,000 or more. The State is required to fund any pension enhancements on an ongoing basis. This is a potential future cost savings for local governments.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2019-20 fiscal years are as follows:

Fiscal Year	ERS	TRS
2014-2015	$ 279,924	$ 745,387
2015-2016	232,011	601,864
2016-2017	245,404	565,528
2017-2018	233,283	481,003
2018-2019	240,840	534,145
2019-2020 (Budgeted)	278,884	482,414

Source: District records

Retirement Incentive Program – 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 does not currently have early retirement incentive programs for its employees.

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 (2016 to 2020) is show below:

Fiscal Year	ERS	TRS
2015-2016	18.2%	13.26%
2016-2017	15.5	11.72
2017-2018	15.3	9.80
2018-2019	14.9	10.62
2019-2020	14.6	8.86

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

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

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State’s 2019-2020 Enacted Budget allows school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year.

As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund

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-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75 - 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. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated June 30, 2018 and financial data as of June 30, 2019, the School District's beginning year total OPEB liability was $1,839,609, the net change for the year was $25,248 resulting in a total OPEB liability of $1,864,857 for a fiscal year ending June 30, 2019. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2019 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Crescent	Manufacturing	137
North Collins Central School District	Public Education	136
E&D Specialty Stands, Inc.	Manufacturing	53
American Wire Tie	Manufacturing	31
Save-A-Lot	Discount Grocery Store	25

Source: District Officials

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 the County. The data set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the District is necessarily representative of the County or vice versa.

Year	County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2015	5.3%	5.3%	5.3%
2016	4.9%	4.9%	4.9%
2017	5.1%	4.7%	4.1%
2018	4.4%	4.1%	3.9%
2019	4.3%	4.0%	3.7%

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

Note: Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. See "COVID-19" herein.

2019-20 Monthly Figures

	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Erie County	3.7%	4.0%	4.5%	4.4%	3.9%	4.0%	4.1%	4.6%	4.9%	4.7%	5.0%	N/A
New York State	3.6%	3.8%	4.2%	4.1%	3.6%	3.7%	3.6%	3.7%	4.1%	3.9%	4.4%	N/A

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

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the GML, the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, obligations of the District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

The Board of Education of the District (the "Board") 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.

Form of School Government

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

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

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

Budgetary Procedures

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

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

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

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

The School District's budget for the 2019-20 fiscal year was adopted by the qualified voters of the School District on May 21, 2019 by a vote of 131 to 30. Such 2019-20 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020; however, annual school budget votes across the State have been rescheduled for June 9, 2020 under an Executive Order from Governor Andrew Cuomo that extends and expands restrictions aimed at limiting the spread of COVID-19. Such vote will be conducted entirely by absentee ballot. See "COVID-19" herein for further discussion.

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

State Aid

The School District receives financial assistance from the State. In its adopted budget for the 2019-20 fiscal year, approximately 53.80% of the revenues of the School District are estimated to be received in the form of State aid. If the State should experience difficulty borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, should the State budget not be adopted in a timely manner, municipalities and school districts in the State, including the School 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 School 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.

The Tax Cuts and Jobs Act also made extensive changes to the deductibility of various taxes, including placing a cap of $10,000 on a taxpayer's deduction of state and local taxes (the "SALT Deduction Limitation"). While it cannot yet be predicted what precise effects the SALT Deduction Limitation will have for the State, it is possible that government officials at both the State and local level may find it politically more difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

Potential reductions in federal aid received by the State - The State receives a substantial amount of federal aid for education. However, the State's current financial projections concerning federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about proposals for federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), federal regulatory reform, and other issues that may arise, including the diversion of federal resources to address the current COVID -19 outbreak.

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

The Enacted 2020-2021 State Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. If federal support is reduced by $850 million or more, the State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

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

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

State Aid History - The State’s 2016-2017 Budget included a school aid increase of $991 million over 2015-2016, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the Enacted 2016-2017 State Budget included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment (the “GEA”). The majority of the remaining increase ($100 million) related to Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. Such funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

The State's 2017-18 Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State's 2017-18 Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

The State's 2018-19 Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid was $26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid now totals nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase "set aside" for certain school districts to fund community schools. The State's 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid.

These categories serve as State reimbursements for school district expenses made in the prior year, based on school district specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19.

The State's 2019-20 Budget includes a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-20 Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

The State's 2020-21 Budget freezes the Foundation aid payable to school districts at the 2019-20 levels, resulting in a flat amount of $27.9 billion of educational aid. Expense-based aids to support school construction, pupil transportation, BOCES and special education have been continued in full, as has been customary in recent years. In addition, the enacted budget allows for a reduction in aid as a "Pandemic Adjustment" equal to the amount of Federal stimulus sent to school districts to help offset increased expenditures due to the COVID-19 pandemic.

The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April, the budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of $10-15 billion in the coming year.

To mitigate such a potential gap, the State's adopted budget for the fiscal year ending March 31, 2021 allows the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 – April 30, May 1 – June 30, and July 1 – December 31), tax receipts are lower than anticipated or disbursements from the State's general fund are higher than anticipated. In such a scenario, the State Budget Director will develop a plan to make spending reductions. The State Budget Director's plan would take effect automatically unless the Legislature passes its own plan within ten days. It is theoretically possible for such reductions to later be restored under certain circumstances.

On April 25, 2020 the State Division of the Budget announced the release of the State's Fiscal Year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), which projects a $13.3 billion (14%) shortfall in revenue from the Executive budget Forecast that was released in January and estimates a $61 billion decline in State revenues through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by $10.1 billion from the Executive Budget. This represents a $7.3 billion reduction in State spending from FY 2020 levels. As of the date of the Official Statement, the State Division of the Budget has not released specifics about cuts to education aid overall or how these cuts will be allocated State-wide among the State's school districts. State officials are lobbying Congress for substantial direct financial relief to states and localities, and the $3 trillion "HEROES" Act that has been adopted by the House or Representatives on May 15, 2020 would provide substantial relief to the State and to the District. The HEORES Act has not been taken up by the Senate as of yet and the President has threateneted to veto the bill unless it is substantially re-negotiated. At this point the extent of COVID-19-related direct Federal financial relief, if any, to states, localities and school districts cannot be predicted. Reductions in the payment of State aid could adversely affect the financial condition of the school districts in the State, including the District.

See "COVID-19," herein, for further details on the COVID-19 pandemic and its effects on the State.

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

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

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

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

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2014-2015	$ 13,535,251	$ 7,178,015	53.03%
2015-2016	14,785,086	8,084,219	54.68
2016-2017	14,775,337	8,170,794	55.30
2017-2018	15,312,698	8,732,606	57.03
2018-2019	15,507,251	8,867,938	57.19
2019-2020 (Budgeted)	14,803,721	7,964,221	53.80

Source: Audited financial statements for the 2014-2015 fiscal year through the 2018-2019 fiscal year and the adopted budget of the District for the 2019-2020 fiscal year. This table is not audited.

Fiscal Stress Monitoring

The New York State Comptroller 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 School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include 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 reports of State Comptroller for the past four fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2019	No Designation	0.0
2018	No Designation	11.7
2017	No Designation	0.0
2016	No Designation	0.0

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

New York State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the District on August 5, 2016. The purpose of the audit was to review the District’s management of financial activities for the period July 1, 2012 through February 9, 2016.

Key Findings

- The Board and District officials did not adopt reasonable budgets or ensure that fund balance and reserves were managed in accordance with statutes.
- The District used a contingency account within the budget annually, which is not permitted.
- The District has not established plans regarding the purpose, use and replenishment of funds for any of its reserves.

Key Recommendations

- Develop realistic estimates of appropriations and the use of fund balance and reserves in the annual budgets.
- Discontinue the use of a contingency account within the annual budget.
- Develop a written policy indicating how much money will be reserved, how each reserve will be funded and when the balances will be used to finance related costs.

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

There are no State Comptroller's audits of the District that are currently in progress or pending release.

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

Other Information

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

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

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

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2019 and may be found attached hereto as Appendix B

The District complies with the Uniform System of Accounts as prescribed for school districts in New York 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 National Committee on Government Accounting.

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended June 30:

	2016	2017	2018	2019	2020
Assessed Valuations:					
Brant	$ 27,253,580	$ 27,507,793	$ 26,954,608	$ 27,121,228	$ 27,118,889
Collins	6,554,893	6,417,706	6,399,161	6,493,617	6,542,376
Concord	14,069,017	14,051,811	14,116,489	27,440,950	27,536,873
Eden	618,548	619,208	619,340	617,889	617,443
Evans	6,052,661	6,114,953	6,108,726	6,067,829	6,021,938
North Collins	159,754,156	158,843,372	158,912,851	160,811,633	161,971,431
Total	$ 214,302,855	$ 213,554,843	$ 213,111,175	$ 228,553,146	$ 229,808,950
Equalization Rates:					
Brant	87.00%	82.00%	79.00%	78.00%	76.00%
Collins	60.00%	59.00%	56.00%	54.00%	54.00%
Concord	44.00%	44.00%	41.00%	41.00%	40.00%
Eden	64.00%	64.00%	63.00%	59.00%	57.00%
Evans	93.00%	93.00%	87.00%	87.00%	82.00%
North Collins	90.00%	86.00%	83.00%	80.00%	80.00%
Full Valuations:					
Brant	$ 31,325,954	$ 33,546,089	$ 34,119,757	$ 34,770,805	$ 35,682,749
Collins	10,924,822	10,877,468	11,427,073	12,025,217	12,115,511
Concord	31,975,039	31,935,934	34,430,461	66,929,146	68,842,183
Eden	966,481	967,513	983,079	1,047,269	1,083,233
Evans	6,508,238	6,575,218	7,021,524	6,974,516	7,343,827
North Collins	177,504,618	184,701,595	191,461,266	201,014,541	202,464,289
Total	$ 259,205,151	$ 268,603,817	$ 279,443,161	$ 322,761,495	$ 327,531,791

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2016	2017	2018	2019	2019
Brant	$ 25.86	$ 27.72	$ 24.02	$ 21.58	$ 21.81
Collins	37.50	38.53	33.88	31.16	30.69
Concord	51.14	51.66	46.28	41.05	41.43
Eden	35.16	35.52	30.12	28.52	29.07
Evans	24.19	24.44	21.81	19.34	20.21
North Collins	25.00	26.43	22.86	21.04	20.72

Tax Collection Procedure

School taxes are due by October 15 without penalty. There is a 7.5% penalty added to payments from October 18 through October 31, and a 9% penalty added to payments made in November. The last day for payment is December 1. On December 5 all unpaid taxes are turned over to the County Treasurer for relevy on County/Town tax rolls unless paid to the County by December 31.

The District is reimbursed by the County for all unpaid taxes, with the exception of holdbacks for court orders or assessment changes, in April of each year and is thus assured of 100% collection of its annual levy.

Tax Collection Record

Fiscal Year Ended June 30:

	2015	2016	2017	2018	2019	2020*
Total Tax Levy	$5,166,082	$5,249,933	$5,249,933	$5,301,907	$5,431,649	$5,428,000
Amount Uncollected	144,140	121,912	118,651	137,161	137,609	158,430
% Uncollected	2.79%	2.32%	2.26%	2.59%	2.53%	2.91%

*Tax Collection Figures as of 10/31/2019

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2014-2015	$ 13,535,251	$ 4,203,080	31.05%
2015-2016	14,785,086	4,282,168	28.96
2016-2017	14,775,337	4,311,337	29.18
2017-2018	15,312,698	4,407,017	28.78
2018-2019	15,507,251	4,643,523	29.94
2019-2020 (Budgeted)	14,803,721	5,428,000	36.67

Source: Audited financial statements for the 2014-15 fiscal year through 2018-19 fiscal year and the adopted budget of the District for the 2019-2020 fiscal year. This table is not audited.

Major Taxpayers 2019

For 2019-20 Tax Roll

Name	Type	Assessed Value
National Fuel Gas	Utility	$33,239,766
Niagara Mohawk	Utility	3,020,160
National Grid	Utility	2,395,702
Crescent Marketing Inc	Commercial	2,050,000
Gabel, William	Agricultural	1,750,820
Phillips, Clark	Agricultural	1,665,600
Upstate Cellular	Utility	1,105,000
SJB Properties LLC	Commercial	1,100,000
Winters Rigging	Commercial	786,600
Aqua Sky LLC	Commercial	730,000
Total		$47,843,648

1. The above taxpayers represent 4.803% of the School District's 2019-20 Assessed value of $229,808,950.

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, 2019 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.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

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

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 (the "Tax Levy Limitation Law") was signed into law by the Governor. The Tax Levy Limitation Law modified current law by imposing a limit on the amount of real property taxes that a school district may levy. Such limit affected school district tax levies for the school district fiscal year beginning July 1, 2012.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016 to June 15, 2020. The State's enacted budget for the fiscal year ending March 31, 2020 made the Tax Levy Limitation Law permanent.

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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").

The Tax Levy Limitation Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes 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 CPI, as described in the Law. Tax levies that do 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 tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes. The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 202-21 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded through a board of cooperative education services ("BOCES").

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual 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 contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. 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 and such required annual installments on its notes.

Debt Limit the District has the power to contract indebtedness for any school district purpose so long as the 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. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

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 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 specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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

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

1. (a) Such obligations are authorized for an object or purpose of which the District is not authorized to expend money; or

   (b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with;

   and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication or the notice; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

The District typically complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance of such notes and provided that such renewal issues do not exceed five years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Serial Bonds	$7,050,000	$5,785,000	$4,480,000	$3,125,000	$1,730,000
Total Debt Outstanding	$7,050,000	$5,785,000	$4,480,000	$3,125,000	$1,730,000

Status of Outstanding Bond Issues

Year of Issue:	2008
Amount Issued:	$4,901,690
Purpose/Instrument:	Construction/Serial Bond

Fiscal Year Ending June 30:	Principal	Interest
2020	$ 410,000	$ 68,175
2021	425,000	52,800
2022	440,000	35,800
2023	455,000	18,200
Totals:	$ 1,730,000	$ 174,975

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2020	410,000	68,175	478,175	25.10%
2021	425,000	52,800	477,800	50.18%
2022	440,000	35,800	475,800	75.16%
2023	455,000	18,200	473,200	100.00%
Totals:	$ 1,730,000	$ 174,975	$ 1,904,975	

Cash Flow Borrowings

The District has no Tax Anticipation Notes or Revenue Anticipation Notes outstanding and has not issued any in recent years. The District does not anticipate issuing such notes in the current fiscal year.

Status of Short-Term Indebtedness

The School District has no outstanding short-term indebtedness as of the date of this Official Statement

Capital Project Plans

The District voters approved a $10,380,000 Capital Project on December 11, 2018 by a vote of 88 to 22. This project will consist of building repairs, heating, instruction and safety. Construction began in Spring 2020 and is expected to be complete in the fall. This is the first issuance against such authorization.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the School District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The School District has not applied for a Building Aid Estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 81.5%.

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.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of June 2, 2020

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Brant	$ 27,118,889	76.00%	$ 35,682,749
Collins	6,542,376	54.00%	12,115,511
Concord	27,536,873	40.00%	68,842,183
Eden	617,443	57.00%	1,083,233
Evans	6,021,938	82.00%	7,343,827
North Collins	161,971,431	80.00%	202,464,289
			$ 327,531,791

Debt Limit: 10% of Full Valuation		$ 32,753,179
Inclusions:		
Serial Bonds		$ 1,730,000
Total Inclusions:		$ 1,730,000
Exclusions:		
Building Aid Estimate [1]		$0
Total Exclusions:		$0
Total Net Indebtedness Before Giving Effect to This Issue:		$ 1,730,000
This Issue	$ 7,880,000	
Proceeds to Be Used to Renew Indebtedness Listed Under Inclusions	0	$ 7,880,000
Total Net Indebtedness After Giving Effect to This Issue		$ 9,610,000
Net Debt Contracting Margin		$ 23,143,179
Percentage of Debt-Contracting Power Exhausted		29.34%

Notes: 1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Erie	$ 327,531,791					
County	$ 58,098,573,861	0.56%	$ 627,561,725	N/A	$ 627,561,725	$ 3,537,891
Town of	$ 35,682,749					
Brant	$ 152,537,477	23.39%	291,853	N/A	291,853	68,273
Town of	$ 12,115,511				-	
Collins	$ 238,624,766	5.08%	1,040,500	N/A	1,040,500	52,829
Town of	$ 68,842,183					
Concord	$ 610,237,220	11.28%	2,350,161	N/A	2,350,161	265,127
Town of	$ 1,083,233					
Eden	$ 537,510,163	0.20%	16,275,000	N/A	16,275,000	32,799
Town of	$ 7,343,827				-	
Evans	$ 1,010,536,059	0.73%	18,614,987	N/A	18,614,987	135,280
Town of	$ 202,464,289					
North Collins	$ 203,135,075	99.67%	-	N/A	-	-
Village of	$ 43,594,799					
North Collins	$ 43,594,799	100.00%	5,172,721	N/A	5,172,721	5,172,721
Total						$ 9,264,918

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2018

Notes: 1 Bonds and Bond Anticipation notes as of 2018 fiscal year. Not adjusted to include subsequent bond and note sales

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 2, 2020:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness	$ 9,610,000	$ 2,295.20	2.934%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 18,874,918	$ 4,507.98	5.763%

(a) The District's estimated population is 4,187 (Source: 2018 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2019-20 is $327,531,791.

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

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic, but some economists have predicted that the short-term economic fallout will be worse than the 2008-09 global financial crisis. The World Trade Organization has estimated that world trade will fall by between 13% and 32% in 2020, and news outlets have reported on possibilities of supply chain problems as the pandemic spreads to different countries around the world.

While initially the hospitality and tourism industries were hardest hit, there is now widespread unemployment across all economic sectors in the United States. During the ten week period from March 15 through May 23, 2020, approximately 40.7 million Americans filed for unemployment.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide much-needed liquidity, but the markets have experienced significant volatility, and such volatility may continue. Given these conditions, it is possible that the process of trading the Notes in the secondary market could be affected in ways that are difficult to predict. Although the secondary trading market has stabilized after some significant disruptions in the immediate wake of the COVID-19 pandemic, and is benefiting from federal intervention in support of the municipal bond markets, the markets remain highly reactive to the unprecedented recent economic and political events. Accordingly, investors in the Notes may experience difficulty trading the Notes on satisfactory terms.

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the $2.3 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which attempt to address financial stability and liquidity issues through a variety of stimulus measures.

Stimulus Measures for Individuals and Businesses: Individual taxpayers who meet certain income limits will receive direct cash payments from the federal government. Unemployment rules have been changed to allow self-employed workers, independent contractors and others who would not normally qualify to receive benefits, and unemployment insurance recipients will receive an additional $600 per week payment for up to four months.
Businesses will benefit from various federal tax law changes, including a payroll tax credit. Air carriers and businesses critical to national security are eligible for direct loans and loan guarantees from the Treasury, and the Federal Reserve has received financial support for its lending programs. Smaller businesses have been incentivized to keep workers in their jobs through the Paycheck Protection Program (offering short-term loans that can be forgiven in whole or in part).

Stimulus Efforts for State and Local Governments: The CARES Act includes a $150 billion Coronavirus Relief Fund, which provides funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations can receive monies from the amount allocated to their state). This money is intended for programs that are necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money is not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it may indirectly assist with revenue shortfalls in cases where the expenses that are being covered by this fund would otherwise create a further budget shortfall. Because this money is targeted to larger governmental units, it is unlikely that the District will stand to benefit directly from this program.

The CARES Act also includes an Education Stabilization Fund, which provides $30.75 billion for K-12 and higher education systems. There are three main forms of relief: $13.2 billion for K-12 schools that will be administered on a state-by-state basis, $14 billion for public and private colleges and universities, and $3 billion in emergency relief that governors may distribute to schools, colleges and universities that have been particularly affected by COVID-19 and the ensuing crisis.
Municipal Liquidity Facility: The Federal Reserve is establishing a new "Municipal Liquidity Facility" ("MLF") that will offer up to $500 billion in direct federal lending. Under its original authorization, the MLF could purchase certain short-term debt from states, counties with at least two million residents and cities with at least one million residents. On April 27, the Federal Reserve Board announced that the list of MLF-eligible issuers would be expanded to include counties with a population of at least 500,000 residents and cities with at least 250,000 residents. Importantly, these larger issuers are able to use their own loan proceeds to make loans to smaller governmental units that would not otherwise qualify for this program. Proceeds may be used to help manage the cash flow impact of income tax deferrals resulting from an extension of income tax filing deadlines, potential reductions of tax and other revenues or increases in expenses related to or resulting from the pandemic, and requirements for the payment of principal and interest on outstanding obligations. It is not yet clear whether New York State will borrow from the MLF. If it does borrow, there is no mechanism or arrangement currently in place for the State to make loans to smaller governments within the State, although the MLF program does authorize this. It is uncertain at this point the extent to which, if at all, the District might ultimately be able to access short-term MLF loan funding through the State.

State Response

Executive orders: Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic, including various mandates requiring "non-essential" employees to work from home. As of March 22, 100% of such "non-essential" employees were mandated to work from home or take leave without accruals. Entities providing essential services or functions are not subject to the in-person work restriction, but may only operate at the minimal level necessary to provide such service or function. Local governments are exempt from the 100% requirements, however, they are required to have no more than 50% of employees working in-person.

As of May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening. The Western region (in which the District is located) was allowed to begin reopening on Tuesday, May 19, 2020. Accordingly, in such regions the reductions and restrictions on the in-person workforce at non-essential businesses or other entities no longer apply to "Phase One" industries (i.e., Construction, Agriculture, Forestry, Fishing and Hunting, Retail [limited to curbside or instore pickup or drop off], Manufacturing, and Wholesale Trade). The Western region of the State is officially in "Phase Two" of reopening as of June 2, 2020. In this phase, professional services, retail, administrative support, and real estate activities may resume with certain restrictions.

Pursuant to State Executive Order 202.4, every school in the State was directed to close no later than March 18, 2020. While schools were originally ordered closed until April 1, the time period was later extended to May 15, and then through the end of the school year. Districts must normally maintain 180-day in-class attendance for State aid; however, this requirement has been waived to the extent attributable to COVID-19 related closures during the 2019-20 school year. Additionally, pursuant to State Executive Order No. 202.13, the District elections and budget votes that normally would have been held on May 19, 2020 have been postponed until June 9.

State budget: The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of $10-$15 billion in the coming fiscal year.

To mitigate such a potential gap, the State's adopted budget for the fiscal year ending March 31, 2021 allows the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 - April 30, May 1- June 30, and July 1 - December 31), tax receipts are lower than anticipated or disbursements from the State's general fund are higher than anticipated. In such a scenario, the State Budget Director will develop a plan to make spending reductions. The State Budget Director's plan would take effect automatically unless the Legislature passes its own plan within ten days. It is theoretically possible for such reductions to later be restored under certain circumstances.

On April 25, 2020, the State Division of the Budget announced the release of the State's Fiscal Year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), which projects a $13.3 billion (14%) shortfall in revenue from the Executive Budget Forecast that was released in January and estimates a $61 billion decline in State revenues through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by $10.1 billion from the Executive Budget. This represents a $7.3 billion reduction in state spending from FY 2020 levels.

As of the date of this Official Statement, the State Division of the Budget has not released specifics about potential cuts to education aid overall or how any such cuts would be allocated State-wide among school districts. State officials are lobbying Congress for substantial direct financial relief to states and localities, and the $3 trillion "HEROES" Act that has been adopted by the House of Representatives on May 15, 2020 would provide a substantial amount of relief to the State and to the District. The HEROES Act has not been taken up by the Senate as yet and the President has threatened to veto the bill unless it is substantially re-negotiated. At this point the extent of COVID-19-related direct federal financial relief, if any, to states, localities and school districts cannot be predicted. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic will almost certainly have a significant adverse effect on the District's finances. If the State has a further budget shortfall as stated above, there may be a delay and/or reduction in the State aid received by the District, which would have a negative impact on the District's finances and operations. The District is continuing to monitor this situation and will attempt to mitigate any such adverse effects through program cuts or staffing reductions as needed.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. One such risk is that the District will be unable to promptly pay interest and principal on the Notes as they become due (see "Remedies of Noteholders on Default," herein). If a Noteholder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

There are a number of factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected revenue increase in tax certiorari proceedings could result in a reduction in the assessed valuation of taxable real property in the District. In addition, to the extent that the District is dependent on State aid, there can be no assurance that such aid will be continued in the future. Unforeseen developments could also result in substantial increases in District expenditures, thus placing considerable strain on the District's financial condition.

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

If and when a holder of any Note should elect to sell a Note 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 of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise. The price of a Note will decline, causing the Noteholder to incur a capital loss upon the sale of such Note (unless such Note is held to maturity).

On December 22, 2017, President Trump signed into law the significant tax reform legislation that is generally referred to as the "Tax Cuts and Jobs Act of 2017" (the "TCJA"). The TCJA made significant changes to the Code, most of which became effective for the 2018 tax year. The TCJA made extensive changes to the deductibility of various taxes, including placing a cap of $10,000 on a taxpayer's deduction of state and local taxes (the "SALT Deduction Limitation"). While it cannot yet be predicted what precise effects the SALT Deduction Limitation will have for the State, it is possible that government officials at both the State and local level may find it politically more difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

Further amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by District. Which it is impossible to predict at this time what, if any, tax reform legislation will be proposed or enacted, any such future legislation could have an adverse effect on the market value of the Notes (see "Tax Exemption," herein).

Disease outbreaks or similar public health threats could have an adverse impact on the District's financial condition and operating results. The outbreak of COVID-1, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization on March 11, 2020. See "COVID-19" herein for a further discussion of the impacts of the COVID-19 pandemic, which is expected to have a significant adverse effect on the District's finances.

TAX EXEMPTION

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel will deliver an opinion that, under existing law, the interest on the Notes is excluded from gross income, of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes. Such opinion will state that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof (including the City of New York).

In rendering the foregoing opinion, Hodgson Russ LLP will note that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to among other things, continuing compliance by the District with the applicable requirements of Sections 141, 148 and 149 of the Code and regulations promulgated thereunder (collectively, the "Tax Requirements"). In the opinion of Hodgson Russ LLP, the tax certificate and the non-arbitrage certificate that will be executed and delivered by the District in connection with the issuance of the Notes (collectively, the "Certificates") establish the requirements and procedures, compliance with which will satisfy the Tax Requirements applicable to the Notes.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1. The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;

2. The requirement contained in Code Section 148 relating to arbitrage bonds; and

3. The requirement the payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Section 149(b) of the Code.

In the Certificates, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporation, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Notes under Code Section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Notes from gross income for federal income tax purposes.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions and proposals for future changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes. Prospective purchasers are encouraged to consult their own legal and tax advisors with respect to these matters.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the School District, such opinion to be delivered with the Notes.

DISCLOSURE UNDERTAKING

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, unless the Notes are purchased for the purchaser’s own account, as principal for investment and not for resale, the School District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as “Appendix C”.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The School District has established procedures designed to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District.

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

BOND RATING

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

S&P Global has assigned a rating of “A+” to the outstanding bonds of the District. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the District.

MUNICIPAL ADVISOR

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

MISCELLANEOUS

The execution and delivery of this Official Statement have been duly authorized by the Board. Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness or fairness, the District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the District and no material adverse changes in the general affairs of the District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. 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. R.G. Timbs, 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 School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website

The School District's contact information is as follows: Scott J. Taylor, Superintendent, phone: (716) 337-0101 x1300; email: staylor@northcollinscsd.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 x5 or at www.RGTimbsInc.net.

North Collins Central School District

Dated: June 11, 2020
North Collins, New York

Shannon McGrath-Locking
President of the Board of Education
And Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019	Budget 2020	
Beginning Fund Balance - July 1	$5,936,528	$6,100,972	$7,053,096	$7,201,561	$7,462,528	$7,943,505	E
Revenues:							
Real Property Taxes	$4,203,080	$4,282,168	$4,311,337	$4,407,017	$4,643,523	$5,428,000	
Other Tax Items	982,542	984,567	957,433	914,721	809,665	4,000	
Non-Property Tax Items	679,047	702,069	717,185	736,666	741,355	725,000	
Charges for Services	90,465	91,339	71,591	84,767	86,840	36,500	
Use of Money & Property	104,669	97,254	98,242	110,833	143,131	489,750	
Sale of Property/Comp. for Loss	2,980	17,347	15,743	5,481	9,688	1,250	
Miscellaneous	99,461	225,147	203,416	136,645	122,539	105,000	
State Aid	7,178,015	8,084,219	8,170,794	8,732,606	8,867,938	7,964,221	
Federal Aid	24,968	31,532	62,882	18,940	17,698	50,000	
Interfund Transfer	170,024	269,444	166,714	165,022	0	64,874	
Total Revenues	$13,535,251	$14,785,086	$14,775,337	$15,312,698	$15,442,377	$14,868,595	
Expenditures:							
General Support	$1,582,613	$1,845,287	$1,951,199	$2,014,961	$1,913,417	$2,198,873	
Instruction	6,652,741	6,870,416	7,345,489	7,560,514	7,489,779	8,242,883	
Transportation	999,740	1,021,524	1,066,924	1,262,530	1,136,104	1,435,453	
Community Services	0	0	0	0	0	0	
Employee Benefits	2,637,138	2,595,585	2,762,785	2,704,201	2,915,100	3,204,770	
Debt Service	1,498,575	1,500,150	1,500,475	1,509,525	1,507,000	478,175	
Interfund Transfer	0	0	0	0	0	142,000	
Total Expenditures	$13,370,807	$13,832,962	$14,626,872	$15,051,731	$14,961,400	$15,702,154	
Adjustments	0	0	0	0	0	0	
Year End Fund Balance	$6,100,972	$7,053,096	$7,201,561	$7,462,528	$7,943,505	$7,109,946	E
Excess (Deficit) Revenues Over Expenditures	$164,444	$952,124	$148,465	$260,967	$480,977	($833,559)	1

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated Fund Balance is planned to be used

E. Estimated

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Assets:					
Cash and Cash Equivalents	$5,991,274	$6,804,644	$7,114,013	$7,113,354	$7,832,393
Due from Other Governments	596,385	605,772	636,639	679,598	721,893
State & Federal Aid Receivable	139,258	219,367	135,415	235,600	143,230
Due from Other Funds	437,977	280,268	220,219	310,788	218,034
Total Assets	$7,164,894	$7,910,051	$8,106,286	$8,339,340	$8,915,550
Liabilities:					
Accounts Payable & Accrued Liabilities	$6,318	$911	$70,318	$141,045	$109,027
Due to Retirement Systems	1,057,604	856,044	834,407	735,767	798,143
Total Liabilities:	$1,063,922	$856,955	$904,725	$876,812	$907,170
Fund Balances:					
Restricted	4,311,798	5,161,974	5,278,182	6,212,041	6,446,018
Assigned	1,168,596	1,237,165	1,317,676	577,652	934,276
Unassigned	620,578	653,957	605,703	672,835	628,086
Total Fund Balance	$6,100,972	$7,053,096	$7,201,561	$7,462,528	$8,008,380
Total Liabilities and Fund Balance	$7,164,894	$7,910,051	$8,106,286	$8,339,340	$8,915,550

Source: Audited Annual Financial Reports. This table is NOT audited.

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2019

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained

NORTH COLLINS CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2019

NORTH COLLINS CENTRAL SCHOOL DISTRICT

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June 30, 2019

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

INDEPENDENT AUDITORS' REPORT

The Board of Education
North Collins Central School District

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

Management's Responsibility for the Financial Statements

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

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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the 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 10, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lumsden & McCormick, LLP

September 10, 2019

North Collins Central School District
Management's Discussion and Analysis
June 30, 2019
(Unaudited)

Introduction

Management's Discussion and Analysis (MD&A) of North Collins Central School District (the District) provides an overview of the District's financial activities and performance for the year ended June 30, 2019. The information contained in the MD&A should be considered in conjunction with the information presented as part of the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) agency fund statements; (5) notes to the financial statements; and (6) supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Agency funds are used to account for resources held for the benefit of parties outside the District. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and governmental fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles and the New York State Education Department.

Condensed Statement of Net Position		2019		2018		Change $	Change %
Current assets	$	9,013,000	$	8,821,000	$	192,000	2.2%
Net pension asset		539,000		229,000		310,000	135.4%
Capital assets		13,997,000		14,347,000		(350,000)	(2.4%)
Total assets		23,549,000		23,397,000		152,000	0.6%
Deferred outflows of resources		3,298,000		3,702,000		(404,000)	(10.9%)
Long-term liabilities		4,102,000		5,315,000		(1,213,000)	(22.8%)
Other liabilities		914,000		888,000		26,000	2.9%
Total liabilities		5,016,000		6,203,000		(1,187,000)	(19.1%)
Deferred inflows of resources		895,000		1,279,000		(384,000)	(30.0%)
Net position							
Net investment in capital assets		12,267,000		11,193,000		1,074,000	9.6%
Restricted		6,521,000		6,661,000		(140,000)	(2.1%)
Unrestricted		2,148,000		1,763,000		385,000	21.8%
Total net position	**$**	**20,936,000**	**$**	**19,617,000**	**$**	**1,319,000**	**6.7%**

Net position amounted to $20,936,000 and $19,617,000 as of June 30, 2019 and 2018. The largest portion of the District's net position is its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used, which includes reserves set aside for specific purposes governed by laws and regulations. These items consist of the capital reserve, which is set aside to pay for future renovations and bus purchases as approved by the District's voters; an employee benefit accrued liability reserve, which is restricted to pay for future accumulated sick and vacation time; and a repair reserve, which is restricted for emergency repairs to the District's capital assets. Other restricted resources include the retirement contribution, property loss and liability, unemployment insurance, and debt service reserves.

Total assets increased by $152,000 ($294,000 decrease in 2018) primarily as a result of increases in the net pension asset and current assets, offset by decreases in capital assets of $350,000, as depreciation expense exceeded capital spending. The net pension asset represents the District's proportionate share of the New York State Teachers' Retirement System (TRS) net pension position. The increase is primarily the result of actual versus expected investment earnings used in calculation of the TRS total pension liability.

Long-term liabilities decreased by $1,213,000 ($1,025,000 decrease in 2018) due to required debt service payments of $1,395,000 offset by an increase in the net pension liability of $186,000 for the New York State and Local Employees' Retirement System (ERS).

Changes in deferred outflows and deferred inflows of resources reflect changes in pension activity at the State level which is required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date, and as such are not included in the current net pension position. Deferred outflows of resources and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions.

Condensed Statement of Activities	2019	2018	Change $	%
Revenues				
Program revenues				
Charges for services	$ 243,000	$ 251,000	$ (8,000)	(3.2%)
Operating grants and contributions	704,000	759,000	(55,000)	(7.2%)
General revenues				
Real property taxes	5,453,000	5,322,000	131,000	2.5%
Sales tax	741,000	737,000	4,000	0.5%
Other	177,000	155,000	22,000	14.2%
State aid	8,868,000	8,733,000	135,000	1.5%
Total revenue	16,186,000	15,957,000	229,000	1.4%
Expenses				
Instruction	10,926,000	11,090,000	(164,000)	(1.5%)
Support services				
General support	2,235,000	2,356,000	(121,000)	(5.1%)
Pupil transportation	1,427,000	1,491,000	(64,000)	(4.3%)
Food service	198,000	206,000	(8,000)	(3.9%)
Interest	81,000	114,000	(33,000)	(28.9%)
Total expenses	14,867,000	15,257,000	(390,000)	(2.6%)
Change in net position	1,319,000	700,000	619,000	88.4%
Net position – beginning	19,617,000	18,917,000	700,000	3.7%
Net position – ending	**$ 20,936,000**	**$ 19,617,000**	**$ 1,319,000**	**6.7%**

District revenues increased $229,000 in 2019 (increase of $592,000 in 2018). State aid increased by $135,000 in 2019 ($562,000 in 2018) which included increases in BOCES and Foundation aid. Real property taxes increased by $131,000 in 2019 ($53,000 in 2018).

Total expenses decreased $390,000 in 2019 (increase of $469,000 or 3.2% in 2018) due to cost saving measures put in place by the District.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased from $7,939,000 to $8,102,000 as described below:

- The debt service fund has $75,000 of fund balance, a decrease of $374,000 from 2018, which is restricted for the payment of debt. The decrease is due to the transfer of $376,000 to the general fund to partially fund current year principal and interest payments.
- The general fund experienced excess revenues of $546,000 increasing fund balance to $8,008,000.
- The District began working on a $10,380,000 capital project during 2019 to perform elementary building renovations; $178,000 was spent on this project to date.

General Fund Budgetary Highlights

The revenue budget for 2019 was $15,954,000. Actual revenue was under budget by $512,000 due to a shortfall in use of money and property as budgeted and $186,000 less in State sources.

Actual expenditures and carryover encumbrances were less than the final amended budget by $1,564,000 or 9.4%. The significant variances between actual and final budgeted expenditures occurred in central services, employee benefits, and pupil transportation. These differences are due to conservative budgeting and a conscious effort to manage expenses.

Capital Assets

	2019	2018
Land and land improvements	$ 3,459,000	$ 3,459,000
Buildings and improvements	21,693,000	21,594,000
Furniture and equipment	709,000	641,000
Vehicles	2,256,000	2,356,000
Construction in progress	178,000	-
	28,295,000	28,050,000
Accumulated depreciation	(14,298,000)	(13,703,000)
	$ 13,997,000	**$ 14,347,000**

Current year additions totaling $589,000 (mostly transportation vehicles, other equipment, and construction in progress related to the new capital project) were offset by depreciation of $939,000.

Debt

At June 30, 2019, the District had $1,730,000 in bonds outstanding, with $410,000 due within one year ($3,125,000 outstanding at June 30, 2018). Outstanding compensated absences payable were $155,000, with $33,000 expected to be paid within one year ($143,000 outstanding at June 30, 2018).

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

Current Financial Issues and Concerns

School districts in New York State are impacted by the political pressures imposed on elected officials in funding of education. Year to year changes in funding levels and State aid formulas complicate this process.

The District continues to mitigate the impact of rising costs of education on the overall budget, including using reserve funds as permitted by law to lessen the budget impact. The property tax levy cap is now permanent and will require creative budgeting skills by management and the Board of Education. These issues and concerns require management to plan carefully and prudently to provide the educational resources necessary to meet student needs.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Scott Taylor, Superintendent, North Collins Central School District, 2045 School Street, North Collins, New York 14111.

Statement of Net Position

June 30, 2019
(With comparative totals as of June 30, 2018)

	2019	2018
Assets		
Cash	$ 7,911,216	$ 7,576,561
Due from other governments	721,893	679,598
State and federal aid receivable	365,543	553,204
Inventory	14,869	12,225
Net pension asset	538,530	229,293
Capital assets (Note 4)	28,295,306	28,049,717
Accumulated depreciation	(14,298,307)	(13,702,782)
Total assets	23,549,050	23,397,816
Deferred Outflows of Resources		
Defeasance loss	-	13,371
Deferred outflows of resources related to pensions	3,297,721	3,688,654
Total deferred outflows of resources	3,297,721	3,702,025
Liabilities		
Accounts payable and accrued liabilities	116,310	151,838
Due to retirement systems	798,143	735,767
Long-term liabilities		
Due within one year:		
Bonds	410,000	1,395,000
Compensated absences	33,000	29,000
Due beyond one year:		
Bonds and related premium	1,320,000	1,772,324
Compensated absences	122,000	114,000
Net pension liability	351,713	165,582
Total OPEB liability	1,864,857	1,839,609
Total liabilities	5,016,023	6,203,120
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	894,705	1,279,374
Net Position		
Net investment in capital assets	12,266,999	11,192,982
Restricted	6,521,106	6,661,349
Unrestricted	2,147,938	1,763,016
Total net position	$ 20,936,043	$ 19,617,347

See accompanying notes.

NORTH COLLINS CENTRAL SCHOOL DISTRICT

Statement of Activities

For the year ended June 30, 2019
(With summarized comparative totals for June 30, 2018)

		Program Revenues		Net (Expense) Revenue	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**2019**	2018
Governmental activities					
General support	$ 2,235,118	$ 100,244	$ -	$ (2,134,874)	$ (2,257,369)
Instruction	10,926,009	86,840	562,204	(10,276,965)	(10,393,476)
Pupil transportation	1,427,295	-	-	(1,427,295)	(1,490,574)
Interest expense	81,247	-	-	(81,247)	(114,121)
School food service	198,161	55,916	141,458	(787)	8,865
	$ 14,867,830	$ 243,000	$ 703,662	(13,921,168)	(14,246,675)
General revenues					
Real property taxes				5,453,188	5,321,738
Sales tax				741,355	736,666
Other				177,383	155,465
State aid				8,867,938	8,732,606
Total general revenues				15,239,864	14,946,475
Change in net position				1,318,696	699,800
Net position - beginning				19,617,347	18,917,547
Net position - ending				$ 20,936,043	$ 19,617,347

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2019
(With comparative totals as of June 30, 2018)

	General	Special Aid	Debt Service	Capital Projects	School Lunch	Total Governmental Funds 2019	Total Governmental Funds 2018
Assets							
Cash	$ 7,832,393	$ 3,735	$ 75,088	$ -	$ -	$ 7,911,216	$ 7,576,561
Due from other governments	721,893	-	-	-	-	721,893	679,598
State and federal aid receivable	143,230	211,458	-	-	10,855	365,543	553,204
Due from other funds, net	218,034	-	-	-	-	218,034	310,788
Inventory	-	-	-	-	14,869	14,869	12,225
Total assets	$ 8,915,550	$ 215,193	$ 75,088	$ -	$ 25,724	$ 9,231,555	$ 9,132,376
Liabilities and Fund Balances							
Accounts payable and accrued liabilities	$ 109,027	$ 1,891	$ -	$ -	$ 2,592	$ 113,510	$ 147,238
Due to retirement systems	798,143	-	-	-	-	798,143	735,767
Due to other funds, net	-	213,302	-	-	4,732	218,034	310,788
Total liabilities	907,170	215,193	-	-	7,324	1,129,687	1,193,793
Fund Balances							
Nonspendable:							
Inventory	-	-	-	-	14,869	14,869	12,225
Restricted:							
Capital	3,774,215	-	-	-	-	3,774,215	3,496,033
Employee benefit accrued liability	417,095	-	-	-	-	417,095	423,933
Repair	1,580,081	-	-	-	-	1,580,081	1,570,341
Retirement contribution	329,616	-	-	-	-	329,616	374,195
Property loss and liability	124,045	-	-	-	-	124,045	123,983
Unemployment insurance	220,966	-	-	-	-	220,966	223,556
Debt service	-	-	75,088	-	-	75,088	449,308
Assigned:							
Designated for subsequent year's expenditures	898,433	-	-	-	-	898,433	520,000
Other purposes	35,843	-	-	-	3,531	39,374	72,174
Unassigned	628,086	-	-	-	-	628,086	672,835
Total fund balances	8,008,380	-	75,088	-	18,400	8,101,868	7,938,583
Total liabilities and fund balances	$ 8,915,550	$ 215,193	$ 75,088	$ -	$ 25,724	$ 9,231,555	$ 9,132,376

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2019

Total fund balances - governmental funds		$ 8,101,868
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		13,996,999
The District's proportionate share of the net pension asset and liability as well as pension-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:		
Net pension asset	538,530	
Net pension liability	(351,713)	
Deferred outflows of resources related to pensions	3,297,721	
Deferred inflows of resources related to pensions	(894,705)	2,589,833
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Bonds	(1,730,000)	
Accrued interest	(2,800)	
Compensated absences	(155,000)	
Total OPEB liability	(1,864,857)	(3,752,657)
Net position - governmental activities		$ 20,936,043

See accompanying notes.

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2019
(With summarized comparative totals for June 30, 2018)

	General	Special Aid	Debt Service	Capital Projects	School Lunch	Total Governmental Funds 2019	Total Governmental Funds 2018
Revenues							
Real property taxes	$ 4,643,523	$ -	$ -	$ -	$ -	$ 4,643,523	$ 4,407,017
Real property tax items	809,665	-	-	-	-	809,665	914,721
Nonproperty taxes	741,355	-	-	-	-	741,355	736,666
Charges for services	86,840	-	-	-	-	86,840	84,767
Use of money and property	143,131	-	2,269	-	-	145,400	112,089
Sale of property and compensation for loss	9,688	-	-	-	-	9,688	5,481
Miscellaneous	122,539	-	-	-	530	123,069	137,914
State sources	8,867,938	187,103	-	-	4,274	9,059,315	8,975,284
Federal sources	17,698	357,403	-	-	137,184	512,285	516,613
Sales	-	-	-	-	55,386	55,386	65,900
Total revenues	15,442,377	544,506	2,269	-	197,374	16,186,526	15,956,452
Expenditures							
General support	1,913,416	-	-	-	209,323	2,122,739	2,212,801
Instruction	7,489,779	503,291	-	-	-	7,993,070	8,102,238
Pupil transportation	1,136,104	67,679	-	-	-	1,203,783	1,349,454
Employee benefits	2,915,100	-	-	-	917	2,916,017	2,705,005
Debt service							
Principal	1,395,000	-	-	-	-	1,395,000	1,355,000
Interest	112,000	-	-	-	-	112,000	154,525
Cost of sales	-	-	-	-	5,481	5,481	11,924
Capital outlay	-	-	-	275,151	-	275,151	99,438
Total expenditures	14,961,399	570,970	-	275,151	215,721	16,023,241	15,990,385
Excess revenues (expenditures)	480,978	(26,464)	2,269	(275,151)	(18,347)	163,285	(33,933)
Other financing sources (uses)							
Operating transfers, net	64,874	26,464	(376,489)	275,151	10,000	-	-
Net change in fund balances	545,852	-	(374,220)	-	(8,347)	163,285	(33,933)
Fund balances - beginning	7,462,528	-	449,308	-	26,747	7,938,583	7,972,516
Fund balances - ending	$ 8,008,380	$ -	$ 75,088	$ -	$ 18,400	$ 8,101,868	$ 7,938,583

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

For the year ended June 30, 2019

Total net change in fund balances - governmental funds		$ 163,285
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays.		(349,936)
Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
2019 TRS and ERS contributions	763,931	
2019 ERS accrued contribution	240,840	
2018 ERS accrued contribution	(233,283)	
2019 TRS net pension expense	(407,966)	
2019 ERS net pension expense	(246,680)	116,842
OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		(25,248)
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		1,395,000
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Interest	1,800	
Compensated absences	(12,000)	
Amortization of bond premium	42,324	
Amortization of defeasance loss	(13,371)	18,753
Change in net position - governmental activities		$ 1,318,696

See accompanying notes.

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund

For the year ended June 30, 2019

	Budgeted Amounts		Actual (Budgetary		Variance with Final Budget
	Original	Final	Basis)	Encumbrances	Over/(Under)
Revenues					
Local sources					
Real property taxes	$ 5,431,649	$ 5,431,649	$ 4,643,523		$ (788,126)
Real property tax items	5,000	5,000	809,665		804,665
Nonproperty taxes	650,000	650,000	741,355		91,355
Charges for services	56,750	56,750	86,840		30,090
Use of money and property	616,350	616,350	143,131		(473,219)
Sale of property and compensation for loss	300	300	9,688		9,388
Miscellaneous	140,000	140,000	122,539		(17,461)
State sources	9,053,916	9,053,916	8,867,938		(185,978)
Federal sources	-	-	17,698		17,698
Total revenues	15,953,965	15,953,965	15,442,377		(511,588)
Expenditures					
General support					
Board of education	16,720	16,720	5,866	-	(10,854)
Central administration	220,207	220,207	213,611	-	(6,596)
Finance	241,542	235,422	196,342	-	(39,080)
Staff	66,500	74,024	60,272	-	(13,752)
Central services	1,506,621	1,523,141	1,108,463	17,529	(397,149)
Special items	327,833	332,936	328,862	-	(4,074)
Instruction					
Instruction, administration, and improvement	453,790	459,158	439,845	-	(19,313)
Teaching - regular school	3,616,582	3,731,153	3,530,152	1,714	(199,287)
Programs for children with handicapping conditions	2,463,462	2,185,127	2,003,332	-	(181,795)
Occupational education	603,637	598,498	553,441	-	(45,057)
Teaching - special schools	26,201	23,428	13,801	-	(9,627)
Instructional media	496,151	496,558	427,028	15,876	(53,654)
Pupil services	635,317	635,871	522,180	-	(113,691)
Pupil transportation	1,382,965	1,376,819	1,136,104	724	(239,991)
Employee benefits	3,172,089	3,145,405	2,915,100	-	(230,305)
Debt service					
Principal	1,395,000	1,395,000	1,395,000	-	-
Interest	112,000	112,000	112,000	-	-
Total expenditures	16,736,617	16,561,467	14,961,399	35,843	(1,564,225)
Excess revenues (expenditures)	(782,652)	(607,502)	480,978	(35,843)	1,052,637
Other financing sources (uses)					
Operating transfers in	347,000	347,000	376,489		29,489
Operating transfers out	(142,000)	(317,150)	(311,615)		(5,535)
Appropriated fund balance and carryover encumbrances	577,652	577,652	-		(577,652)
Total other financing sources (uses)	782,652	607,502	64,874		(542,628)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ 545,852	$ (35,843)	$ 510,009

See accompanying notes.

Statement of Fiduciary Net Position

June 30, 2019

		Private-Purpose Trusts		Agency
Assets				
Cash	$	84,601	$	262,599
Liabilities				
Agency liabilities		-	$	221,505
Extraclassroom activities balances		-		41,094
Total liabilities		-	$	262,599
Net Position				
Restricted for scholarships	$	84,601		

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NORTH COLLINS CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position

For the year ended June 30, 2019

		Private-Purpose Trusts
Additions		
Gifts and contributions	$	7,330
Interest income		131
		7,461
Deductions		
Scholarship awards and other		14,075
Change in net position		(6,614)
Net position - beginning		91,215
Net position - ending	$	84,601

1. Summary of Significant Accounting Policies

Reporting Entity

North Collins Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America, nor does it contain any component units.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Joint Venture

The District is one of 27 participating school districts in the Erie 2-Chautauqua-Cattaraugus Board of Cooperative Educational Services (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may issue debt on behalf of BOCES; there is no such debt issued by the District.

During the year ended June 30, 2019, the District was billed $2,167,000 for BOCES administrative and program costs, recognized revenue of $89,000 as a refund from prior year expenditures paid to BOCES, and received $97,000 in rental income for space allocated to BOCES services. Audited financial statements are available from BOCES' administrative offices.

Public Entity Risk Pools

The District participates in the NY44 Health Benefits Plan Trust and the Erie #2 Area Schools Self-Funded Workers' Compensation Consortium, which are public entity risk pools. These plans are designed to provide health and workers' compensation insurance coverage for participating entities. These activities are further presented in Note 8.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

Fund Financial Statements: The fund financial 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 the fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources – other than expendable trusts or major capital projects – such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.

The District also elected to display the following as major funds:

- *Debt service fund.* This fund is used to account for resources that are restricted to expenditure for principal and interest. Financial resources that are being accumulated for principal and interest payments maturing in future years are also included in this fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *School lunch fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.

The District reports the following fiduciary funds:

- *Private-purpose trust fund.* This fund reports trust arrangements under which principal and income benefit various third party scholarship arrangements.
- *Agency fund.* This fund accounts for assets held by the District as agent for various student groups and clubs, payroll, and employee third party withholdings. The agency fund is custodial in nature and does not involve measurement of results of operations.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

The government-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 flows take place. Nonexchange transactions, in which the District receives value directly without giving equal value in exchange, include property and sales taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year in which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds 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 they are collected within ninety days after year end. 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. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment and property purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Tax Calendar

The District levies real property taxes no later than September 1. For the year ended June 30, 2019, the tax lien was issued on July 25, 2018 for collection from September 1 through December 1, 2018. Thereafter, uncollected amounts became the responsibility of Erie County and were submitted to the District by April 1st of the following year as required by law.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2018 was approved by a majority of the voters in a general election held on May 15, 2018.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Inventory

Inventory consists of food and similar food service goods related to school lunch operations and is recorded at the lower of first-in, first-out cost or net realizable value. Donated commodities are stated at values which approximate market.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	$ 20,000	20
Buildings and improvements	$ 25,000	50
Furniture and equipment	$ 5,000	5 - 20
Vehicles	$ 10,000	8

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Bond Defeasances

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the District recognizes its proportionate share of the net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

Postemployment Benefits Other Than Pensions (OPEB)

The total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense of the District's defined benefit healthcare plan (Note 7) have been measured on the same basis as reported by the plan on the government-wide statements. Benefit payments are due and payable in accordance with benefit terms on the governmental fund statements.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and those expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with administrators and employee groups which provide for the payment of accumulated sick time or the option of converting this amount to provide for payment of health insurance at retirement until exhausted.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Equity Classifications

Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets, reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

Governmental Fund Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash and include inventory.

Fund balance restrictions consist of the following reserves:

- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. The District combined various capital reserves, with voter approval, to a maximum amount of $2,500,000 and has been fully funded. Additionally, District voters approved the transfer of the bus and vehicle capital reserves into a new reserve that can be funded to a maximum of $2,500,000 together with interest over a ten year period. This reserve has been funded $1,719,687 to date. In 2019, District voters approved an additional capital reserve to a maximum of $2,500,000 plus interest over a ten year period.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is 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.
- *Repair* – is used to accumulate funds to finance costs of major repairs to capital improvements or equipment, and requires a public hearing prior to its use.
- *Retirement contribution* – is used to finance retirement contributions payable to ERS and TRS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2019, the retirement contribution reserve includes $231,484 for ERS and $98,132 for TRS.
- *Property loss and liability* – is used to pay property loss and liability claims incurred. Separate funds for property loss and liability claims are required. These reserves may not separately exceed 3% of the annual budget. The Board authorized the establishment of a property loss reserve in the amount of $115,000 and a liability reserve in the amount of $125,000 plus accumulated earnings.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.

Interfund Balances

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-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 fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

2. Cash

Cash management is governed by State laws and as established in the District's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit the Treasurer to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2019, the District's bank deposits were fully insured by FDIC coverage or collateralized with securities held by the pledging institutions' trust departments or agents in the District's name.

3. Interfund Transactions – Fund Financial Statements

			Transfers	
Fund	**Receivable**	**Payable**	**In**	**Out**
General	$ 218,034	$ -	$ 376,489	$ 311,615
Special aid	-	213,302	26,464	-
Debt service	-	-	-	376,489
Capital projects	-	-	275,151	-
School lunch	-	4,732	10,000	-
	$ 218,034	**$ 218,034**	**$ 688,104**	**$ 688,104**

The District's general fund provides cash flow to the special aid fund and school lunch fund throughout the year. These amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved. The general fund made permanent transfers to the special aid fund for the District's local share of the summer school handicap program as required by law; to the capital projects fund to pay for capital outlay; and to the school lunch fund to pay for equipment purchases and general operations. The permanent transfer from the debt service fund to the general fund is for payment of principal and interest on serial bonds.

4. Capital Assets

	July 1, 2018	**Increases**	**Retirements/ Reclassifications**	**June 30, 2019**
Non-depreciable capital assets:				
Land	$ 62,346	$ -	$ -	$ 62,346
Construction in progress	-	178,223	-	178,223
Total non-depreciable assets	62,346	178,223	-	240,569
Depreciable capital assets:				
Land improvements	3,396,531	-	-	3,396,531
Buildings and improvements	21,593,304	100,000	-	21,693,304
Furniture and equipment	641,307	67,623	-	708,930
Vehicles	2,356,229	243,558	(343,815)	2,255,972
Total depreciable assets	27,987,371	411,181	(343,815)	28,054,737
Less accumulated depreciation:				
Land improvements	2,114,207	184,350	-	2,298,557
Buildings and improvements	9,895,855	505,847	-	10,401,702
Furniture and equipment	430,102	52,800	-	482,902
Vehicles	1,262,618	196,343	(343,815)	1,115,146
Total accumulated depreciation	13,702,782	939,340	(343,815)	14,298,307
Total depreciable assets, net	14,284,589	(528,159)	-	13,756,430
	$ 14,346,935	**$ (349,936)**	**$ -**	**$ 13,996,999**

Depreciation expense has been allocated to the following functions: general support $32,220, instruction $714,538, and pupil transportation $192,582.

As of June 30, 2019, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	$ 13,996,999
Bonds	(1,730,000)
	$ 12,266,999

5. Long-Term Liabilities

	July 1, 2018	Increases	Decreases	June 30, 2019	Amount Due in One Year
Bonds	$ 3,125,000	$ -	$ 1,395,000	$ 1,730,000	$ 410,000
Bond premiums	42,324	-	42,324	-	-
Compensated absences	143,000	12,000	-	155,000	33,000
	$ 3,310,324	**$ 12,000**	**$ 1,437,324**	**$ 1,885,000**	**$ 443,000**

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds – 2009	June 2023	3.125%-3.5%	$ 1,730,000

Debt Service Requirements

Years ending June 30,	Principal	Interest
2020	$ 410,000	$ 68,175
2021	425,000	52,800
2022	440,000	35,800
2023	455,000	18,200
	$ 1,730,000	**$ 174,975**

6. Pension Plans

Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 10.62% for 2019. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2019, these rates ranged from 9.4% - 15.9%.

The amount outstanding and payable to TRS for the year ended June 30, 2019 was $534,145. A liability to ERS of $240,840 is accrued based on the District's legally required contribution for employee services rendered from April 1, 2019 through June 30, 2019.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

At June 30, 2019, the District reported an asset of $538,530 for its proportionate share of the TRS net pension position and a liability of $351,713 for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2018, and the total pension liability was determined by an actuarial valuation as of June 30, 2017, with update procedures applied to roll forward the net pension position to June 30, 2018. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2018, the District's proportion was 0.029782%, a decrease of .000384 from its proportion measured as of June 30, 2017.

The ERS net pension position was measured as of March 31, 2019, and the total pension liability was determined by an actuarial valuation as of April 1, 2018. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2019 measurement date, the District's proportion was 0.004964%, a decrease of 0.0001664 from its proportion measured as of March 31, 2018.

For the year ended June 30, 2019, the District recognized net pension expense of $654,646 on the government-wide statements (TRS expense of $407,966 and ERS expense of $246,680). At June 30, 2019, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 402,439	$ 72,897	$ 69,260	$ 23,610
Changes of assumptions	1,882,514	-	88,406	-
Net difference between projected and actual earnings on pension plan investments	-	597,809	-	90,269
Changes in proportion and differences between contributions and proportionate share of contributions	23,237	88,055	56,880	22,065
District contributions subsequent to the measurement date	534,145	-	240,840	-
	$ 2,842,335	**$ 758,761**	**$ 455,386**	**$ 135,944**

District contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the year ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	TRS	ERS
2020	$ 524,452	$ 88,735
2021	351,149	(61,740)
2022	23,315	(1,051)
2023	349,880	52,658
2024	239,345	-
Thereafter	61,288	-
	$ 1,549,429	**$ 78,602**

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2017 valuation, with update procedures used to roll forward the total pension liability to June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

Inflation – 2.25% (2.5% for the 2017 measurement)
Salary increases – Based on TRS member experience, dependent on service, ranging from 1.90% -4.72%
Projected Cost of Living Adjustments (COLA) – 1.5% compounded annually
Investment rate of return – 7.25% compounded annually, net of investment expense, including inflation
Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014, applied on a generational basis
Discount rate – 7.25%

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

For ERS, the actuarial assumptions used in the April 1, 2018 valuation, with update procedures used to roll forward the total pension liability to March 31, 2019, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

Inflation – 2.5%
Salary increases – 4.2% (3.8% for the 2018 measurement)
COLA – 1.3% annually
Investment rate of return – 7.0% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2014
Discount rate – 7.0%

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

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long term inflation assumption) for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

	TRS		ERS	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equities	33%	5.8%	36%	4.6%
Global and international equities	20%	6.7%-7.3%	14%	6.4%
Private equities	8%	8.9%	10%	7.5%
Real estate	11%	4.9%	10%	5.6%
Inflation-indexed bonds	-	-	4%	1.3%
Domestic fixed income securities	16%	1.3%	-	-
Global fixed income securities	2%	0.9%	-	-
Bonds and mortgages	7%	2.8%	17%	1.3%
Short-term	1%	0.3%	1%	(0.3)%
Other	2%	3.5%-6.8%	8%	3.8%-5.7%
	100%		**100%**	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those 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.

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 7.25% (TRS) and 7.0% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	$ (3,699,786)	$ 538,530	$ 4,089,060
District's proportionate share of the ERS net pension asset (liability)	$ (1,537,744)	$ (351,713)	$ 644,638

7. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance benefits for certain District employees and their spouses based on various contracts as negotiated from time to time. Eligibility for benefits is based on covered employees who retire from the District at age 55 or older and have met vesting requirements. For retirees hired prior to July 1, 2005, the District pays $133 per month towards single coverage and $292 per month for family coverage. Upon attainment of age 65, coverage is converted to a Medicare policy subject to the same District caps on premium costs. For employees hired on or after July 1, 1995, retirees receive an amount equal to their final year of service increment that can be taken as a lump sum or applied to medical premiums until exhausted. Surviving spouses receive continuation of benefits for life unless they remarry. A group of grandfathered administrators are provided 100% premium coverage paid by the District for life for single or family coverage with similar surviving spouse provisions. The Plan has no assets, does not issue financial statements, and is not a trust.

At April 1, 2018, employees covered by the Plan include:

Active employees	83
Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	-
	131

Total OPEB Liability

The District's total OPEB liability of $1,864,857 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018, rolled forward through an interim valuation to June 30, 2019.

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

Healthcare cost trend rates – based on the National Health Expenditure Projections 2009-2025 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2016_a (updated September 2016) for long-term rates, initially 5.20%, with an ultimate rate of 4.23% after 2070
Salary increases – 3.36% (previously 3.31%)
Mortality – Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality, fully generational using scale MP-2018 (previously 2015 TRS mortality rates for all active members and employees; 2015 TRS mortality base rates for service and deferred annuitants and beneficiaries; fully generational using Mortality Improvement Scale MP-2017 for retirees and surviving spouses)
Discount rate – 3.44% (previously 3.61%) based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.37%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	$ 1,839,609
Changes for the year:	
Service cost	7,811
Interest	62,420
Changes of benefit terms	-
Differences between expected and actual experience	87,177
Changes of assumptions or other inputs	(13,832)
Benefit payments	(118,328)
Net changes	25,248
Balance at June 30, 2019	**$ 1,864,857**

The following presents the sensitivity of the District's total OPEB liability to changes in the discount rate, including what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (2.44%)	**Discount Rate (3.44%)**	**1.0% Increase (4.44%)**
Total OPEB liability	**$ (2,038,944)**	**$ (1,864,857)**	**$ (1,715,457)**

The following presents the sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rates, including what the District's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (4.20% to 3.32%)	Healthcare Cost Trend Rate (5.20% to 4.32%)	1.0% Increase (6.20% to 5.32%)
Total OPEB liability	$ (1,819,150)	$ (1,864,857)	$ (1,918,231)

For the year ended June 30, 2019, the District recognized OPEB expense of $143,576.

8. Risk Management

General Liability

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Health Insurance

The District participates in the NY44 Health Benefits Plan Trust (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 44 participating members as of June 30, 2018 (the most recent information available).

The District has transferred all risk to the plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalent. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2018, which can be obtained from Erie 1 BOCES, 355 Harlem Road, West Seneca, New York, 14224.

Workers' Compensation

The District participates in the Erie #2 Area Schools Self-Funded Workers' Compensation Consortium (the Plan) sponsored by Erie 2-Chautauqua-Cattaraugus BOCES. The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 24 participating members as of June 30, 2018 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. To date, these supplemental assessments have not been required.

The Plan has published its own financial report for the year ended June 30, 2018, which can be obtained from Erie 2-Chautauqua-Cattaraugus BOCES, 8685 Erie Road, Angola, New York 14006.

9. Commitments and Contingencies

Grants

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and are subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

Construction Commitments

The District has voter approval for various construction projects not to exceed $10,380,000. The District has incurred costs for planning, architectural drawings, and overall engineering services. As of June 30, 2019, $178,200 has been expended. As the construction begins, numerous contracts will be open.

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System

As of the measurement date of June 30,	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.029782%	0.030166%	0.029120%	0.028307%	0.028214%	0.028033%
District's proportionate share of the net pension asset (liabil	$ 538,530	$ 229,293	$ (311,822)	$ 2,940,175	$ 3,142,864	$ 184,525
District's covered payroll	$ 4,908,194	$ 4,825,324	$ 4,538,945	$ 4,252,065	$ 4,199,043	$ 4,106,157
District's proportionate share of the net pension position as a percentage of its covered payroll	10.97%	4.75%	6.87%	69.15%	74.85%	4.49%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

The following is a summary of changes of assumptions:

Inflation	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	4.0% - 10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

Required Supplementary Information
Schedule of District Contributions
New York State Teachers' Retirement System

June 30,	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 534,145	$ 481,003	$ 565,528	$ 601,864	$ 745,387	$ 677,243	$ 486,169
Contribution in relation to the contractually required contribution	(534,145)	(481,003)	(565,528)	(601,864)	(745,387)	(677,243)	(486,169)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,029,614	$ 4,908,194	$ 4,825,324	$ 4,538,945	$ 4,252,065	$ 4,199,043	$ 4,106,157
Contributions as a percentage of covered payroll	10.62%	9.80%	11.72%	13.26%	17.53%	16.13%	11.84%

Data prior to 2013 is unavailable.

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0049640%	0.0051304%	0.0055790%	0.0055053%	0.0052329%
District's proportionate share of the net pension liability	$ (351,713)	$ (165,582)	$ (524,214)	$ (883,610)	$ (176,781)
District's covered payroll	$ 1,584,401	$ 1,548,881	$ 1,505,603	$ 1,482,437	$ 1,430,531
District's proportionate share of the net pension position as a percentage of its covered payroll	22.20%	10.69%	34.82%	59.61%	12.36%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%

The following is a summary of changes of assumptions:

Inflation	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	7.0%	7.0%	7.0%	7.0%	7.5%

Data prior to 2015 is unavailable.

Required Supplementary Information
Schedule of District Contributions
New York State and Local Employees' Retirement System

June 30,	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 229,786	$ 228,307	$ 227,045	$ 273,362	$ 258,040	$ 295,025	$ 239,217
Contribution in relation to the contractually required contribution	(229,786)	(228,307)	(227,045)	(273,362)	(258,040)	(295,025)	(239,217)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,584,401	$ 1,548,881	$ 1,505,603	$ 1,482,437	$ 1,430,531	$ 1,465,676	$ 1,350,141
Contributions as a percentage of covered payroll	14.50%	14.74%	15.08%	18.44%	18.04%	20.13%	17.72%

Data prior to 2013 is unavailable.

Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios

June 30,	2019	2018
Total OPEB liability - beginning	$ 1,839,609	$ 1,719,157
Changes for the year:		
Service cost	7,811	7,281
Interest	62,420	61,350
Changes of benefit terms	-	-
Differences between expected and actual experience	87,177	135,453
Changes of assumptions or other inputs	(13,832)	28,327
Benefit payments	(118,328)	(111,959)
Net change in total OPEB liability	25,248	120,452
Total OPEB liability - ending	$ 1,864,857	$ 1,839,609
Covered-employee payroll	$ 4,538,634	$ 4,538,634
Total OPEB liability as a percentage of covered-employee payroll	41.09%	40.53%

Data prior to 2018 is unavailable.

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

Supplementary Information
Schedule of Change from Original to Final Budget and Calculation of Unrestricted Fund Balance Limit - General Fund

For the year ended June 30, 2019

Original expenditure budget	$ 16,820,965
Encumbrances carried over from prior year	57,652
Revised expenditure budget	$ 16,878,617

* * *

Unrestricted Fund Balance	
Assigned	$ 934,276
Unassigned	628,086
	1,562,362
Encumbrances included in assigned fund balance	(35,843)
Appropriated fund balance used for tax levy	(898,433)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 628,086
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2020 expenditure budget (unaudited)	$ 15,702,154
4% of budget	628,086
Actual percentage of 2020 expenditure budget	4.0%

NORTH COLLINS CENTRAL SCHOOL DISTRICT

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2019

Project Title	Original Budget	Revised Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
2019 Capital Outlay Project	$ 100,000	$ 96,928	$ -	$ 96,928	$ 96,928	$ -
Elementary Building Reconstruction	10,380,000	10,380,000	-	178,223	178,223	10,201,777
	$ 10,480,000	$ 10,476,928	$ -	$ 275,151	$ 275,151	$ 10,201,777

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS
Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

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*

The Board of Education
North Collins Central School District

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 remaining fund information of North Collins Central School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 10, 2019.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

Compliance and Other Matters

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

Purpose of this Report

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

Lumsden & McCormick, LLP

September 10, 2019

<u>APPENDIX C</u>

FORM OF CONTINUING DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the "Disclosure Undertaking") is executed and delivered by the North Collins Central School District, a School District of the State of New York (the "Issuer") in connection with the issuance of its [$7,880,000] Bond Anticipation Note, 2020 (the "Security"). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

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

(7) Modifications to rights of Security Holders, if material;

(8) Note calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions.

"EMMA" means Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"MSRB" means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

"Purchaser" means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

"Security Holder" means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change; provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of [June 25, 2020].

NORTH COLLINS CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

By:___________SPECIMEN_______________
President of the Board of Education

(SEAL)

ATTEST:

________SPECIMEN________
District Clerk