OFFICIAL STATEMENT DATED JUNE 2, 2021

RENEWAL ISSUE | **SERIAL BONDS**

See "BOND RATING" herein | **S&P Insured Rating: "AA" (Stable Outlook)**

S&P Underlying Rating: "A+" (Stable Outlook)

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, under existing statutes, regulations, rulings, and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds 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 Bonds 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 Bonds is exempt from personal income taxes imposed by New York State and any political subdivision thereof (including the City of New York). See "TAX EXEMPTION" herein.

The Bonds will be deemed designated and will be treated 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 "School District")

$7,880,000 SCHOOL DISTRICT SERIAL BONDS, 2021
(the "Bonds")
(Designated/Bank Qualified)

Dated: June 16, 2021 **Due: June 15, 2022-2036**

MATURITIES**
CUSIP BASE #: 658714

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2022	$480,000	2.00%	0.200%	HS2	2027	$520,000	2.00%	0.850%	HX1	2032	$540,000*	2.00%	1.400%	JC5
2023	515,000	2.00%	0.250%	HT0	2028	475,000	2.00%	1.000%	HY9	2033	555,000*	2.00%	1.500%	JD3
2024	530,000	2.00%	0.350%	HU7	2029	510,000	2.00%	1.100%	HZ6	2034	565,000*	2.00%	1.600%	JE1
2025	485,000	2.00%	0.500%	HV5	2030	520,000*	2.00%	1.200%	JA9	2035	575,000*	2.00%	1.700%	JF8
2026	495,000	2.00%	0.650%	HW3	2031	530,000*	2.00%	1.300%	JB7	2036	585,000*	2.00%	1.750%	JG6

*The Bonds maturing in the years 2030-2036 are subject to redemption prior to maturity. See "DESCRIPTION OF THE BONDS – Optional Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP.

ASSURED GUARANTY MUNICIPAL

Prior Redemption: The Bonds maturing on or before June 15, 2029 will not be subject to redemption, in whole or in part, prior to maturity. The Bonds maturing on or after June 15, 2030 will be subject to redemption prior to maturity, at the option of the District, on June 15, 2029 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%) plus accrued interest to the date of redemption.

Form and Denomination: The Bonds will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository and Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of $5,000 or integral multiples thereof, such that one bond certificate will be issued for each maturity of Bonds. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. See "DESCRIPTION OF THE BONDS – Book-Entry-Only System" herein. Bonds may not be converted into coupon bonds or be registered to bearer.

Payment of the principal of and interest on the Bonds to the Beneficial Owners of the Bonds will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name". Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "DESCRIPTION OF THE BONDS – Book-Entry-Only System", herein.

The Bonds bear interest from June 16, 2021, with interest thereon payable on December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year until maturity (or earlier redemption). The Bonds mature on June 15 in each year commencing June 15, 2022.

The record date for the Bonds is the last business day of the calendar month immediately preceding an interest payment date.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the legal opinion as to the validity of the Bonds of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) on or about June 16, 2021.

ROOSEVELT & CROSS, INC. & ASSOCIATES

THE REVISED COVER SUPPLEMENTS THE OFFICIAL STATEMENT OF THE DISTRICT DATED MAY 21, 2021 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THERIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANCE COMMISION RULE 15c2-12. OTHER THAN AS SET FORTH ON THE REVISED COVER, "BOND RATING" SECTION, REVISON OF THE "MISCELLANEOUS" SECTION, THE DATED DATE ON PAGE 45, AND THE INCLUSION OF APPENDIX D, THERE HAVE BEEN NO REVISIONS TO THE OFFICIAL STATEMENT.

NORTH COLLINS CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

School District Officials

2020-21 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
Marylynn Reeves – Treasurer
Kathleen Mason - Clerk

School District Attorneys

Harris Beach, PLLC

BOND COUNSEL

Hodgson Russ LLP

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

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

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OFFICIAL STATEMENT

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

$7,880,000
School District Serial Bonds, 2021
(the "Bonds")
(Designated/Bank Qualified)

This Official Statement, including the cover page and appendices hereto (the "Official Statement"), presents certain information relating to the North Collins Central School District, Erie County, New York (the "District," "County," and "State," respectively) in connection with the sale of the District's $7,880,000 School District Serial Bonds, 2021 (the "Bonds").

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

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

Statement in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statement, which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff.

This Official Statement should be read with the understanding that the ongoing COVID-19 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 contain 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 Bonds

The Bonds comprise an issue in the aggregate principal amount of $7,880,000, will be dated June 16, 2021 (the date of delivery) and will mature in installments on June 15, 2022 and annually thereafter as set forth on the cover page hereof. Interest on the Bonds will be payable on December 15, 2021 and semiannually thereafter on June 15 and December 15, until maturity (or earlier redemption).

The Bonds will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form in denominations of $5,000 each or any integral multiple thereof. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. Principal and interest on the bonds will be payable when due as described in “Book-Entry-Only System” herein.

The record date for the Bonds is the last business day of the calendar month immediately preceding each respective interest payment date.

Nature of the Obligation

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

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

The Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy *ad valorem* taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York, as amended. See “TAX LEVY LIMITATION LAW” herein.

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

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited 6 by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in <u>Flushing National Bank v. Municipal Assistance Corporation for the City of New York</u>, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Optional Redemption

The Bonds maturing on or before June 15, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2030 will be subject to redemption prior to maturity, at the option of the District, on June 15, 2029 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%), plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected at random (by lot or in any other customary manner of selection as determined by the President of the Board of Education of the District).

Written notice of any such redemption (the "Notice") shall be given to the registered owner(s) of the Bonds to be redeemed not more than sixty (60) days nor less than thirty (30) days prior to the date set for such redemption. Such Notice will be provided in accordance with the prevailing Depository Trust Company ("DTC") redemption notification procedure (currently, transmission of the Notice by e-mail to redemptionnotification@dtcc.com, with the date of such email transmission being deemed the date that the Notice was given). In the event that such procedure is modified by DTC, the Notice will be provided in accordance with any new DTC procedure or, in the absence of any DTC procedure, by mailing the Notice by first class mail to the registered owner(s) thereof. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in the Notice, become due and payable, together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

The District may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys and/or any other event. If any such condition is not satisfied, such redemption shall not occur, and the District is to give notice thereof, as soon as practicable, in the same manner, to the same person(s), as notice of such redemption was given. Additionally, any such redemption notice may be rescinded by the District no later than one business day prior to the date specified for redemption, by written notice by the District given in the same manner, to the same person(s), as notice of such redemption was given.

Purpose and Authorization

The Bonds are being issued in accordance with the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education (the "Board") on January 8, 2019, following a positive vote at a special meeting of the qualified voters of the District that was held on December 11, 2018, authorizing the issuance of obligations of the District in the amount of $10,380,000 for the partial reconstruction of, and the construction of additions, improvements and upgrades to, various District Buildings and facilities (and the sites thereof).

Proceeds of the Bonds will be used to redeem and retire an outstanding bond anticipation note of the District that was issued on June 25, 2020.

Book-Entry-Only System

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts 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 or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provision will apply: The Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of a bank (s) or trust company(ies) located and authorized to do business and act as a fiscal agent in the State of New York to be named by the District. Interest on the Bonds will be payable December 15, 2021 and semi-annually thereafter on June 15 and December 15 in each year to maturity (or earlier redemption). Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month immediately preceding each such interest payment date. The Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificates of Determination executed by the President of the Board authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of the bonds between the record date for the Bonds and such interest payment date.

Security and Source of Payment

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

The bonds are general obligations of the District and 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 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 LIMIATION LAW,” herein.

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

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

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

Under current law, provision is made for contract creditors (including the holders of the Bonds) of the District to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

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

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 judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

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

The Federal Bankruptcy Code (the "Bankruptcy Code") allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a federal court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State 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 applicable in the future.

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 actions 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 violates 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, authorizing 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 of or interest on School District indebtedness is past due. The School has never defaulted in the payment of the principal of and interest on any indebtedness.

THE 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 6 miles to the South. 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 Mohawk, 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 2019 population of the School District is estimated to be 4,182. (Source: 2019 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 Village, Towns and County listed below. The Figures set below with respect to such Village, Towns, 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 Village, Towns, County or State are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
Towns Of:						
Brant	$19,803	$24,215	$32,216	$47,130	$60,473	$59,318
Collins	14,082	14,908	19,247	45,647	54,261	67,250
Concord	19,477	23,650	32,192	49,848	55,202	71,661
Eden	23,060	28,379	38,067	60,640	73,675	93,065
Evans	19,122	26,968	31,886	50,765	67,734	77,626
North Collins	19,253	26,168	26,304	50,781	55,984	71,115
Village of:						
North Collins	16,528	21,362	24,594	47,679	54,583	61,250
County Of:						
Erie	20,357	26,378	33,598	49,490	63,404	78,166
State Of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Note: 2016-2020 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 2015-2019 American Survey data.

Economic Developments

A new Tractor Supply store opened in October of 2019 within the District.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Elementary School	Pre-K-6	1958	592	2020
Junior/Senior High School	7-12	1936	572	2020

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:

Bargaining Unit	Employees	Expiration Date
United Teachers	75	6/30/2022
Civil Service Employees Association	54	6/30/2023

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2016-17	607	2021-22	591
2017-18	596	2022-23	581
2018-19	609	2023-24	582
2019-20	581	2024-25	580
2020-21	587	2025-26	579

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 2020-21 and 2021-22 fiscal years are as follows:

Fiscal Year	ERS	TRS
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	246,199	462,149
2020-2021 (Budgeted)	281,482	533,172
2021-2022 (Budgeted)	304,546	526,374

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 (2017 to 2021) is show below:

Fiscal Year	ERS	TRS
2016-2017	15.5	11.72
2017-2018	15.3	9.80
2018-2019	14.9	10.62
2019-2020	14.6	8.86
2020-2021	14.6	9.53

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

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

The 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 will allow 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. 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 - 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 March 31, 2020 and financial data as of June 30, 2020, the School District's beginning year total OPEB liability was $1,864,857, and the net change for the year was $35,168 resulting in a total OPEB liability of $1,829,689 for the fiscal year ending June 30, 2020. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2020 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	138
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 School District as such. The smallest area for which such statistics are available (which includes the School District) is Erie 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 School District is necessarily representative of the County or vice versa.

Year	Erie County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2016	5.0%	4.9%	4.9%
2017	5.1%	4.6%	4.4%
2018	4.4%	4.1%	3.9%
2019	4.1%	3.8%	3.7%
2020	9.5%	10.0%	N/A

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

2020-21 Monthly Figures

	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Erie County	13.5%	13.1%	10.1%	6.9%	6.4%	6.5%	7.9%	7.8%	8.0%	7.2%	N/A	N/A
New York State	14.8%	14.8%	11.6%	9.9%	8.3%	8.3%	8.5%	9.4%	9.7%	8.5%	N/A	N/A

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

Note: Figures in this section are historical and do not speak as to current or projected unemployment rates. Unemployment drastically increased in the period immediately following mid-March 2020 due to the COVID-19 global pandemic but has since begun to decrease. See "COVID-19" herein.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (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, in 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 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 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. 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 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 budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 131 to 30. The School District's 2019-20 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The school district 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 were postponed until June 9, 2020 under an Executive Order from Governor Andrew Cuomo that extends and expands restrictions aimed at limiting the spread of COVID-19. The budget for the 2020-21 fiscal year was adopted by the qualified voters on June 9, 2020 by a vote 487 yes to 220 no. The School District's 2020-21 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2021-22 fiscal year was adopted by the qualified voters on May 18, 2021. The District's 2021-22 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

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. Under this newly enacted legislation, the School District has been required to annually report its budgeted support for individual schools beginning with the 2020-21 fiscal year.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2020-21 fiscal year, approximately 55.07% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State's 2019-2020 fiscal year, and continuing during the State's 2020-2021 fiscal year.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget ("DOB") began withholding 20 percent of most local aid payments, although such aid has generally since been restored.

Many of the State's 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the $1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost $24 billion in funding for various levels of government in the State, including approximately $12.5 billion for the State, $6 billion for New York City, and $4 billion to be divided among counties in the State; another $12 billion is intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

Accordingly, the State enacted budget for the 2021-2022 fiscal year is more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts will benefit from a $1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive the increased level of Foundation Aid that was originally promised in 2007, along with a $105 million expansion of full-day prekindergarten. Local governments will receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal ("VLT") facilities will receive a full restoration of $10.3 million in proposed VLT aid cuts.

Although the 2021-2022 budget contains additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of 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.

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

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

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

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

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

In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

Reductions in Federal funding levels could have a material adverse effect on the State budget, which could in turn affect State aid for school districts. Reductions in the payment of State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS" herein).

State Aid History - Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consists of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also includes a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District received $0 in State aid (in the form of Foundation aid) to be used on community schools activities. The District is not a part of the Community Schools Grant Initiative (CSGI).

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

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

The State's 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and provided 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 increased the Community Schools set-aside funding amount by $49.99 million to a total of $250 million. This increased funding was targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget also increased the minimum community schools funding amount from $75,000 to $100,000 to enable all high-need districts across the State to apply the funds to a wide-range of activities.

Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these federal funds, State aid in the school district fiscal year 2020-2021 totaled $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020- 2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health 11 program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income.

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

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. While foundation aid remained below the initially promised amounts, the State has announced, as part of the State's 2021-22 budget, that the final foundation aid phase in will take place over the next three years.

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

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

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
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	14,300,285	7,869,369	55.03
2020-2021 (Budgeted)	14,938,297	7,843,682	52.51
2021-2022 (Budgeted)	15,566,194	8,572,876	55.07

Source: Audited financial statements for the 2015-2016 fiscal year through the 2019-2020 fiscal year and the adopted budget of the District for the 2020-2021and 2021-22 fiscal years. 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 five fiscal years if the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	6.7
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.

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 Bonds 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 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, 2020 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:

	2017	2018	2019	2020	2021
Assessed Valuations:					
Brant	$ 27,507,793	$ 26,954,608	$ 27,121,228	$ 27,118,889	$ 27,158,912
Collins	6,417,706	6,399,161	6,493,617	6,542,376	6,778,558
Concord	14,051,811	14,116,489	27,440,950	27,536,873	27,549,437
Eden	619,208	619,340	617,889	617,443	615,891
Evans	6,114,953	6,108,726	6,067,829	6,021,938	6,054,586
North Collins	158,843,372	158,912,851	160,811,633	161,971,431	164,768,131
Total	$ 213,554,843	$ 213,111,175	$ 228,553,146	$ 229,808,950	$ 232,925,515
Equalization Rates:					
Brant	82.00%	79.00%	78.00%	76.00%	73.00%
Collins	59.00%	56.00%	54.00%	54.00%	52.00%
Concord	44.00%	41.00%	41.00%	40.00%	36.00%
Eden	64.00%	63.00%	59.00%	57.00%	53.00%
Evans	93.00%	87.00%	87.00%	82.00%	77.00%
North Collins	86.00%	83.00%	80.00%	80.00%	71.00%
Full Valuations:					
Brant	$ 33,546,089	$ 34,119,757	$ 34,770,805	$ 35,682,749	$ 37,203,989
Collins	10,877,468	11,427,073	12,025,217	12,115,511	13,035,688
Concord	31,935,934	34,430,461	66,929,146	68,842,183	76,526,214
Eden	967,513	983,079	1,047,269	1,083,233	1,162,058
Evans	6,575,218	7,021,524	6,974,516	7,343,827	7,863,099
North Collins	184,701,595	191,461,266	201,014,541	202,464,289	232,067,790
Total	$ 268,603,817	$ 279,443,161	$ 322,761,495	$ 327,531,791	$ 367,858,839

* 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:				
	2017	2018	2019	2020	2021
Brant	$ 27.72	$ 24.02	$ 21.58	$ 21.81	$ 20.71
Collins	38.53	33.88	31.16	30.69	29.07
Concord	51.66	46.28	41.05	41.43	42.00
Eden	35.52	30.12	28.52	29.07	28.53
Evans	24.44	21.81	19.34	20.21	19.63
North Collins	26.43	22.86	21.04	20.72	21.29

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 re-levy 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:	2016	2017	2018	2019	2020	2021
Total Tax Levy	$5,249,933	$5,249,933	$5,301,907	$5,431,649	$5,428,000	$5,561,615
Amount Uncollected	121,912	118,651	137,161	137,609	158,430	118,475
% Uncollected	2.32%	2.26%	2.59%	2.53%	2.91%	2.13%

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
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	14,300,285	4,702,163	32.88
2020-2021 (Budgeted)	14,938,297	5,561,615	37.23
2021-2022 (Budgeted)	15,566,194	5,672,845	36.44

Source: Audited financial statements for the 2015-16 fiscal year through 2019-20 fiscal year and the adopted budget of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited

Major Taxpayers 2020

For 2020-21 Tax Roll

Name	Type	Assessed Value
National Fuel Gas	Utility	$33,321,391
Niagara Mohawk	Utility	2,996,766
National Grid	Utility	2,262,856
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		$47,769,033

1. The above taxpayers represent 20.51% of the School District's 2020-21 Assessed Value of $232,925,515

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known to have a material impact on the District.

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, 2020 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 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

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

The 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to $250,000, compared with a $500,000 limit for the credit.

TAX LEVY LIMITATION LAW

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

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

The Tax Levy Limit 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 provided in the law, 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. The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 2020-2021 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 bonds.

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 average 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 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 Bonds.

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 a purpose for 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 notices; or

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

The District typically complies with estoppel procedure, and it has done so with respect to the bond resolution pursuant to which the Bonds are being issued. 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 School District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board, the chief fiscal officer of the School District, pursuant to the Local Finance Law.

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Serial Bonds	$5,785,000	$4,480,000	$3,125,000	$1,730,000	$1,320,000
Bond Anticipation Notes	$0	$0	$0	$0	$7,880,000
Total Debt Outstanding	$5,785,000	$4,480,000	$3,125,000	$1,730,000	$9,200,000

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
2021	$ 425,000	$ 52,800
2022	440,000	35,800
2023	455,000	18,200
Totals:	$ 1,320,000	$ 106,800

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2021	425,000	52,800	477,800	33.49%
2022	440,000	35,800	475,800	66.83%
2023	455,000	18,200	473,200	100.00%
Totals:	$ 1,320,000	$ 106,800	$ 1,426,800	

Schedule of Principal Payments Outstanding & Proposed Bonds

Fiscal Year Ending June 30:	Prior Issues	This issue	Total Maturing Principal	Year-End Outstanding Principal
2021	$ 425,000	$ -	$ 425,000	$ 8,775,000
2022	440,000	480,000	920,000	7,855,000
2023	455,000	515,000	970,000	6,885,000
2024	-	530,000	530,000	6,355,000
2025	-	485,000	485,000	5,870,000
2026	-	495,000	495,000	5,375,000
2027	-	520,000	520,000	4,855,000
2028	-	475,000	475,000	4,380,000
2029	-	510,000	510,000	3,870,000
2030	-	520,000	520,000	3,350,000
2031	-	530,000	530,000	2,820,000
2032	-	540,000	540,000	2,280,000
2033	-	555,000	555,000	1,725,000
2034	-	565,000	565,000	1,160,000
2035	-	575,000	575,000	585,000
2036	-	585,000	585,000	-
Totals:	$ 1,320,000	$ 7,880,000	$ 9,200,000	

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

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	6/25/2020	6/25/2021	2.0000%	$7,880,000*

*To be paid in full using the proceeds of this issue.

Capital Project Plans

The District voters approved a $10,380,000 Capital Improvement Project, 2018 on December 11, 2018 by a vote of a 88 to 22. This project includes the partial reconstruction of, and the construction of additions, improvements and upgrades to, various District buildings and facilities (and the sites thereof). Construction is expected to began in the Spring of 2020 and is expected to be completed by June 30, 2021. The District issued a $7,880,000 Bond Anticipation Note on June 25, 2020. Proceeds of the Bonds will be used to redeem and retire the outstanding Bond Anticipation Notes and be the final issue against such authorization.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate; but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 81.6%.

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 "THE DISTRICT - State Aid" herein.

Debt Statement Summary

As of May 20, 2021

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Brant	$ 27,158,912	73.00%	$ 37,203,989
Collins	6,778,558	52.00%	13,035,688
Concord	27,549,437	36.00%	76,526,214
Eden	615,891	53.00%	1,162,058
Evans	6,054,586	77.00%	7,863,099
North Collins	164,768,131	71.00%	232,067,790
			$ 367,858,839
Debt Limit: 10% of Full Valuation			$ 36,785,884
Inclusions:			
Serial Bonds			$ 1,320,000
Bond Anticipation Notes			7,880,000
Total Inclusions:			$ 9,200,000
Exclusions:			
Building Aid Estimate [1]			$0
Total Exclusions:			$0
Total Net Indebtedness			$ 9,200,000
Net Debt Contracting Margin			$ 27,585,884
Percentage of Debt-Contracting Power Exhausted			25.01%

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	$ 367,858,839					
County	$ 60,970,410,992	0.60%	$ 537,701,791	N/A	$ 537,701,791	$ 3,244,170
Town of	$ 37,203,989					
Brant	$ 155,586,026	23.91%	259,334	N/A	259,334	62,012
Town of	$ 13,035,688				-	
Collins	$ 247,758,874	5.26%	947,500	N/A	947,500	49,852
Town of	$ 76,526,214					
Concord	$ 647,244,120	11.82%	2,180,000	N/A	2,180,000	257,750
Town of	$ 1,162,058					
Eden	$ 580,232,529	0.20%	14,378,000	N/A	14,378,000	28,795
Town of	$ 7,863,099				-	
Evans	$ 1,017,799,657	0.77%	18,053,202	N/A	18,053,202	139,472
Town of	$ 232,067,790					
North Collins	$ 232,067,790	100.00%	-	N/A	-	-
Village of	$ 44,976,755					
North Collins	$ 44,976,755	100.00%	4,899,200	N/A	4,899,200	4,899,200
Total						$ 8,681,251

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2019

Notes: 1 Bonds and Bond Anticipation notes as of 2019 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 May 20, 2021:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness	$ 9,200,000	$ 2,199.90	2.501%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 17,881,251	$ 4,275.77	4.861%

(a) The District's estimated population is 4,182 (Source: 2019 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2020-21 is $367,858,839.

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

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-19, 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 could 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 Bonds 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 Bonds to become subject to federal income taxation from the date of issuance of the Bonds. Such opinion will state that interest on the Bonds is exempt from personal income taxes imposed by New York State or any political subdivision thereof (including the City of New York).

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

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

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

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

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

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

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, 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 bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Bonds 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 a 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 Bonds 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 Bonds may affect the tax status of interest on the Bonds. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further 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 affect the economic value of the Bonds or the tax consequences of ownership of the Bonds. Prospective purchasers are encouraged to consult with their own legal and tax advisors with respect to these matters.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the legal opinion of Hodgson Russ LLP of Buffalo, New York, Bond counsel. Such legal opinion will state that in the opinion of bond counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District and, unless paid from other sources, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); provided, however, that the enforceability (but not the validity) of the Bonds may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles; (ii) assuming that the District complies with certain requirements of the Code, interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York. Bond Counsel will express no opinion in regarding other federal income tax consequences arising with respect to the Bonds.

Such legal opinion also will state that (i) in rending the opinions expressed therein, bond counsel has assumed, without inquiry or other investigation, (a) the legal capacity of each natural person, (b) the full power and authority of each person other than the District to execute and deliver certain documents and to perform certain acts, (c) no modification of any provision of any document, no waiver of any right or remedy and no exercise of any right or remedy other than in a commercially reasonable and conscionable manner and in good faith, (d) the genuineness of each signature, the completeness of each document submitted to Bond Counsel, the authenticity of each document submitted to Bond Counsel as an original, the conformity to the original of each document submitted Bond counsel as a copy and the authenticity of the original of each document submitted to Bond Counsel as a copy, (e) the accuracy on the date of this letter of certain reviewed documents, (f) the truthfulness of each statement as to any factual matter contained in such reviewed documents, and (g) the due and timely filing of certain filed documents; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construes to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the bonds as the same respectively become due and payable; and (iv) no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

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.

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. While several vaccines have been developed and are now being deployed world-wide, the full impact of the pandemic is difficult to predict due to uncertainties regarding its duration and severity.

While initially the hospitality and tourism industries were hardest hit, within a short period of time there was widespread unemployment across all economic sectors in the United States.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially 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 took significant steps to backstop those markets and to provide much-needed liquidity, and markets have since generally stabilized. Still, given these conditions, it is possible that the process of trading the Bonds in the secondary market could generally be affected in ways that are difficult to predict.

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 of 2020 and the $1.9 trillion American Rescue Plan Act ("ARP") Act of 2021, both of which provide funding for pandemic-related expenses and attempt to address financial stability and liquidity issues through a variety of stimulus measures.

Stimulus Efforts for State and Local Governments: The CARES Act included a $150 billion Coronavirus Relief Fund, which provided funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations could receive monies from the amount allocated to their state). This money was intended for programs that were necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money was not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it could indirectly assist with revenue shortfalls in cases where the expenses that were covered by this fund would otherwise create a further budget shortfall.

The CARES Act also included an Education Stabilization Fund, which provided $30.75 billion for K-12 and higher education systems. There were three main forms of relief: $13.2 billion for K-12 schools that was administered on a state-by-state basis, $14 billion for public and private colleges and universities, and $3 billion in emergency relief that governors could distribute to schools, colleges and universities that were particularly affected by COVID-19 and the ensuing crisis.

The ARP Act includes an additional $350 billion for states, tribal governments and local governments. Notably, in addition to the uses allowed under the CARES Act, ARP funds can be used to replace revenues lost due to COVID-19 and to make necessary investments in water, sewer or broadband infrastructure. These broader categories allow such governments much more flexibility in utilizing such funds.

The ARP Act also includes a total of $170.3 billion in funding for education, including more than $122.8 billion for the Elementary and Secondary School Emergency Relief Fund ("ESSER"). The largest portion of such ESSER funds will be distributed to school districts based on their relative share of Title I funding, but additional moneys are also allocated to help schools address learning time lost by students, after-school and summer enrichment programs, and administration costs.

Municipal Liquidity Facility: The Federal Reserve established a "Municipal Liquidity Facility" ("MLF") in 2020 that offered up to $500 billion in direct federal lending to certain larger issuers, which were in turn able to use their own loan proceeds to make loans to included smaller governmental units that would not otherwise qualify for this program. The MLF expired on December 31, 2020. Most municipal issuers did not have to resort to the MLF because rates have been conducive to issuing debt through the conventional municipal bond market; however, it is notable that the MLF existed as a market backstop if needed.

State Response

Executive orders: Pursuant to emergency powers granted by the State Legislature, Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic.

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. School districts must normally maintain 180-day in-class attendance for State aid; however, this requirement was waived to the extent attributable to COVID-19 related closures during the 2019-20 school year. Additionally, pursuant to State Executive Orders Nos. 202.13 and 202.26, the school district elections and budget votes that normally would have been held in-person on May 19, 2020 were postponed and conducted by absentee ballot, with such ballots being counted on June 16, 2020.

While initially "non-essential" employees were mandated to work from home, starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening. Reopening occurred in phases, with different businesses and industries allowed to open in each phase.

As COVID-19 cases began to rise again in the fall of 2020, the State shifted to a strategy based on identifying areas with higher positivity rates and implementing successively higher restrictions in such areas. Such areas were labeled "yellow", "orange" or "red." When COVID-19 cases dropped again, affected areas could be removed from the list. As of March 22, 2021, all remaining yellow zone cluster restrictions were lifted; therefore, there were no longer any areas of the State subject to special restrictions under such system.

Since increased supplies of COVID-19 vaccine have become available, the State is encouraging residents to get vaccinated and, as of April 6, 2021, all New Yorkers 16 years of age and older are eligible to receive a vaccine.

Up-to-date information on the State's COVID-19 response can be found at https://forward.ny.gov. Reference to website implies no warranty of accuracy of information therein.

State Budget: The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State's 2019-2020 fiscal year, and continuing during the State's 2020-2021 fiscal year.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget ("DOB") began withholding 20 percent of most local aid payments, although such aid has generally since been restored.

Many of the State's 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the $1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost $24 billion in funding for various levels of government in the State, including approximately $12.5 billion for the State, $6 billion for New York City, and $4 billion to be divided among counties in the State; another $12 billion is intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

Accordingly, the State enacted budget for the 2021-2022 fiscal year is more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts will benefit from a $1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive the increased level of Foundation Aid that was originally promised in 2007, along with a $105 million expansion of full-day prekindergarten. Local governments will receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal (VLT) facilities will receive a full restoration of $10.3 million in proposed VLT aid cuts.

Although the 2021-2022 budget contains additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

Legislation Allowing Financial Flexibility for Municipalities and School Districts: On August 24, 2020, Governor Cuomo signed legislation allowing municipalities and school districts additional financial flexibility in response to the COVID-19 pandemic. Whereas municipalities and school districts in the State typically may only pursue short-term financing for five years, under certain circumstances the new legislation allows note financing for up to an additional two years prior to converting to long-term bonds.

The new legislation also allows municipalities and school districts additional flexibility related to the use of reserve funds or inter-fund transfers for costs associated with COVID-19. The typical mandatory or permissive referendum requirements for the expenditure of funds from a capital reserve fund have been waived for capital costs attributable to the COVID-19 pandemic. Moneys from a capital reserve fund can also be temporarily advanced for operating costs or other costs attributable to the COVID-19 pandemic, so long as such moneys are repaid within five fiscal years, with interest. Additionally, while inter-fund transfers must typically be repaid by the end of the fiscal year in which the transfer is made, inter-fund advances for costs attributable to the COVID-19 pandemic do not need to be repaid until the close of the following fiscal year.

Local Response

The State Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement the same. Specifically, in the event of a qualifying disaster or reasonable apprehension of immediate danger to the public safety, the municipal chief executive has the authority to declare a local state of emergency for a period of up to 30 days and issue orders to protect life and property or to bring the emergency situation under control.

While the District itself is not able to declare a local state of emergency, the County has done so. The District closed in mid-March 2020 and did not resume session for the rest of the 2019-20 school year. During the timeframe of the closure the District provided education to students remotely and was responsible for providing meal deliveries to students.

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic could have a significant adverse effect on the District's finances.

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.

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign a bond rating of "AA (stable outlook)" to the Bonds, based upon the issuance by Assured Guaranty Municipal Corp. ("AGM") of its standard form of Municipal Bond Insurance Policy with respect to the Bonds at the time of delivery of the Bonds. (see APPENDIX – D, BOND INSURANCE AND SPECIMEN POLICY" herein).

S&P has assigned an underlying rating of "A+ (stable outlook)" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38 Floor, New York, New York 10041, Phone: (212) 438-2118.

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

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), unless the Bonds are purchased for the purchaser's own account, as principal for investment and not for resale, the District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "APPENDIX C." A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Bonds as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the rule applies.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The 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.

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 Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The 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

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

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

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

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

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

Concurrently with the delivery of the Bonds, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

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

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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: Marylynn Reeves, Treasurer, phone: (716) 337-0101 ext. 1306; email: mreeves@northcollins.org.

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

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "APPENDIX D, BOND INSURANCE AND SPECIMEN POLICY".

North Collins Central School District

Dated: May 21, 2021
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

						Budget	
Fiscal Year Ending June 30:	2016	2017	2018	2019	2020	2021	
Beginning Fund Balance - July 1	$6,100,972	$7,053,096	$7,201,561	$7,462,528	$8,008,380	$5,668,157	E
Revenues:							
Real Property Taxes	$4,282,168	$4,311,337	$4,407,017	$4,643,523	$4,702,163	$5,561,615	
Other Tax Items	984,567	957,433	914,721	809,665	750,003	3,000	
Non-Property Tax Items	702,069	717,185	736,666	741,355	621,642	650,000	
Charges for Services	91,339	71,591	84,767	86,840	24,047	51,500	
Use of Money & Property	97,254	98,242	110,833	143,131	122,608	86,000	
Sale of Property/Comp. for Loss	17,347	15,743	5,481	9,688	116,673	2,500	
Miscellaneous	225,147	203,416	136,645	122,539	78,982	85,000	
State Aid	8,084,219	8,170,794	8,732,606	8,867,938	7,869,369	7,843,682	
Federal Aid	31,532	62,882	18,940	17,698	14,798	30,000	
Interfund Transfer	269,444	166,714	165,022	64,874	0	625,000	
Total Revenues	$14,785,086	$14,775,337	$15,312,698	$15,507,251	$14,300,285	$14,938,297	
Expenditures:							
General Support	$1,845,287	$1,951,199	$2,014,961	$1,913,417	$1,811,982	$2,070,027	
Instruction	6,870,416	7,345,489	7,560,514	7,489,779	7,766,241	8,167,947	
Transportation	1,021,524	1,066,924	1,262,530	1,136,104	1,368,392	1,367,760	
Community Services	0	0	0	0	0	0	
Employee Benefits	2,595,585	2,762,785	2,704,201	2,915,100	3,061,946	3,415,263	
Debt Service	1,500,150	1,500,475	1,509,525	1,507,000	478,175	477,800	
Interfund Transfer	0	0	0	0	2,153,772	139,500	
Total Expenditures	$13,832,962	$14,626,872	$15,051,731	$14,961,400	$16,640,508	$15,638,297	
Adjustments	0	0	0	1	0	0	
Year End Fund Balance	$7,053,096	$7,201,561	$7,462,528	$8,008,380	$5,668,157	$4,968,157	E
Excess (Deficit) Revenues Over Expenditures	$952,124	$148,465	$260,967	$545,851	($2,340,223)	($700,000)	1

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

Note:

1. Appropriated Fund Balance planned to be used.

E. Estimated

General Fund – Budget Summary

	2021-22 Adopted Budget
Revenues:	
Real Property Taxes	$5,672,845
Other Tax Items	3,000
Non-property Taxes	700,000
Charges for Services	16,500
Use of Money and Property	102,000
Sale of Property/Compensation/Loss	2,500
Miscellaneous	85,000
State Aid	8,572,876
Federal Aid	55,473
Interfund Transfers	356,000
Appropriated Fund Balance	700.000
Total Revenues	$16,266,194
Expenditures:	
General Support	$2,074,858
Instruction	8,195,989
Transportation	1,263,062
Employee Benefits	3,440,685
Debt Service	1,161,600
Interfund Transfers	130,000
Total Expenditures	$16,266,194

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Assets:					
Cash and Cash Equivalents	$6,804,644	$7,114,013	$7,113,354	$7,832,393	$5,480,321
Due from Other Governments	605,772	636,639	679,598	721,893	546,524
State & Federal Aid Receivable	219,367	135,415	235,600	143,230	143,821
Due from Other Funds	280,268	220,219	310,788	218,034	387,357
Total Assets	$7,910,051	$8,106,286	$8,339,340	$8,915,550	$6,558,023
Liabilities:					
Accounts Payable & Accrued Liabilities	$911	$70,318	$141,045	$109,027	$153,954
Due to Retirement Systems	856,044	834,407	735,767	798,143	735,912
Total Liabilities:	$856,955	$904,725	$876,812	$907,170	$889,866
Fund Balances:					
Restricted	5,161,974	5,278,182	6,212,041	6,446,018	4,303,392
Assigned	1,237,165	1,317,676	577,652	934,276	739,354
Unassigned	653,957	605,703	672,835	628,086	625,411
Total Fund Balance	$7,053,096	$7,201,561	$7,462,528	$8,008,380	$5,668,157
Total Liabilities and Fund Balance	$7,910,051	$8,106,286	$8,339,340	$8,915,550	$6,558,023

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

<u>APPENDIX B</u>

Audited Financial Statements

For The Fiscal Year Ended June 30, 2020

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, 2020

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June 30, 2020

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, 2020, 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, 2020, 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 9, 2020 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 9, 2020

Management's Discussion and Analysis (unaudited)

June 30, 2020

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, 2020. 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	2020	2019	Change $	%
Current and other assets	$ 16,502,000	$ 9,552,000	$ 6,950,000	72.8%
Capital assets	15,183,000	13,997,000	1,186,000	8.5%
Total assets	31,685,000	23,549,000	8,136,000	34.5%
Deferred outflows of resources	3,643,000	3,298,000	345,000	10.5%
Long-term liabilities	4,669,000	4,102,000	567,000	13.8%
Other liabilities	9,514,000	914,000	8,600,000	940.9%
Total liabilities	14,183,000	5,016,000	9,167,000	182.8%
Deferred inflows of resources	1,194,000	895,000	299,000	33.4%
Net position				
Net investment in capital assets	14,223,000	12,267,000	1,956,000	15.9%
Restricted	4,827,000	6,521,000	(1,694,000)	(26.0%)
Unrestricted	901,000	2,148,000	(1,247,000)	(58.1%)
Total net position	$ 19,951,000	$ 20,936,000	$ (985,000)	(4.7%)

Net position amounted to $19,951,000 and $20,936,000 as of June 30, 2020 and 2019. 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, which is set aside to pay for future renovations and bus purchases as approved by the District's voters; employee benefit accrued liability, which is restricted to pay for future accumulated sick and vacation time; repairs, which is restricted for emergency repairs to the District's capital assets; and a retirement contribution, restricted to fund contributions paid by the District to the New York State and Local Employees' Retirement System (ERS) and New York State Teachers' Retirement System (TRS). Other reserves include the property loss and liability, unemployment insurance, and debt service.

Total assets increased by $8,136,000 ($152,000 increase in 2019) primarily as a result of an increase in cash resulting from the unspent proceeds of $7,880,000 of bond anticipation notes (BAN). The BAN is used to finance the District's elementary building restoration project. Current and other assets increased due to the net pension asset (TRS). The increase in capital assets is due to current capital spending exceeding depreciation expense and disposals due to the construction project.

Long-term liabilities increased by $567,000 ($1,213,000 decrease in 2019) due to an increase in the ERS net pension liability of $990,000 offset by required debt service payments of $410,000.

Other liabilities increased by $8,600,000 ($26,000 increase in 2019) due to the issuance of a BAN as mentioned previously and increases in accounts payable of $782,000 primarily related to amounts due for an ongoing capital project.

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	2020	2019	Change $	%
Revenues				
Program revenues				
Charges for services	$ 156,000	$ 243,000	$ (87,000)	(35.8%)
Operating grants and contributions	894,000	704,000	190,000	27.0%
General revenues				
Real property taxes	5,452,000	5,453,000	(1,000)	-
Sales tax	621,000	741,000	(120,000)	(16.2%)
Other	248,000	177,000	71,000	40.1%
State aid	7,869,000	8,868,000	(999,000)	(11.3%)
Total revenue	15,240,000	16,186,000	(946,000)	(5.8%)
Expenses				
Instruction	12,066,000	10,926,000	1,140,000	10.4%
Support services				
General support	2,263,000	2,235,000	28,000	1.3%
Pupil transportation	1,540,000	1,427,000	113,000	7.9%
Food service	289,000	198,000	91,000	46.0%
Interest	67,000	81,000	(14,000)	(17.3%)
Total expenses	16,225,000	14,867,000	1,358,000	9.1%
Change in net position	(985,000)	1,319,000	(2,304,000)	(174.7%)
Net position – beginning	20,936,000	19,617,000	1,319,000	6.7%
Net position – ending	$ 19,951,000	$ 20,936,000	$ (985,000)	(4.7%)

District revenues decreased $946,000 in 2020 (increase of $229,000 in 2019). State aid decreased by $999,000 in 2020 ($135,000 increase in 2019) which included decreases in foundation and building aid. Operating grants and contributions increased $190,000 in 2020 (decrease of $55,000 in 2019) due primarily to a $100,000 increase in federal aid.

Total expenses increased $1,358,000 in 2020 (decrease of $390,000 in 2019) due to increases in District-wide salaries, related health insurance benefits, and pension expense related to increases in TRS and ERS of $775,000.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds decreased from $8,102,000 to $6,202,000 as described below:

- The debt service fund has $163,000 of fund balance, an increase of $88,000 from 2019, which is restricted for the payment of debt. The increase is due to the premium received on the BAN.
- The general fund incurred a $2,340,000 decrease in fund balance from $8,008,000 to $5,668,000. This decrease is primarily due to the general fund transferring $2,121,000 to the capital project fund to finance the ongoing $10,380,000 capital project.

General Fund Budgetary Highlights

The revenue budget for 2020 was $14,804,000. Actual revenue was under budget by $503,000 due to a $367,000 shortfall in use of money and property and $95,000 less in State sources and a decline in sales taxes of $103,000 due to the pandemic.

Actual expenditures and carryover encumbrances were less than the final amended budget by $1,070,000. The significant variances between actual and final budgeted expenditures occurred in central services, teaching – regular school, employee benefits, and pupil transportation. These differences are due to conservative budgeting and a conscious effort to manage expenses.

Capital Assets

	2020	2019
Land and land improvements	$ 3,459,000	$ 3,459,000
Buildings and improvements	21,790,000	21,693,000
Furniture and equipment	698,000	709,000
Vehicles	2,429,000	2,256,000
Construction in progress	1,843,000	178,000
	30,219,000	28,295,000
Accumulated depreciation	(15,036,000)	(14,298,000)
	$ 15,183,000	$ 13,997,000

Current year additions totaling $2,227,000 were offset by depreciation and loss on disposals of assets totaling $1,041,000.

Debt

At June 30, 2020, the District had $1,320,000 in bonds outstanding, with $425,000 due within one year ($1,730,000 outstanding at June 30, 2019). Outstanding compensated absences payable were $177,000, with $22,000 expected to be paid within one year ($155,000 outstanding at June 30, 2019).

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

Current Financial Issues and Concerns

The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on all school districts, residents, employees, and vendors, none of which can be predicted. The District has already experienced 20% state aid payment withholdings that could become permanent. Significant reductions are expected in 2020-2021 for State aid and sales tax revenues. Federal revenue sources are expected to increase but the extent of Federal assistance is not yet known.

School districts in New York State are also 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 planning process.

The District will continue to mitigate the impact of rising costs of education on the overall budget, including using reserve funds as permitted by law to lessen their budgetary impact. The property tax levy cap further emphasizes the importance of using reserves judiciously and implementing creative cost cutting measures. 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, 2020
(With comparative totals as of June 30, 2019)

	2020	2019
Assets		
Cash	$ 14,619,783	$ 7,911,216
Due from other governments	546,524	721,893
State and federal aid receivable	545,116	365,543
Inventory	3,061	14,869
Net pension asset	787,719	538,530
Capital assets (Note 4)	30,218,671	28,295,306
Accumulated depreciation	(15,035,740)	(14,298,307)
Total assets	31,685,134	23,549,050
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	3,612,206	3,297,721
Deferred outflows of resources related to OPEB	30,881	-
Total deferred outflows of resources	3,643,087	3,297,721
Liabilities		
Accounts payable and accrued liabilities	898,416	116,310
Due to retirement systems	735,912	798,143
Bond anticipation notes	7,880,000	-
Long-term liabilities		
Due within one year:		
Bonds	425,000	410,000
Compensated absences	22,000	33,000
Due beyond one year:		
Bonds	895,000	1,320,000
Compensated absences	155,000	122,000
Net pension liability	1,341,967	351,713
Total OPEB liability	1,829,689	1,864,857
Total liabilities	14,182,984	5,016,023
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	1,194,662	894,705
Net Position		
Net investment in capital assets	14,222,969	12,266,999
Restricted	4,826,689	6,521,106
Unrestricted	900,917	2,147,938
Total net position	$ 19,950,575	$ 20,936,043

See accompanying notes.

Statement of Activities

For the year ended June 30, 2020
(With summarized comparative totals for June 30, 2019)

		Program Revenues		Net (Expense) Revenue	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	**2020**	2019
Governmental activities					
General support	$ 2,263,139	$ 96,547	$ -	**$ (2,166,592)**	$ (2,134,874)
Instruction	12,066,191	24,047	657,141	**(11,385,003)**	(10,276,965)
Pupil transportation	1,540,025	-	-	**(1,540,025)**	(1,427,295)
Interest expense	67,575	-	-	**(67,575)**	(81,247)
School food service	289,302	35,440	236,364	**(17,498)**	(787)
	$ 16,226,232	$ 156,034	$ 893,505	**(15,176,693)**	(13,921,168)
General revenues					
Real property taxes				**5,452,166**	5,453,188
Sales tax				**621,642**	741,355
Other				**248,048**	177,383
State aid				**7,869,369**	8,867,938
Total general revenues				**14,191,225**	15,239,864
Change in net position				**(985,468)**	1,318,696
Net position - beginning				**20,936,043**	19,617,347
Net position - ending				**$ 19,950,575**	$ 20,936,043

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2020
(With comparative totals as of June 30, 2019)

	General	Capital Projects	Special Aid	Debt Service	School Lunch	Total Governmental Funds 2020	Total Governmental Funds 2019
Assets							
Cash	$ 5,480,321	$ 9,062,195	$ 2,141	$ 75,126	$ -	**$ 14,619,783**	$ 7,911,216
Due from other governments	546,524	-	-	-	-	**546,524**	721,893
State and federal aid receivable	143,821	-	322,285	-	79,010	**545,116**	365,543
Due from other funds, net	387,357	-	-	88,133	-	**475,490**	218,034
Inventory	-	-	-	-	3,061	**3,061**	14,869
Total assets	$ 6,558,023	$ 9,062,195	$ 324,426	$ 163,259	$ 82,071	**$ 16,189,974**	$ 9,231,555
Liabilities and Fund Balances							
Accounts payable and accrued liabilities	$ 153,954	$ 734,024	$ 4,297	$ -	$ 3,941	**$ 896,216**	$ 113,510
Due to retirement systems	735,912	-	-	-	-	**735,912**	798,143
Due to other funds, net	-	88,133	320,129	-	67,228	**475,490**	218,034
Bond anticipation notes	-	7,880,000	-	-	-	**7,880,000**	-
Total liabilities	889,866	8,702,157	324,426	-	71,169	**9,987,618**	1,129,687
Fund Balances							
Nonspendable:							
Inventory	-	-	-	-	3,061	**3,061**	14,869
Restricted:							
Capital	1,438,468	360,038	-	-	-	**1,798,506**	3,774,215
Employee benefit accrued liability	411,898	-	-	-	-	**411,898**	417,095
Repair	1,586,237	-	-	-	-	**1,586,237**	1,580,081
Retirement contribution	521,816	-	-	-	-	**521,816**	329,616
Property loss and liability	124,251	-	-	-	-	**124,251**	124,045
Unemployment insurance	220,722	-	-	-	-	**220,722**	220,966
Debt service	-	-	-	163,259	-	**163,259**	75,088
Assigned:							
Designated for subsequent year's expenditures	700,000	-	-	-	-	**700,000**	898,433
Other purposes	39,354	-	-	-	7,841	**47,195**	39,374
Unassigned	625,411	-	-	-	-	**625,411**	628,086
Total fund balances	5,668,157	360,038	-	163,259	10,902	**6,202,356**	8,101,868
Total liabilities and fund balances	$ 6,558,023	$ 9,062,195	$ 324,426	$ 163,259	$ 82,071	**$ 16,189,974**	$ 9,231,555

See accompanying notes.

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

June 30, 2020

Total fund balances - governmental funds		$ 6,202,356
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.		15,182,931
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	787,719	
Net pension liability	(1,341,967)	
Deferred outflows of resources related to pensions	3,612,206	
Deferred inflows of resources related to pensions	(1,194,662)	1,863,296
The District's total OPEB liability as well as OPEB-related deferred outflows of resources are recognized on the government-wide statements and include:		
Deferred outflows of resources related to OPEB	30,881	
Total OPEB liability	(1,829,689)	(1,798,808)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Bonds	(1,320,000)	
Accrued interest	(2,200)	
Compensated absences	(177,000)	(1,499,200)
Net position - governmental activities		$ 19,950,575

See accompanying notes.

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

For the year ended June 30, 2020
(With summarized comparative totals for June 30, 2019)

	General	Capital Projects	Special Aid	Debt Service	School Lunch	Total Governmental Funds 2020	Total Governmental Funds 2019
Revenues							
Real property taxes	$ 4,702,163	$ -	$ -	$ -	$ -	**$ 4,702,163**	$ 4,643,523
Real property tax items	750,003	-	-	-	-	**750,003**	809,665
Nonproperty taxes	621,642	-	-	-	-	**621,642**	741,355
Charges for services	24,047	-	-	-	-	**24,047**	86,840
Use of money and property	122,608	131	-	88,171	-	**210,910**	145,400
Sale of property and compensation for loss	116,673	-	-	-	-	**116,673**	9,688
Miscellaneous	78,982	-	-	-	-	**78,982**	123,069
State sources	7,869,369	-	170,836	-	6,847	**8,047,052**	9,059,315
Federal sources	14,798	-	471,507	-	229,517	**715,822**	512,285
Sales	-	-	-	-	35,440	**35,440**	55,386
Total revenues	14,300,285	131	642,343	88,171	271,804	**15,302,734**	16,186,526
Expenditures							
General support	1,811,982	-	-	-	262,246	**2,074,228**	2,122,739
Instruction	7,766,241	-	616,680	-	-	**8,382,921**	7,993,070
Pupil transportation	1,368,392	-	48,099	-	-	**1,416,491**	1,203,783
Employee benefits	3,061,946	-	-	-	883	**3,062,829**	2,916,017
Debt service							
Principal	410,000	-	-	-	-	**410,000**	1,395,000
Interest	68,175	-	-	-	-	**68,175**	112,000
Cost of sales	-	-	-	-	26,173	**26,173**	5,481
Capital outlay	-	1,761,429	-	-	-	**1,761,429**	275,151
Total expenditures	14,486,736	1,761,429	664,779	-	289,302	**17,202,246**	16,023,241
Excess revenues (expenditures)	(186,451)	(1,761,298)	(22,436)	88,171	(17,498)	**(1,899,512)**	163,285
Other financing sources (uses)							
Operating transfers, net	(2,153,772)	2,121,336	22,436	-	10,000	**-**	-
Net change in fund balances	(2,340,223)	360,038	-	88,171	(7,498)	**(1,899,512)**	163,285
Fund balances - beginning	8,008,380	-	-	75,088	18,400	**8,101,868**	7,938,583
Fund balances - ending	$ 5,668,157	$ 360,038	$ -	$ 163,259	$ 10,902	**$ 6,202,356**	$ 8,101,868

See accompanying notes.

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, 2020

Total net change in fund balances - governmental funds		$ (1,899,512)
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 capital outlays exceed depreciation expense and disposals.		1,185,932
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:		
2020 TRS and ERS contributions	697,604	
2020 ERS accrued contribution	246,199	
2019 ERS accrued contribution	(240,840)	
2020 TRS net pension expense	(949,048)	
2020 ERS net pension expense	(480,452)	(726,537)
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.		66,049
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.		410,000
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	600	
Compensated absences	(22,000)	(21,400)
Change in net position - governmental activities		$ (985,468)

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, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual (Budgetary Basis)	Encumbrances	Variance with Final Budget Over/(Under)
Revenues					
Local sources					
Real property taxes	$ 5,428,000	$ 5,428,000	**$ 4,702,163**		$ (725,837)
Real property tax items	4,000	4,000	**750,003**		746,003
Nonproperty taxes	725,000	725,000	**621,642**		(103,358)
Charges for services	36,500	36,500	**24,047**		(12,453)
Use of money and property	489,750	489,750	**122,608**		(367,142)
Sale of property and compensation for loss	1,250	1,250	**116,673**		115,423
Miscellaneous	105,000	105,000	**78,982**		(26,018)
State sources	7,964,221	7,964,221	**7,869,369**		(94,852)
Federal sources	50,000	50,000	**14,798**		(35,202)
Total revenues	14,803,721	14,803,721	**14,300,285**		(503,436)
Expenditures					
General support					
Board of education	16,720	16,720	**10,946**	-	(5,774)
Central administration	225,852	225,852	**216,023**	-	(9,829)
Finance	224,489	220,950	**200,481**	-	(20,469)
Staff	66,500	66,800	**39,867**	-	(26,933)
Central services	1,360,008	1,253,587	**1,064,873**	7,676	(181,038)
Special items	322,833	286,388	**279,792**	-	(6,596)
Instruction					
Instruction, administration, and improvement	471,996	477,058	**457,008**	-	(20,050)
Teaching - regular school	3,824,520	3,795,909	**3,514,534**	1,515	(279,860)
Programs for children with handicapping conditions	2,222,206	2,302,742	**2,280,443**	-	(22,299)
Occupational education	560,526	516,214	**504,423**	6,150	(5,641)
Teaching - special schools	26,025	26,025	**15,540**	-	(10,485)
Instructional media	465,883	487,733	**438,213**	23,170	(26,350)
Pupil services	689,317	682,296	**556,080**	125	(126,091)
Pupil transportation	1,436,177	1,554,778	**1,368,392**	718	(185,668)
Employee benefits	3,204,770	3,204,770	**3,061,946**	-	(142,824)
Debt service					
Principal	410,000	410,000	**410,000**	-	-
Interest	68,175	68,175	**68,175**	-	-
Total expenditures	15,595,997	15,595,997	**14,486,736**	39,354	(1,069,907)
Excess revenues (expenditures)	(792,276)	(792,276)	**(186,451)**	(39,354)	566,471
Other financing sources (uses)					
Operating transfers out	(142,000)	(142,000)	**(2,153,772)**		2,011,772
Appropriated fund balance and carryover encumbrances	934,276	934,276	**-**		(934,276)
Total other financing sources (uses)	792,276	792,276	**(2,153,772)**		(2,946,048)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	**$ (2,340,223)**	$ (39,354)	$ (2,379,577)

See accompanying notes.

Statement of Fiduciary Net Position

June 30, 2020

	Private-Purpose Trusts	Agency
Assets		
Cash	$ 83,295	$ 330,622
Liabilities		
Agency liabilities	-	$ 288,448
Extraclassroom activities balances	-	42,174
Total liabilities	-	$ 330,622
Net Position		
Restricted for scholarships	$ 83,295	

***

Statement of Changes in Fiduciary Net Position

For the year ended June 30, 2020

	Private-Purpose Trusts
Additions	
Gifts and contributions	$ 11,100
Interest income	103
	11,203
Deductions	
Scholarship awards and other	12,509
Change in net position	(1,306)
Net position - beginning	84,601
Net position - ending	$ 83,295

See accompanying notes.

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, 2020, the District was billed $2,198,000 for BOCES administrative and program costs, recognized revenue of $60,000 as a refund from prior year expenditures paid to BOCES, and received $94,000 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 9.

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.
- *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.

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

- *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.
- *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.
- *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, 2019, 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 Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2020, the tax lien was issued on July 23, 2019 for collection from September 1 through December 2, 2019. 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, 2019 was approved by a majority of the voters in a general election held on May 21, 2019.

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

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.

Other Postemployment Benefits (OPEB)

On the government-wide statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense for the District's defined benefit healthcare plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with benefit terms.

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 at retirement or the option of converting this vested amount to provide for the payment of health insurance 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 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. In 2016, 2017, and 2019, District voters approved the creation of three capital reserves, each with maximum allowable funding of $2,500,000 plus interest over their respective ten-year periods. To date, these reserves have been funded to $4,519,687.
- *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 TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2020, the retirement contribution reserve includes $199,022 for TRS and $322,794 for ERS.
- *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 up to $115,000 and a liability reserve not to exceed $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. The District's banking 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, 2020, 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	$ 387,357	$ -	$ -	$ 2,153,772
Capital projects	-	88,133	2,121,336	-
Special aid	-	320,129	22,436	-
Debt service	88,133	-	-	-
School lunch	-	67,228	10,000	-
	$ 475,490	$ 475,490	$ 2,153,772	$ 2,153,772

The District's general fund provides cash flow to the special aid and school lunch funds 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 to cover its share of costs related to the summer school handicap program; to the capital projects fund to pay for capital outlay; and to the school lunch fund to pay for general operations.

4. Capital Assets

	July 1, 2019	Increases	Retirements/ Reclassifications	June 30, 2020
Non-depreciable capital assets:				
Land	$ 62,346	$ -	$ -	$ 62,346
Construction in progress	178,223	1,665,093	-	1,843,316
Total non-depreciable assets	240,569	1,665,093	-	1,905,662
Depreciable capital assets:				
Land improvements	3,396,531	-	-	3,396,531
Buildings and improvements	21,693,304	96,336	-	21,789,640
Furniture and equipment	708,930	15,550	(26,531)	697,949
Vehicles	2,255,972	450,473	(277,556)	2,428,889
Total depreciable assets	28,054,737	562,359	(304,087)	28,313,009
Less accumulated depreciation:				
Land improvements	2,298,557	184,350	-	2,482,907
Buildings and improvements	10,401,702	508,902	-	10,910,604
Furniture and equipment	482,902	48,827	(26,531)	505,198
Vehicles	1,115,146	237,471	(215,586)	1,137,031
Total accumulated depreciation	14,298,307	979,550	(242,117)	15,035,740
Total depreciable assets, net	13,756,430	(417,191)	(61,970)	13,277,269
	$ 13,996,999	$ 1,247,902	$ (61,970)	$ 15,182,931

Depreciation expense has been allocated to the following functions: general support $45,833, instruction $712,061, and pupil transportation $221,656.

As of June 30, 2020, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	$ 15,182,931
Cash in capital projects fund, net of payables	8,240,038
Bonds	(1,320,000)
Bond anticipation notes	(7,880,000)
	$ 14,222,969

5. Short-Term Debt

Bond anticipant notes (BANs) issued and outstanding at June 30, 2020 amounted to $7,880,000 and carry interest at 2.0%. The BANs mature through June 2021.

6. Long-Term Liabilities

	July 1, 2019	Increases	Decreases	June 30, 2020	Amount Due in One Year
Bonds	$ 1,730,000	$ -	$ 410,000	$ 1,320,000	$ 425,000
Compensated absences	155,000	22,000	-	177,000	22,000
	$ 1,885,000	$ 22,000	$ 410,000	$ 1,497,000	$ 447,000

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds – 2009	June 2023	3.125%-3.5%	$ 1,320,000

Debt Service Requirements

Years ending June 30,	Principal	Interest
2021	$ 425,000	$ 52,800
2022	440,000	35,800
2023	455,000	18,200
	$ 1,320,000	$ 106,800

7. 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 8.86% for 2020. 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 2020, these rates ranged from 9.4% - 15.9%.

The amount outstanding and payable to TRS for the year ended June 30, 2020 was $462,149. A liability to ERS of $246,199 is accrued based on the District's legally required contribution for employee services rendered from April 1, 2020 through June 30, 2020.

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

At June 30, 2020, the District reported an asset of $787,719 for its proportionate share of the TRS net pension position and a liability of $1,341,967 for its proportionate share of the ERS net pension position.

The TRS net pension position was measured as of June 30, 2019, and the total pension liability was determined by an actuarial valuation as of June 30, 2018, with update procedures applied to roll forward the net pension position to June 30, 2019. 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, 2019, the District's proportion was 0.030320%, an increase of 0.000538 from its proportion measured as of June 30, 2018.

The ERS net pension position was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. 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, 2020 measurement date, the District's proportion was 0.0050677%, an increase of 0.0001037 from its proportion measured as of March 31, 2019.

For the year ended June 30, 2019, the District recognized net pension expense of $1,429,500 on the government-wide statements (TRS expense of $949,048 and ERS expense of $480,452). At June 30, 2020, 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	$ 533,817	$ 58,576	$ 78,980	$ -
Changes of assumptions	1,488,107	362,843	27,021	23,332
Net difference between projected and actual earnings on pension plan investments	-	631,710	687,658	-
Changes in proportion and differences between contributions and proportionate share of contributions	19,428	102,886	68,847	15,315
District contributions subsequent to the measurement date	462,149	-	246,199	-
	$ 2,503,501	$ 1,156,015	$ 1,108,705	$ 38,647

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, 2021. 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
2021	$ 335,204	$ 145,533
2022	1,441	207,532
2023	333,912	262,368
2024	221,266	208,426
2025	25,067	-
Thereafter	(31,553)	-
	$ 885,337	$ 823,859

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2018 valuation, with update procedures used to roll forward the total pension liability to June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

Inflation – 2.2%
Salary increases – Based on TRS member experience, dependent on service, ranging from 1.90% -4.72%
Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually
Investment rate of return – 7.1% 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-2018, applied on a generational basis
Discount rate – 7.1%

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, 2019 valuation, with update procedures used to roll forward the total pension liability to March 31, 2020, 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%
COLA – 1.3% annually
Investment rate of return – 6.8% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2018
Discount rate – 6.8%

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%	6.3%	36%	4.1%
Global and international equities	20%	7.2%-7.8%	14%	6.2%
Private equities	8%	9.9%	10%	6.8%
Real estate	11%	4.6%	10%	5.0%
Inflation-indexed bonds	-	-	4%	0.5%
Domestic fixed income securities	16%	1.3%	-	-
Global fixed income securities	2%	0.9%	-	-
Bonds and mortgages	7%	2.9%	17%	0.8%
Short-term	1%	0.3%	1%	-
Other	2%	3.6%-6.5%	8%	3.3%-6.0%
	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 7.1% (TRS) and 6.8% (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)	$ (3,555,682)	$ 787,719	$ 4,431,342
District's proportionate share of the ERS net pension asset (liability)	$ (2,462,888)	$ (1,341,967)	$ (309,594)

8. 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; such amounts are not considered an OPEB liability. 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 June 30, 2020, employees covered by the Plan include:

Active employees	92
Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	-
	137

Total OPEB Liability

The District's total OPEB liability of $1,829,689 was measured as of March 31, 2020 and was determined by an actuarial valuation as of June 30, 2020.

The total OPEB liability in the June 30, 2020 actuarial 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 2011-2027 for short-term rates and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2020 (updated September 2019) for long-term rates, initially 5.2%, with an ultimate rate of 4.18% after 2070
Salary increases – 3.22%
Mortality – Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality, fully generational using scale MP-2019
Discount rate – 2.48% based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date
Inflation rate – 2.22%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 1,864,857
Changes for the year:	
Service cost	8,722
Interest	60,190
Changes of benefit terms	-
Differences between expected and actual experience	(128,217)
Changes of assumptions or other inputs	148,002
Benefit payments	(123,865)
Net changes	(35,168)
Balance at June 30, 2020	$ 1,829,689

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 (1.48%)	Discount Rate (2.48%)	1.0% Increase (3.48%)
Total OPEB liability	$ (2,008,647)	$ (1,829,689)	$ (1,677,287)

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 3.18%)	Healthcare Cost Trend Rate (5.20% to 4.18%)	1.0% Increase (6.20% to 5.18%)
Total OPEB liability	$ (1,794,502)	$ (1,829,689)	$ (1,868,543)

OPEB Expense and Deferred Outflows of Resources

For the year ended June 30, 2020, the District recognized OPEB expense of $88,697. At June 30, 2020, the District reported deferred outflows of resources related to OPEB of $30,881 for contributions subsequent to the measurement date. Such contributions will be recognized as a reduction of the total OPEB liability for the year ending June 30, 2021.

9. 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 37 participating members as of June 30, 2019 (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, 2019, 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, 2019 (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, 2019, which can be obtained from Erie 2-Chautauqua-Cattaraugus BOCES, 8685 Erie Road, Angola, New York 14006.

10. 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's taxpayers approved the Elementary Building Reconstruction project that remains in progress at year end and has a budget not to exceed $10,380,000. At June 30, 2020, $1,843,316 has been expended on the projects and numerous open contracts are in place.

11. Risks and Uncertainties

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and all schools, resulting in a severe disruption of operations for organizations. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on school districts, including its residents, employees, and vendors, none of which can be predicted.

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,	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.030320%	0.029782%	0.030166%	0.029120%	0.028307%	0.028214%	0.028033%
District's proportionate share of the net pension asset (liability)	$ 787,719	$ 538,530	$ 229,293	$ (311,822)	$ 2,940,175	$ 3,142,864	$ 184,525
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
District's proportionate share of the net pension position as a percentage of its covered payroll	15.66%	10.97%	4.75%	6.87%	69.15%	74.85%	4.49%
Plan fiduciary net position as a percentage of the total pension liability	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

The following is a summary of changes of assumptions:

Inflation	2.2%	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%	1.90% - 4.72%	4.0% - 10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2018	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,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 462,149	$ 534,145	$ 481,003	$ 565,528	$ 601,864	$ 745,387	$ 677,243	$ 486,169
Contribution in relation to the contractually required contribution	(462,149)	(534,145)	(481,003)	(565,528)	(601,864)	(745,387)	(677,243)	(486,169)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,216,129	$ 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	8.86%	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,	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0050677%	0.0049640%	0.0051304%	0.0055790%	0.0055053%	0.0052329%
District's proportionate share of the net pension liability	$ (1,341,967)	$ (351,713)	$ (165,582)	$ (524,214)	$ (883,610)	$ (176,781)
District's covered payroll	$ 1,655,411	$ 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	81.07%	22.20%	10.69%	34.82%	59.61%	12.36%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	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%	2.5%	2.7%
Salary increases	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

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

June 30,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 235,455	$ 229,786	$ 228,307	$ 227,045	$ 273,362	$ 258,040	$ 295,025	$ 239,217
Contribution in relation to the contractually required contribution	(235,455)	(229,786)	(228,307)	(227,045)	(273,362)	(258,040)	(295,025)	(239,217)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,655,411	$ 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	14.22%	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,	2020	2019	2018
Total OPEB liability - beginning	$ 1,864,857	$ 1,839,609	$ 1,719,157
Changes for the year:			
Service cost	8,722	7,811	7,281
Interest	60,190	62,420	61,350
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(128,217)	87,177	135,453
Changes of assumptions or other inputs	148,002	(13,832)	28,327
Benefit payments	(123,865)	(118,328)	(111,959)
Net change in total OPEB liability	(35,168)	25,248	120,452
Total OPEB liability - ending	$ 1,829,689	$ 1,864,857	$ 1,839,609
Covered-employee payroll	$ 4,691,132	$ 4,538,634	$ 4,538,634
Total OPEB liability as a percentage of covered-employee payroll	39.00%	41.09%	40.53%

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

The following is a summary of changes of assumptions:

Healthcare cost trend rates	5.20% - 4.18%	6.20% - 4.23%	5.30% - 4.17%
Salary increases	3.22%	3.36%	3.31%
Discount rate	2.48%	3.44%	3.61%
Inflation rate	2.22%	2.37%	2.31%
Society of Actuaries' mortality scale	MP-2019	MP-2018	MP-2017

Data prior to 2018 is unavailable.

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, 2020

Original expenditure budget	$ 15,702,154
Encumbrances carried over from prior year	35,843
Revised expenditure budget	$ 15,737,997

* * *

Unrestricted Fund Balance	
Assigned	$ 739,354
Unassigned	625,411
	1,364,765
Encumbrances included in assigned fund balance	(39,354)
Appropriated fund balance used for tax levy	(700,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 625,411
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2021 expenditure budget (unaudited)	$ 15,638,297
4% of budget	625,532
Actual percentage of 2021 expenditure budget	4.0%

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2020

Project Title	Original Budget	Revised Budget	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
2020 Capital Outlay Project	$ 100,000	$ 96,336	$ -	$ 96,336	$ 96,336	$ -
Elementary Building Reconstruction	10,380,000	10,380,000	178,223	1,665,093	1,843,316	8,536,684
	$ 10,480,000	$ 10,476,336	$ 178,223	$ 1,761,429	$ 1,939,652	$ 8,536,684

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2020, 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 9, 2020.

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 9, 2020

APPENDIX C

DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This continuing disclosure undertaking (the "Disclosure Undertaking") is executed and delivered by the North Collins Central School District, Erie County, New York (the "Issuer") in connection with the issuance of its [$7,880,000] School District Serial Bonds, 2021 (such Bonds, including any interests therein, being collectively referred to herein as the "Security"). The Issuer hereby covenants and agrees as follows:

Section 1. <u>Obligation to Provide Continuing Disclosure</u>. (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):

(i) no later than the following March 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, the Annual Financial Information relating to such fiscal year, unless Audited Financial Statements are prepared, in which case the Annual Financial Information will be provided on or prior to the following March 31 after the end of each fiscal year or within 60 days following receipt by the Issuer of Audited Financial Statements (whichever is later) (the "Report Date"), but in no event later than one year after the end of each fiscal year;

(ii) if not provided as part of the Annual Financial Information, Audited Financial Statements within 60 days of their receipt, but in no event later than one year after the end of each fiscal year;

(iii) 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) Bond 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 1, 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.

(iv) in a timely manner (not in excess of ten business days after the occurrence of such event), notice of a failure to provide by the date set forth in Section 1(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(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)(ii) 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. <u>Definitions</u>

"Annual Financial Information" means the information specified in Section 3 hereof.

"Audited Financial Statements" means the Issuer's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of New York.

"EMMA" means the 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.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States.

"GASB" means the Governmental Accounting Standards Board, or any successor thereto.

"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 issued either before or after the effective date of this Disclosure Undertaking which are applicable to this Disclosure Undertaking.

"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. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Security under the headings "THE DISTRICT, TAX INFORMATION, STATUS OF INDEBTEDNESS, and LITIGATION" and all Appendices (other than "APPENDIX C"); which Annual Financial Information may, but it is not required to, include audited financial statements.

(b) All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which are (i) available to the public on EMMA or (ii) filed with the Securities and Exchange Commission. If such a document is a final official statement, it must be available on EMMA.

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 6(f) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. 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 5. 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 6. 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 adjust the Report Date if the Issuer changes its fiscal year; provided that such new date shall be within nine months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration;

(f) to modify the contents, presentation and format of the Annual Financial Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(g) 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 6 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 7. 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 8. 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 9. 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 as of [June 16, 2021].

NORTH COLLINS CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

By: SPECIMEN
President of the Board of Education

(SEAL)

ATTEST:

SPECIMEN
District Clerk

APPENDIX D

Bond Insurance and Specimen Policy

APPENDIX D

BOND INSURANCE AND SPECIMEN POLICY

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At March 31, 2021:

- The policyholders' surplus of AGM was approximately $2,805 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $959 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,121 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM

On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("AGC") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "APPENDIX D, BOND INSURANCE AND SPECIMEN POLICY – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "APPENDIX D, BOND INSURANCE AND SPECIMEN POLICY".

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)