PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2021

NEW ISSUE **BOND ANTICIPATION NOTES**

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

The Notes will **NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

$14,085,000
NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT
NIAGARA COUNTY, NEW YORK

$14,085,000 Bond Anticipation Notes - 2021

Dated: June 28, 2021 **Due: June 28, 2022**

The Notes are general obligations of the Niagara Wheatfield Central School District, Niagara County, New York, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "Nature of the Obligation". The Notes will be issued without the option of prepayment, with interest payable at maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an unqualified legal opinion as to the validity of the Notes of Hawkins Delafield and Wood LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser(s), on or about June 28, 2021.

Facsimile or telephone bids will be received WEDNESDAY, June 16 until 10:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

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

DATED: June __, 2021

NIAGARA-WHEATFIELD CENTRAL SCHOOL DISTRICT
NIAGARA COUNTY, NEW YORK

School District Officials

2020-21 BOARD OF EDUCATION

Steven Sabo - President
Richard Sirianni - Vice President

John Forcucci
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Michael Lee
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Marisa Zarcone

Daniel G. Ljiljanich - Superintendent of Schools
Allison Davis – Business Administrator
Marjorie Strobel – School District Treasurer
Maureen Mack – District Clerk

School District Attorney

Webster Szanyi, LLP

Harris Beach

BOND COUNSEL

Hawkins Delafield and Wood LLP

MUNICIPAL ADVISOR

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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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

of the

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT
NIAGARA COUNTY, NEW YORK
Relating To
$14,085,000 Bond Anticipation Notes - 2021

This Official Statement, which includes the cover page, has been prepared by the Niagara Wheatfield Central School District, Niagara County, New York (the "District", "County" and "State," respectively) in connection with the sale by the School District of $14,085,000 Bond Anticipation Notes - 2021 (the "Notes).

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

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

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

Description of the Notes

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

The Notes are dated June 28, 2021 and mature, without option of prior redemption, June 28, 2022. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. Paying agent fees, if any will be paid by the purchaser(s).

The Notes will be issued as registered notes and, at the option of the purchaser(s), may be registered to the Depository Trust Company ("DTC") or may be registered in the name of the purchaser.

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to the respective successful bidder at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

Nature of the Obligation

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

The Notes 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 thereof and the 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 taxable real property in the District, without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Notes are being issued to finance voter approved capital expenditures, the Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "THE TAX LEVY LIMITATION LAW" herein.)

Remedies Upon Default

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, 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 been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically, this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk* v. *Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), 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 the 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 or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the 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.

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

Section 99-B of The State Finance Law

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

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

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

No Past Due Debt

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

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. <u>While this Local Finance Law provision does not</u> apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors’ rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

Market Matters Affecting Financings of The State and Municipalities of The State

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

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the School District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "State Aid" and "Events Affecting New York School Districts" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" and "Events Affecting New York School Districts" herein).

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "Tax Matters" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "The Tax Levy Limit Law" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the School District could impair the financial condition of such entities, including the School District and the ability of such entities, including the School District to pay debt service on the Notes.

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law and the Local Finance Law, and pursuant to a bond resolution dated June 5, 2019, authorizing the issuance of obligations of the District in the amount of $30,000,000 to finance the construction of improvements and alterations to various Districts Buildings and sites (the "Project").

A $9,085,000 portion of the proceeds of the Notes along with $915,000 in available district funds will redeem the outstanding $10,000,000 BAN maturing on June 29, 2021. The $5,000,000 balance of the proceeds of the Notes will be used to provide additional original financing for the project.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for those Notes issued as book-entry-only, if so requested. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM

ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

THE SCHOOL DISTRICT

General Information

The District comprises about 115 square miles in southwestern Niagara County, adjacent to the City of Niagara Falls on the west and south and the City of North Tonawanda and the Niagara River on the south. Included within its boundaries are major portions of the towns of Niagara and Wheatfield and small portions of the Towns of Lewiston and Cambria.

The District is residential and industrial in character but has some open farmland. Many of the residents are employed in the cities of Niagara Falls, Lockport and Buffalo. A network of highways provide transportation means for local motor freight, and airport facilities are available at the Buffalo Niagara International Airport and the Niagara Falls International Airport which includes the Niagara Falls Air Force Base.

Hospital, banking, recreational and utility facilities are available to the residents of the District, either within the District or in nearby areas. Public safety is provided by the State Police and the Niagara County Sheriff's Department. Fire protection is provided by volunteer fire companies.

District Population

The 2019 population of the School District is estimated to be 26,742 (Source: 2019 U.S. Census Bureau estimate)

Economic Developments

A solar farm has been proposed in the Town of Niagara.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District are the Towns and Counties listed below. The Figures set below with respect to such Towns, Counties and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns, Counties 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:						
Niagara	$17,500	$23,156	$27,959	$43,689	$51,598	$56,224
Wheatfield	22,184	28,328	40,597	61,315	82,332	108,438
Lewiston	23,275	29,053	35,921	58,620	72,721	91,014
Cambria	20,397	26,540	36,403	54,583	75,633	94,494
County Of:						
Niagara	19,219	24,224	30,971	47,817	59,471	74,256
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.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Tuscarora Indian Elementary	K-6	1952	129	2018
Colonial Village Elementary	K-5	1949	3448	2020
Errick Road Elementary	K-5	1953	3554	2020
West Street Elementary	K-5	1997	3077	2020
Edward Town Middle School	6-8	1964	5,849	2020
Niagara Wheatfield Senior High	9-12	1958	10,155	2020

Source: District Officials

District Employees

The District employs a total of 547 full-time and 44 part-time employees with representation by the various bargaining units listed below:

Bargaining Unit	Employees	Expiration Date
Niagara Wheatfield Teachers' Association	306	6/30/2022
Niagara Wheatfield School Related Personnel Assoc.	244	6/30/2021
Niagara Wheatfield Administrator Association	12	6/30/2021
Directors and Supervisors	4	6/30/2023
Confidential and Other Professional	25	N/A

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2016-17	3,597	2021-22	3,358
2017-18	3,518	2022-23	3,313
2018-19	3,520	2023-24	3,268
2019-20	3,431	2024-25	3,224
2020-21	3,427	2025-26	3,180

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	1,293,863	3,027,024
2016-2017	1,191,873	2,760,548
2017-2018	1,088,206	2,435,116
2018-2019	1,114,389	2,723,770
2019-2020	1,264,575	2,206,143
2020-2021 (Budgeted)	1,291,271	2,548,638
2021-2022 (Budgeted)	1,952,332	2,631,264

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 did establish a TRS Reserve Fund on June 30, 2019 and funded it in the amount of $526,000.

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 July 1, 2018 and financial data as of June 30, 2019, the School District's beginning year total OPEB liability was $6,930,384, the net change for the year was $1,294,201 resulting in a total OPEB liability of $8,224,585 for a 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, 2019 financial statements.

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

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

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

Major Employers
For Buffalo and Western New York

Name	Nature of Business	Estimated Number of Employees
State of New York	Government	23,600
Federal Executive Board	Government	15,000
Kaleida Health	Health Care	8,301
M&T Bank	Banking	7,400
Catholic Health	Health Care	7,184
University at Buffalo	Education	7,076
Buffalo City School District	Education	6,528
Tops Friendly Markets	Retail Grocery	5,374
Erie County	Government	5,010
Erie County Medical Center Corp	Health Care	3,450
Seneca Gaming Corp	Entertainment	3,402
Roswell Park Comprehensive Cancer Center	Health Care	3,328
Geico	Insurance	3,250
Niagara Falls Air Force Reserve Station	Government	3,165
Wegmans Food Markets Inc	Retail Grocery	3,102
HSBC Bank USA NA	Banking	3,000
General Motors	Manufacturing	2,981
People Inc.	Human Services	2,980
City of Buffalo	Government	2,753
Moog Inc.	Manufacturing	2,500
Williamsville Central School District	Education	2,407
U.S. Postal Service	Government	2,370
Delaware North	Hospitality Management	2,295

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 Niagara 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	Niagara County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2016	5.9%	4.9%	4.9%
2017	6.2%	4.6%	4.4%
2018	5.2%	4.1%	3.9%
2019	5.0%	3.8%	3.7%
2020	10.4%	10.0%	N/A

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

<u>2020-2021 Monthly Figures</u>

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Niagara County	14.6%	13.6%	10.2%	6.8%	6.3%	6.5%	7.7%	8.0%	8.4%	7.7%	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%	8.4%	7.8%	N/A

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

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys in banks and 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 bonds issued by the District; (5) certificates of participation issued 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 instruments and 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 instruments and investments 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 in Section 10 of the GML.

Form of School Government

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

The legislative power of the District is vested in the Board of Education, which consists of seven members including the President and Vice President. Board members are elected for overlapping terms of three years such that as nearly as possible an equal number of members are elected to the Board on the third Tuesday of May each year. The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by such Board, include the Superintendent of Schools and School Business Administrator.

Budgetary Procedures

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

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

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

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

The budget for the 2018-19 fiscal year was adopted by the qualified voters on May 15, 2018 by a vote of 547 to 212. The School District's 2018-19 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 692 to 219. 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 19, 2020 by a vote of 3,213 yes to 1,397 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 by a vote of 547 to 212. The School 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 will be required to annually report its budgeted support for individual schools beginning with the 2019-20 fiscal year.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2021-22 fiscal year, approximately 43.65% 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. Due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it may continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that without federal funding the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State.

The State's 2019-2020 Enacted Budget provided for school aid of approximately $27.9 billion, an increase of more than $1 billion in school aid spending from the 2018-2019 school year. Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education

Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State is expected to release all of the withheld funds on or about June 30, 2021.

The State's 2021-22 Enacted Budget provides $29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. This represents an increase of $3.0 billion or 11.3 percent compared to the 2020-21 school year, and includes a $1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase is targeted to high-need school districts.

The State's 2021-22 Enacted Budget also programs $13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocates $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget uses $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in 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.

As described above, the State's 2020-21 Enacted Budget included, and the State's 2021-22 Enacted Budget includes, significant amounts of federal funding. 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, the COVID-19 pandemic, 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. Reductions in federal funding levels could have a materially adverse impact on the State budget.

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

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

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 or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

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.

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

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

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

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

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The *NYSER* lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the 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	$ 68,434,491	$ 29,349,666	42.89
2016-2017	69,600,757	31,535,511	45.31
2017-2018	70,760,554	32,376,493	45.76
2018-2019	73,131,376	33,795,406	46.21
2019-2020	73,722,565	33,420,968	45.33
2020-2021 (Budgeted)	72,445,195	38,443,164	53.07
2021-2022 (Budgeted)	74,872,850	34,581,906	46.19

Source: Audited financial statements for the 2015-2016 fiscal year through the 2019-2020 fiscal year and the adopted budgets of the District for the 2020-2021 and 2021-2022 fiscal years. This table is not audited.

Events Affecting State Aid to New York School Districts

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.

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The budget included an increase of $1.1 billion in State aid for school districts.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget included an increase of $1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process.

School district fiscal year (2016-2017): The State Legislature adopted the State budget on March 31, 2016. The budget included an increase of $991 million in State aid for school districts over the 2015-16 budget, $863 million of which consisted of traditional operating aid. In addition to the $408 million of expense based aid, the State’s Adopted Budget included a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase related to ($100 million). Community Schools Aid, a newly adopted 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.

School district fiscal year (2017-2018): The State’s 2017-2018 Enacted Budget provided for school aid of approximately $25.8 billion, an increase of $1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget provides for school aid of approximately $26.7 billion, an increase of approximately $1.0 billion in school aid spending from the 2017-2018 school year. The majority of the increases have been targeted to high need school districts. 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 5.2% and building aid increased by 4.7%. The State 2018¬2019 Enacted Budget continues to link school aid increases for 2018-2019 and 2019-2020 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2019-2020) **-** The State's 2019-20 Enacted Budget includes more than $1 billion increase in aid to school districts, including a $618 million increase in Foundation Aid. The new State education aid total is $27.9 billion and increase of 3.8%. The 2019-20 Enacted Budget directs a majority of such additional funding (over 70%) to the State's more economically disadvantaged school districts.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "*Market Factors Affecting Financing of the State and School Districts of the State*" herein).

The Smart Schools Bond Act (the "SSBA") was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The SSBA requires that a Review Board review and approve districts' Smart Schools Investment Plan before any funds may be made available for the program.

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 of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	3.3
2019	No Designation	3.3
2018	No Designation	0.0
2017	Susceptible	28.3
2016	Susceptible	35.0

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 most recent State Comptroller audit report of the District dated February 21, 2020 was to determine whether District officials properly managed and accounted for Niagara Power Coalition and Native American revenues from July 1, 2015-September 18, 2019.

Key Findings

- District officials did not properly account for Niagara Power Coalition revenues; $4.2 million was maintained in the debt service fund although the funds had not been designated to pay debt.
- District officials improperly restricted funds in a debt service.
- District officials maintained a capital reserve that was not properly approved.

Key Recommendations

- Account for Niagara Power Coalition revenues in a special revenue fund.
- Investigate the source of funds in the debt reserve and, if appropriate, transfer these funds to a special revenue fund.
- Consult with legal counsel on the appropriate action regarding the future use of the capital reserve.

A copy of the complete report and the District’s response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no State Comptroller 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 Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 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:					
Town of Niagara	$ 270,393,066	$ 273,835,627	$ 276,292,048	$ 276,725,359	$ 277,518,285
Town of Wheatfield	704,294,643	711,180,296	716,780,767	714,248,607	720,484,375
Town of Lewiston	118,121,233	119,479,936	120,622,182	120,846,756	122,003,150
Town of Cambria	21,092,394	26,220,044	26,291,883	26,550,438	26,508,366
Total	$ 1,113,901,336	$ 1,130,715,903	$ 1,139,986,880	$ 1,138,371,160	$ 1,146,514,176
Equalization Rates:					
Town of Niagara	56.00%	56.00%	56.00%	54.00%	49.00%
Town of Wheatfield	63.00%	62.00%	60.00%	55.00%	53.00%
Town of Lewiston	71.00%	69.00%	67.00%	62.00%	59.00%
Town of Cambria	90.00%	100.00%	100.00%	95.00%	89.00%
Full Valuations:					
Town of Niagara	$ 482,844,761	$ 488,992,191	$ 493,378,657	$ 512,454,369	$ 566,363,847
Town of Wheatfield	1,117,928,005	1,147,064,994	1,194,634,612	1,298,633,831	1,359,404,481
Town of Lewiston	166,367,934	173,159,328	180,033,107	194,914,123	206,785,000
Town of Cambria	23,435,993	26,220,044	26,291,883	27,947,829	29,784,681
Total	$ 1,790,576,693	$ 1,835,436,556	$ 1,894,338,259	$ 2,033,950,151	$ 2,162,338,009

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
Town of Niagara					
Homestead	$ 29.73	$ 29.16	$ 28.95	$ 28.46	$ 29.95
Non-Homestead	39.78	39.08	38.80	38.18	40.15
Town of Wheatfield					
Homestead	26.03	25.94	26.63	27.63	27.41
Non-Homestead	35.52	35.44	36.36	37.53	37.19
Town of Lewiston					
Homestead	23.33	23.48	23.98	24.64	24.17
Non-Homestead	31.05	31.39	32.11	32.81	32.91
Town of Cambria					
Homestead	18.41	16.30	15.66	15.70	16.57
Non-Homestead	24.49	21.66	21.51	21.41	21.81

Tax Collection Procedure

Real property taxes for school purposes are levied by the District and are collected by the District's appointed tax collector for each town. Such taxes may be paid without penalty on or before October 5. Delinquent school tax payments are assessed penalties in accordance with an ascending scale, which starts at 2% if paid between October 6 and November 5.

On or about November 5, uncollected taxes are turned over to the Niagara County Treasurer and the County reimburses the District in full for the uncollected amount no later than April 1 of the District's fiscal year.

The County has the power to enforce the collection of real property taxes and to issue and sell tax anticipation notes in order to finance any uncollected taxes returned to the District. The table below shows the District's collections for the past five years.

Tax Collection Record

Fiscal Year Ended June 30:	2017	2018	2019	2020	2021
Total Tax Levy:	$31,960,121	$32,178,516	$32,979,761	$33,543,714	$34,043,515
Less: STAR Collections	4,750,313	4,579,828	4,486,113	4,224,241	5,442,813
Prior to Return to County	27,209,808	27,592,505	28,489,582	27,749,769	28,600,702
Amount Returned	1,256,369	1,267,227	1,326,293	1,565,230	1,463,080
Percentage Collected Prior to Return to County	95.38%	95.40%	95.34%	94.66%	95.44%

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	$ 68,434,491	$ 33,907,904	49.55
2016-2017	69,600,757	33,795,170	48.56
2017-2018	70,760,554	33,906,962	47.92
2018-2019	73,131,376	34,599,431	47.31
2019-2020	73,722,565	35,333,595	47.93
2020-2021 (Budgeted)	72,445,195	30,089,829	41.53
2021-2022 (Budgeted)	74,872,850	34,720,519	46.37

Source: Audited financial statements for the 2015-16 fiscal year through 2019-20 fiscal year and the adopted budgets 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
Niagara Mohawk Power Corp	Utility	$23,800,967
Empire State Pipeline	Utility	6,416,087
Niagara Recycling	Landfill	5,532,900
CV9370 LLC	Mobile Home Park	4,447,600
Niagara Plaza LLC	Commercial	4,300,000
1000 Crestwood Court LLC	Commercial	4,000,000
CCP North Gate 7584 LLC	Commercial	3,717,400
2600 Niagara Falls Blvd LLC	Commercial	3,450,000
National Fuel Gas Dist	Utility	3,296,401
AHC Purchaser Inc	Senior Living Facility	2,825,000
Total		$61,786,355

1. The above taxpayers represent 5.38% of the School District's 2020-21 Assessed value of $1,146,514,176

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

The 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.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of Tax Levy Limitation Law. School districts budgets must comply in their 2014-15 and 2015-16 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015 and was signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in 2019.

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.

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York’s highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, 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, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit the District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

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

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

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

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

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

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

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

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020
Serial Bonds	$ 33,990,000	$ 28,595,000	$ 23,070,000	$ 17,980,000	$ 24,100,000
Bond Anticipation Notes	-	-	-	11,000,000	10,000,000
Capital Lease	-	-	-	2,478,271	2,478,271
Total Debt Outstanding	$ 33,990,000	$ 28,595,000	$ 23,070,000	$ 31,458,271	$ 36,578,271

Status of Outstanding Bond Issues

Year of Issue:	2012		2013	
Amount Issued:	$4,600,000		$10,570,000	
Purpose/Instrument:	DASNY Serial Bond		Building/ Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2021	320,000	108,250	685,000	196,638
2022	335,000	92,250	700,000	176,088
2023	350,000	75,500	720,000	155,088
2024	370,000	58,000	740,000	133,488
2025	385,000	39,500	760,000	103,888
2026	405,000	20,250	780,000	73,488
2027	-	-	805,000	50,088
2028	-	-	830,000	25,938
Totals:	$ 2,165,000	$ 393,750	$ 6,020,000	$ 914,704

	2015		2020	
Amount Issued:	$14,210,000		$9,925,000	
Purpose/Instrument:	Building/Serial Bond		Building/Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2021	2,930,000	276,813	965,000	197,397
2022	3,060,000	142,313	590,000	179,200
2023	-	-	600,000	167,400
2024	-	-	615,000	155,400
2025	-	-	625,000	143,100
2026	-	-	640,000	130,600
2027	-	-	680,000	117,800
2028	-	-	695,000	104,200
2029	-	-	715,000	90,300
2030	-	-	730,000	76,000
2031	-	-	745,000	61,400
2032	-	-	760,000	46,500
2033	-	-	725,000	31,300
2034	-	-	620,000	16,800
2035	-	-	220,000	4,400
Totals:	$ 5,990,000	$ 419,126	$ 9,925,000	$ 1,521,797

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2021	4,900,000	779,098	5,679,098	20.77%
2022	4,685,000	589,851	5,274,851	40.05%
2023	1,670,000	397,988	2,067,988	47.61%
2024	1,725,000	346,888	2,071,888	55.19%
2025	1,770,000	286,488	2,056,488	62.71%
2026	1,825,000	224,338	2,049,338	70.20%
2027	1,485,000	167,888	1,652,888	76.25%
2028	1,525,000	130,138	1,655,138	82.30%
2029	715,000	90,300	805,300	85.24%
2030	730,000	76,000	806,000	88.19%
2031	745,000	61,400	806,400	91.14%
2032	760,000	46,500	806,500	94.09%
2033	725,000	31,300	756,300	96.85%
2034	620,000	16,800	636,800	99.18%
2035	220,000	4,400	224,400	100.00%
Totals:	$ 24,100,000	$ 3,249,377	$ 27,349,377	

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	9/2/2020	6/29/2021	2.00%	$10,000,000*

*To be redeemed utilizing available district funds and a portion of the proceeds of the Notes.

Cash Flow Borrowings

The District currently does not have a revenue or tax anticipation notes outstanding.

Capital Project Plans

On November 15, 2016 the qualified voters of the District approved a capital project for the construction of alterations and improvements to District buildings and sites (the “Project”) in the amount of $18 million, of which $11 million will be financed. The District permanently financed this project with the issuance of bonds in March 2020.

On May 21, 2019 the qualified voters of the District approved a capital project in the amount of $30,000,000 for the construction of alterations and improvements to District buildings and sites. The District issued a $10,000,000 Bond Anticipation Note on September 2, 2020. The proceeds of the Notes along with $915,000 in available district funds will redeem the outstanding $10,000,000 BAN maturing on June 29, 2021 as well as provide $5,000,000 in new money for the aforementioned purpose.

Capital Lease Obligations

The District has entered into an Energy Performance Contract to complete necessary energy improvements in many of the District buildings. The total principal amount of the lease was $2,478,271 and was issued at a rate of 3.125%. Payments are due April 23 and October 23. The District anticipates receiving approximately 67.49% of the cost in State Aid with the remaining amount being paid by the energy cost savings. The remaining payments under this agreement are as follows:

Year Ending June 30th	Principal Due 10/23	Principal Due 4/23	Interest Due 10/23	Interest Due 4/23	Total
2021	65,387	66,408	38,723	37,701	$208,220
2022	67,446	68,500	36,664	35,610	$208,220
2023	69,570	70,657	34,540	33,452	$208,220
2024	71,761	72,883	32,348	31,227	$208,220
2025	74,021	75,178	30,088	28,932	$208,220
2026	76,353	77,546	27,757	26,564	$208,220
2027	78,757	79,988	25,353	24,122	$208,220
2028	81,238	82,507	22,872	21,603	$208,220
2029	83,796	85,105	20,314	19,004	$208,220
2030	86,435	87,786	17,675	16,324	$208,220
2031	89,157	90,551	14,952	13,559	$208,220
2032	91,965	93,402	12,144	10,707	$208,220
2033	94,862	96,344	9,248	7,766	$208,220
2034	97,849	99,378	6,260	4,732	$208,220
2035	100,931	102,508	3,179	1,602	$208,220
Total	$1,229,530	$1,248,741	$332,117	$312,905	$3,123,293

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 80.1%.

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

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

Debt Statement Summary

As of June 2, 2021

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Town of Niagara	$ 277,518,285	49.00%	$ 566,363,847
Town of Wheatfield	720,484,375	53.00%	1,359,404,481
Town of Lewiston	122,003,150	59.00%	206,785,000
Town of Cambria	26,508,366	89.00%	29,784,681
Total			$ 2,162,338,009
Debt Limit: 10% of Full Valuation			$ 216,233,801
Inclusions:			
Serial Bonds			$ 24,100,000
Bond Anticipation Notes			10,000,000
Total Inclusions:			$ 34,100,000
Exclusions:			
Building Aid Estimate [1]			$0
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to this Issue:			34,100,000
This Issue:		14,085,000	
New Monies This Issue:		5,000,000	5,000,000
Total Net Indebtedness			$ 39,100,000
Net Debt Contracting Margin			$ 177,133,801
Percentage of Debt-Contracting Power Exhausted			18.08%

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
Niagara County	$ 2,162,338,009 / $ 11,623,436,923	18.60%	$ 83,538,165	N/A	$ 83,538,165	$ 15,540,821
Town of Niagara	$ 566,363,847 / $ 566,363,847	100.00%	$ 2,743,802	N/A	$ 2,743,802	$ 2,743,802
Town of Wheatfield	$ 1,359,404,481 / $ 1,461,634,488	93.01%	$ 5,518,336	N/A	$ 5,518,336	$ 5,132,371
Town of Lewiston	$ 206,785,000 / $ 1,289,349,069	16.04%	$ 8,730,000	N/A	$ 8,730,000	$ 1,400,112
Town of Cambria	$ 29,784,681 / $ 441,969,053	6.74%	$ 433,000	N/A	$ 433,000	$ 29,180
Total						$ 24,846,286

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

Notes: 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 June 2, 2021:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness	$ 39,100,000	$ 1,462.12	1.808%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 63,946,286	$ 2,391.23	2.957%

(a) The District's estimated population is 26,742 (Source: 2019 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2020-21 is $2,162,338,009

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

TAX MATTERS

Opinion of Bond Counsel

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

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

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

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

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

Note Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

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

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Hawkins Delafield and Wood LLP, Bond Counsel to the School District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as Appendix C.

CONTINUING DISCLOSURE COMPLIANCE

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to Provide Notice of Events, the description of which is attached hereto as “Appendix D”.

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

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In February 2020 the District was served with a summons and complaint naming the District as one of several defendants and alleging claims under the Child Victims Act. At this early stage it is not possible to determine the potential cost to the District arising from this claim. In the opinion of the attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

COVID —19

COVID-19. The outbreak of COVID-19 has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. Pursuant to Executive Order, the District suspended on-site instruction effective March 16, 2020, which suspension was extended for the balance of the academic year. The District commenced the first semester of the 2020-2021 school year offering multiple learning models including both in-person and virtual learning models for all grade levels. Parents select which model their student will follow and may elect to switch models at specified points throughout the first semester. The District continues to monitor guidelines from the Department of Health, CDC, and parent feedback and will make additional adjustments as necessary.

The amount of State aid to the District is dependent in part upon the financial condition of the State. With no assurance of direct Federal aid and in awareness that collections from taxes and other receipts are likely to fall materially below the level needed to fund authorized disbursements, the State’s 2020 Enacted Budget grants the Budget Director the authority to reduce aid to-localities appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the New York State Division of the Budget. In addition, the Budget Director is authorized to withhold and reduce specific local aid payments during the fiscal year. (See “State Aid” herein for a description of the impact of COVID-19 on State Aid).

The degree of the impact of COVID-19 on the operations and finances of the District is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. There can be no assurances that the spread of COVID-19 will not result in a delay and/or reduction in State aid paid to the District. Any delay or reduction in State aid payments to the District would have a negative impact on the District's finances and operations.

The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

CYBERSECURITY

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

BOND RATING

The Notes are issued as non-rated. The most recent underlying rating assigned to the School District by Moody's Investor Service is an Aa3 rating, which was assigned in connection with the issuance by the School District of $9,925,000 School District Serial Bonds dated March 17, 2020.

A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the District's outstanding serial bonds may have an adverse effect on the market price of the bonds.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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

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

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

The School District's contact information is as follows: Allison Brady, School Business Administrator, phone: (716) 215-3024; email: adavis@nwcsd.org.

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

Niagara Wheatfield Central School District

Dated: June __, 2021
Niagara, New York

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Steven Sabo
President of Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2016	2017	2018	2019	2020	Budget 2021	
Beginning Fund Balance - July 1	$11,797,484	$19,204,161	$20,671,299	$24,135,280	$20,956,627	$15,411,580	E
Revenues:							
Real Property Taxes	$33,907,904	$33,795,170	$33,906,962	$34,599,431	$35,333,595	$34,043,515	
Other Tax Items	0	0	0	0	0	1,574,012	
Charges for Services	3,041,084	1,815,250	2,578,180	2,394,678	2,261,854	1,682,000	
Use of Money & Property	53,074	55,142	98,758	281,716	198,877	73,000	
Sale of Property/Comp. for Loss	192,276	277,221	137,375	276,768	218,147	91,000	
Miscellaneous	358,416	727,276	1,014,852	714,372	621,930	456,000	
State Aid	29,349,666	31,535,511	32,376,493	33,795,406	33,420,968	33,125,668	
Federal Aid	145,611	490,724	547,934	869,005	760,956	600,000	
Interfund Transfer	1,386,460	904,463	100,000	200,000	906,238	800,000	
Total Revenues	$68,434,491	$69,600,757	$70,760,554	$73,131,376	$73,722,565	$72,445,195	
Expenditures:							
General Support	$6,297,926	$6,269,990	$6,537,100	$7,618,900	$7,583,877	$7,167,120	
Instruction	30,833,869	32,934,665	34,892,370	37,775,300	38,222,035	40,788,057	
Transportation	3,364,301	3,478,530	4,353,898	4,627,079	4,222,557	5,108,040	
Employee Benefits	12,931,528	13,663,025	13,725,319	15,928,367	16,231,100	17,201,542	
Interfund Transfer	7,600,400	11,787,409	7,787,886	6,247,771	13,008,043	6,854,868	
Total Expenditures	$61,028,024	$68,133,619	$67,296,573	$72,197,417	$79,267,612	$77,119,627	
Adjustments	210	0	0	(4,112,612) [2]	0	0	
Year End Fund Balance	$19,204,161	$20,671,299	$24,135,280	$20,956,627	$15,411,580	$10,737,148	E
Excess (Deficit) Revenues Over Expenditures	$7,406,467	$1,467,138	$3,463,981	$933,959	($5,545,047)	($4,674,432)	1

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

Note: 1. Appropriated fund balance planned to be used.

2. Adjustment due to Tuscarora School Fund Balance

E. Estimated

General Fund – Budget Summary

	2021-22 Adopted Budget
Revenues:	
Real Property Taxes	$34,720,519
Appropriated Fund Balance	4,349,657
PILOT	1,812,621
In Lieu Taxes -Penalty	804
Interest & Penalties	55,000
Charges for Services	1,682,000
Interest and Earnings	60,000
Use of Property	13,000
Sale of Property	91,000
Miscellaneous	456,000
State Aid	34,581,906
Medicaid Reimbursement	600,000
Interfund Transfer for Debt Service	800,000
Total Revenues	$79,222,507
Expenditures:	
General Support	$7,574,398
Instruction	41,555,950
Transportation	5,179,650
Employee Benefits	18,783,291
Interfund Transfers	6,129,218
Total Expenditures	$79,222,507

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	$5,076,173	$4,119,869	$7,313,437	$5,293,885	$6,119,652
Restricted Cash and Cash Equivalents	10,662,355	13,587,496	14,490,258	16,144,088	9,006,753
Accounts Receivable	158,984	261,102	186,201	29,249	1,201
Intergovernmental receivables - Tuscarora	0	0	0	7,789,481	
Due from Other Funds	4,907,621	4,170,509	4,633,863	724,166	1,711,382
Due from Other Governments	4,005,376	3,843,125	3,042,461	4,170,909	15,060,386
Total Assets	$24,810,509	$25,982,101	$29,666,220	$34,151,778	$31,899,374
Liabilities:					
Accounts Payable	$179,440	$198,712	$230,986	$458,571	$121,491
Accrued Liabilities	376,846	151,003	168,655	228,133	256,972
Due to Other Funds	0	8,666	1,019,718	0	363,127
Due Retirement System	3,394,141	3,131,243	2,815,466	3,108,602	2,697,382
Deferred Revenue	0	0	0	0	
Total Liabilities:	$3,950,427	$3,489,624	$4,234,825	$3,795,306	$3,438,972
Deferred Inflows of Resources:					
State Aid Receivable	$1,655,921	$1,821,178	$1,296,115	$9,399,845	$13,048,822
Fund Balances:					
Nonspendable	$3,759,938	$3,561,298	$3,843,620	$0	$0
Restricted	$10,662,355	$13,533,458	$14,490,258	$16,133,524	$8,998,939
Assigned	2,022,459	755,822	2,914,207	2,131,469	3,327,858
Unassigned	2,759,409	2,820,721	2,887,195	2,691,634	3,084,783
Total Fund Balance	$19,204,161	$20,671,299	$24,135,280	$20,956,627	$15,411,580
Total Liabilities and Fund Balance	$24,810,509	$25,982,101	$29,666,220	$34,151,778	$31,899,374

Source: Audited Annual Financial Reports. This table not audited.

APPENDIX B

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

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Basic Financial Statements, Required Supplementary Information, Supplementary Information and Federal Awards Information for the Year Ended June 30, 2020 and Independent Auditors' Reports

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
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(concluded)

Federal Awards Information:

Drescher & Malecki LLP
3083 William Street, Suite 5
Buffalo, New York 14227
Telephone: 716.565.2299
Fax: 716.565.2201

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Education
Niagara Wheatfield Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niagara Wheatfield Central School District, New York (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

The District's 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the Other Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Other Information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 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 and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Drescher & Malecki LLP

October 7, 2020

As management of the Niagara Wheatfield Central School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. This document should be read in conjunction with the additional information that we have furnished in the District's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2020 by $90,641,654 (*net position*). This consists of $63,947,255 net investment in capital assets, $11,770,845 restricted for specific purposes and unrestricted net position of $14,923,554.

- The District's net position increased by $2,216,448 during the year ended June 30, 2020.

- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $23,362,021, a decrease of $3,358,373 in comparison with prior year's fund balance of $26,720,394.

- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was $3,084,783, or 3.9 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the District's discretion and constitutes approximately 20.0 percent of the General Fund's total fund balance of $15,411,580 at June 30, 2020.

- The District's total bonded indebtedness increased by $6,120,000 as a result of the issuance of $9,925,000 of general obligation serial bonds partially offset by scheduled principal payments of $3,805,000 made during the year ended June 30, 2020.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal 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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general support, instruction, pupil transportation, school food service, and interest and other fiscal charges. The District does not engage in any business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

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

Governmental funds*—Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which includes the presentation of the Tuscarora Indian Education Fund, Special Aid Fund, School Lunch Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund, which are considered major funds.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The District maintains one fiduciary fund, the Agency Fund.

The fiduciary fund financial statement can be found on page 18 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-46 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's net pension liabilities/(assets), the changes in the District's total other postemployment benefits ("OPEB") obligation, and the District's budgetary comparison for the General Fund. Required Supplementary Information and the related notes to the required supplementary information can be found on pages 47-55 of this report.

Supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 56-58.

Other information is presented immediately following the Supplementary Information section of this report on pages 59-60.

The Federal Awards Information section presents the District's Schedule of Expenditures of Federal Awards. This section can be found on pages 61-68 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $90,641,654 at June 30, 2020 as compared to $88,425,206 at the close of the fiscal year ended June 30, 2019.

Table 1, shown below, presents the condensed statements of net position of the District at June 30, 2020 and June 30, 2019.

Table 1—Condensed Statements of Net Position

	June 30,	
	2020	2019
Current assets	$ 42,381,674	$ 52,271,893
Noncurrent assets	94,989,697	80,655,925
Total assets	137,371,371	132,927,818
Deferred ouflows of resources	18,851,940	16,843,559
Current liabilities	6,198,262	16,386,924
Noncurrent liabilities	52,190,808	39,053,718
Total liabilities	58,389,070	55,440,642
Deferred inflows of resources	7,192,587	5,905,529
Net position:		
Net investment in capital assets	63,947,255	54,235,488
Restricted	11,770,845	21,643,443
Unrestricted	14,923,554	12,546,275
Total net position	$ 90,641,654	$ 88,425,206

The largest portion of the District's net position, $63,947,255, reflects its investment in capital assets (e.g. land, construction in progress, buildings and improvements, land improvements, and furniture, equipment, and vehicles), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion of the District's net position, $14,923,554, is considered unrestricted and represents resources that may be used to meet District's ongoing operations.

The remaining balance of the District's net position, $11,770,845, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Table 2, as presented below, shows the changes in net position for the years ended June 30, 2020 and June 30, 2019:

Table 2—Condensed Statements of Changes in Net Position

	Year Ended June 30,	
	2020	2019
Program revenues:		
Charges for services	$ 2,566,653	$ 2,814,798
Operating grants and contributions	11,593,874	12,204,799
General revenues	66,955,177	66,656,382
Total revenues	81,115,704	81,675,979
Program expenses	78,899,256	71,708,194
Change in net position	2,216,448	9,967,785
Net position—beginning	88,425,206	78,457,421
Net position—ending	$ 90,641,654	$ 88,425,206

Overall revenues decreased by 0.7 percent from the prior year, due primarily to decreases in operating grants and contributions related to instruction related programs. Total expenses increased by 10.0 percent from the year ended June 30, 2019 primarily due to an increase in instruction costs and employee benefits.

A summary of sources of revenues for the years ended June 30, 2020 and June 30, 2019 is presented on the following page in Table 3.

Table 3—Summary of Sources of Revenues

	Year ended June 30,		Increase/(Decrease)	
	2020	2019	Dollars	Percent
Charges for services	$ 2,566,653	$ 2,814,798	$ (248,145)	(8.8)
Operating grants and contributions	11,593,874	12,204,799	(610,925)	(5.0)
Real property taxes and other tax items	35,333,595	34,599,431	734,164	2.1
Use of money and property	250,324	357,858	(107,534)	(30.0)
Sale of property and compensation for loss	218,147	276,768	(58,621)	(21.2)
State sources—unrestricted	29,916,580	29,936,850	(20,270)	(0.1)
Miscellaneous	1,236,531	1,485,475	(248,944)	(16.8)
Total revenues	$ 81,115,704	$ 81,675,979	$ (560,275)	(0.7)

The most significant sources of revenue for the year ended June 30, 2020 were real property taxes and other tax items of $35,333,595, or 43.6 percent of total revenues and unrestricted State sources of $29,916,580, or 36.9 percent of total revenues. Similarly, for the year ended June 30, 2019, the largest sources of revenue were real property taxes and other tax items of $34,599,431, or 42.4 percent of total revenues and unrestricted State sources of $29,936,850, or 36.7 percent of total revenues.

A summary of program expenses for the years ended June 30, 2020 and June 30, 2019 is presented below in Table 4:

Table 4—Summary of Program Expenses

	Year ended June 30,		Increase/(Decrease)	
	2020	2019	Dollars	Percent
General support	$ 10,907,621	$ 9,971,729	$ 935,892	9.4
Instruction	59,977,828	54,103,644	5,874,184	10.9
Pupil transportation	5,934,830	5,865,726	69,104	1.2
School food service	1,134,259	1,074,331	59,928	5.6
Interest and other fiscal charges	944,718	692,764	251,954	36.4
Total program expenses	$ 78,899,256	$ 71,708,194	$ 7,191,062	10.0

The most significant expense items for the year ended June 30, 2020 were instruction of $59,977,828, or 76.0 percent of total expenses, general support of $10,907,621, or 13.8 percent of total expenses, and pupil transportation of $5,934,830, or 7.5 percent of total expenditures. Similarly, for the year ended June 30, 2019, the most significant expense items were instruction which comprised $54,103,644, or 75.4 percent of total expenses, general support of $9,971,729, or 13.9 percent of total expenses, and pupil transportation of $5,865,726, or 8.2 percent of total expenditures.

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to specific use* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of Education.

As of June 30, 2020, the District's governmental funds reported combined ending fund balances of $23,362,021, a decrease of $3,358,373 from the prior year. Approximately 13.2 percent, or $3,084,783, of this amount constitutes *unassigned fund balance* which is available for spending in the General Fund at the District's discretion. The remainder of fund balance is either *nonspendable, restricted*, or *assigned* to indicate that it is: (1) not in spendable form, $42,800, (2) restricted for particular purposes, $12,153,597, or (3) assigned for particular purposes, $8,080,841.

The General Fund is the chief operating fund of the District. The General Fund includes the General Fund of the Tuscarora School. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,084,783, while the total fund balance decreased to $15,411,580. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 3.9 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 19.4 percent of that same amount.

The total fund balance of the District's General Fund decreased by $5,545,047 during the current fiscal year. During the year ended June 30, 2020, the District anticipated utilizing $3,466,094 of fund balance including $772,359 from the re-appropriation of prior year's encumbrances and $1,343,735 appropriated during the budget process. The District's General Fund fund balance ended $282,554 higher than expected.

Special Aid Fund expenditures for the year ended June 30, 2020 amounted to $3,007,943 supported mainly by State and Federal Aid. Instruction expenditures increased in the current year based on the amount of aid received. The difference between revenues and expenditures is subsidized by a transfer from the General Fund.

The School Lunch Fund total fund balance is $566,357, as of June 30, 2020, of which $42,800 is considered nonspendable and $523,557 is considered assigned. The fund balance of the District's School Lunch Fund increased by $389,198 in the current fiscal year due to revenues and transfers in exceeding costs of sales and employee benefits.

The Special Revenue fund reports a fund balance of $4,229,426, an increase of $4,152,737 from the prior year. The increase in fund balance is due to a transfer of Host Community of $4,152,616 from the Debt Service Fund.

At June 30, 2020, the District's Capital Projects Fund reports a fund balance of $1,291,629, an increase of $1,273,079 from the prior year as a result of transfers in utilizing Capital Reserve funds partially offset by increased capital outlay costs incurred during the year ended June 30, 2020.

At June 30, 2020, the District's Debt Service Fund reports a fund balance of $1,863,029, a decrease of $3,628,340 from the prior year due to expenditures and transfers out exceeding revenues, other financing sources, and transfers in. This total fund balance is classified as restricted for future debt service payments.

General Fund Budgetary Highlights

The District's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the District has appropriately assigned an equal amount of fund balance at year-end for this purpose. A summary of revisions from adopted budget to final budget is presented below in Table 5:

Table 5—General Fund Budget

Adopted budget 2019-2020	$ 74,400,000
Add: Prior year's encumbrances	772,359
Original budget 2019-2020	75,172,359
Budget revisions:	
Use of Capital Reserve	6,180,000
State aid budget adjustment	3,000
Donations	4,658
Final budget 2019-2020	$ 81,360,017

More detailed information about the District's General Fund budget is presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget (Non-GAAP Basis) and Actual—General Fund within the Required Supplementary Information section of this report.

Capital Assets and Debt Administration

Capital assets—The District's investment in capital assets for its governmental activities as of June 30, 2020, amounted to $90,997,724 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, and furniture, equipment and vehicles.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the District's capital asset policy.

Capital assets, net of depreciation for the governmental activities at the years ended June 30, 2020 and June 30, 2019 are presented below in Table 6:

Table 6—Summary of Capital Assets (Net of Accumulated Depreciation)

	June 30,	
	2020	2019
Land	$ 900,115	$ 900,115
Construction in progress	8,858,184	6,843,440
Buildings and improvements	75,364,672	64,165,229
Land improvements	2,680,737	2,928,780
Furniture, equipment and vehicles	3,194,016	3,059,917
Total	$ 90,997,724	$ 77,897,481

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term liabilities—At June 30, 2020, the District had serial bonds outstanding of $24,100,000, as compared to $17,980,000 in the prior year. During the year ended June 30, 2020, the District issued serial bonds in the amount of $9,925,000, and made scheduled principal payments of $3,805,000.

A summary of the District's long-term liabilities at June 30, 2020 and June 30, 2019 is presented below in Table 7:

Table 7—Summary of Long-Term Liabilities

	June 30,	
	2020	2019
Serial bonds	$ 24,100,000	$ 17,980,000
Premium on serial bonds	1,046,225	1,080,045
Bonds payable, net	25,146,225	19,060,045
Capital lease	2,478,271	2,478,271
Compensated absences	6,821,765	6,255,329
Workers' compensation	3,160,955	2,599,818
OPEB obligation	8,224,585	6,930,384
Net pension liability	6,359,007	1,729,871
Total	$ 52,190,808	$ 39,053,718

Additional information on the District's long-term liabilities can be found in Note 10 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

During the current fiscal year, the District appropriated $2,014,432 of the General Fund's fund balance for spending in the District's 2020-2021 fiscal year budget. The 2020-2021 adopted budget appropriations total of $77,119,627 is an approximate increase of 3.5 percent as compared to $74,400,000 in 2019-2020. The District's total budgeted tax levy, including the amount for School Tax Assessment Relief ("STAR"), in 2020-2021 is $34,043,515, which is an approximate increase of 1.5 percent as compared to $33,543,714 levied during the 2019-2020 year.

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. 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, impact on patients, employees and vendors all of which cannot be predicted. Largely as a result of the public health emergency, the unemployment rate, not seasonally adjusted, for the region at June 30, 2020 was 13.2 percent. This compares to New York State's average unemployment rate of 15.6 percent. These factors are considered in preparing the District's budget.

Requests for Information

This financial report is designed to provide our community, taxpayers, creditors and investors with a general overview of the District's finances and to show the District's accountability. If you have any questions about this report or need additional financial information, contact Mrs. Allison Davis, District Business Manager, Niagara Wheatfield Central School District, P.O. Box 309, 6700 Schultz Street, Niagara Falls, New York 14304.

BASIC FINANCIAL STATEMENTS

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2020

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	$ 10,162,359
Restricted cash and cash equivalents	16,039,853
Receivables	8,161
Due from Agency Fund	32,004
Intergovernmental receivables	16,096,497
Inventories	42,800
Noncurrent net pension asset	3,991,973
Capital assets not being depreciated	9,758,299
Capital assets, net of accumulated depreciation	81,239,425
Total assets	137,371,371
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	17,294,439
Deferred outflows—relating to OPEB	1,366,226
Deferred charges on debt refunding	191,275
Total deferred outflows of resources	18,851,940
LIABILITIES	
Accounts payable	2,954,996
Accrued liabilities	507,582
Due to retirement systems	2,697,382
Unearned revenue	38,302
Noncurrent liabilities:	
Due within one year	6,169,353
Due within more than one year	46,021,455
Total liabilities	58,389,070
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	5,790,965
Deferred inflows—relating to OPEB	1,401,622
Total deferred inflows of resources	7,192,587
NET POSITION	
Net investment in capital assets	63,947,255
Restricted:	
Workers' compensation	938,508
Employee benefits	1,530,595
Retirement contribution	2,553,271
Capital projects	1,467,618
Transportation	3,417,824
Debt service	1,863,029
Unrestricted	14,923,554
Total net position	$ 90,641,654

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
Year Ended June 30, 2020

Function/Program	Expense	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Governmental activities:				
General support	$ 10,907,621	$ -	$ 1,508,528	$ (9,399,093)
Instruction	59,977,828	2,261,854	8,294,952	(49,421,022)
Pupil transportation	5,934,830	-	820,789	(5,114,041)
School food service	1,134,259	304,799	969,605	140,145
Interest and other fiscal charges	944,718	-	-	(944,718)
Total primary government	$ 78,899,256	$ 2,566,653	$ 11,593,874	(64,738,729)
General revenues:				
Real property taxes and other tax items				35,333,595
Use of money and property				250,324
Sale of property and compensation for loss				218,147
State sources—unrestricted				29,916,580
Miscellaneous				1,236,531
Total general revenues				66,955,177
Change in net position				2,216,448
Net position—beginning				88,425,206
Net position—ending				$ 90,641,654

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Balance Sheet—Governmental Funds
June 30, 2020

	General Fund	Special Revenue: Special Aid	Special Revenue: School Lunch	Special Revenue: Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 6,119,652	$ 7,517	$ 305,764	$ 3,729,426	$ -	$ -	$ 10,162,359
Restricted cash and cash equivalents	9,006,753	16,445	21,857	-	5,131,769	1,863,029	16,039,853
Receivables	1,201	6,960	-	-	-	-	8,161
Due from other funds	1,711,382	181,102	182,024	500,000	-	-	2,574,508
Intergovernmental receivables	3,279,997	945,545	90,566	-	-	-	4,316,108
Intergovernmental receivables-Tuscarora	11,780,389	-	-	-	-	-	11,780,389
Inventories	-	-	42,800	-	-	-	42,800
Total assets	$ 31,899,374	$ 1,157,569	$ 643,011	$ 4,229,426	$ 5,131,769	$ 1,863,029	$ 44,924,178
LIABILITIES							
Accounts payable	$ 121,491	$ 1,300	$ 137	$ -	$ 2,832,068	$ -	$ 2,954,996
Accrued liabilities	256,972	13,479	9,700	-	-	-	280,151
Due to other funds	363,127	1,126,345	44,960	-	1,008,072	-	2,542,504
Due to retirement systems	2,697,382	-	-	-	-	-	2,697,382
Unearned revenue	-	16,445	21,857	-	-	-	38,302
Total liabilities	3,438,972	1,157,569	76,654	-	3,840,140	-	8,513,335
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues-State aid receivable	13,048,822	-	-	-	-	-	13,048,822
Total deferred inflows of resources	13,048,822	-	-	-	-	-	13,048,822
FUND BALANCES							
Nonspendable	-	-	42,800	-	-	-	42,800
Restricted	8,998,939	-	-	-	1,291,629	1,863,029	12,153,597
Assigned	3,327,858	-	523,557	4,229,426	-	-	8,080,841
Unassigned	3,084,783	-	-	-	-	-	3,084,783
Total fund balances	15,411,580	-	566,357	4,229,426	1,291,629	1,863,029	23,362,021
Total liabilities, deferred inflows of resources and fund balances	$ 31,899,374	$ 1,157,569	$ 643,011	$ 4,229,426	$ 5,131,769	$ 1,863,029	$ 44,924,178

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position
June 30, 2020

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances—governmental funds (page 14)		$ 23,362,021
Net pension assets are not current financial resources and, therefore are not reported in the fund statements.		3,991,973
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is $130,442,765 and the accumulated depreciation is $39,445,041.		90,997,724
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	$ 2,622,954	
Deferred outflows related to experience, changes in assumptions, proportion, and investment earnings	14,671,485	
Deferred inflows of resources related to pension plans	(5,790,965)	11,503,474
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to benefit payments	$ 1,366,226	
Deferred inflows related to experience and changes of assumptions	(1,401,622)	(35,396)
Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the fund statements but are considered government-wide revenues:		
Deferred inflows of resources—Tuscarora Indian School operations	$ 11,780,389	
Deferred inflows of resources—Tuscarora tuition reimbursement	1,268,433	13,048,822
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the refunded debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.		191,275
Net accrued interest expense for serial bonds is not reported in the fund statements.		(227,431)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	$ (24,100,000)	
Premiums on serial bonds	(1,046,225)	
Capital lease	(2,478,271)	
Compensated absences	(6,821,765)	
Workers' compensation	(3,160,955)	
Other postemployment benefits obligation	(8,224,585)	
Net pension liability	(6,359,007)	(52,190,808)
Net position of governmental activities		$ 90,641,654

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

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

Year Ended June 30, 2020

		Special Revenue					
	General Fund	Special Aid	School Lunch	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes and other tax items	$ 35,333,595	$ -	$ -	$ -	$ -	$ -	$ 35,333,595
Charges for services	2,261,854	-	-	-	-	-	2,261,854
Use of money and property	198,877	-	137	121	-	51,189	250,324
Sale of property and compensation for loss	218,147	-	-	-	-	-	218,147
Miscellaneous	621,930	-	7,286	7,315	-	600,000	1,236,531
State sources	33,420,968	1,139,633	27,663	-	-	-	34,588,264
Federal sources	760,956	1,570,315	941,942	-	-	-	3,273,213
Sales - food service	-	-	304,799	-	-	-	304,799
Total revenues	72,816,327	2,709,948	1,281,827	7,436	-	651,189	77,466,727
EXPENDITURES							
Current:							
General support	7,583,877	-	-	-	-	-	7,583,877
Instruction	38,222,035	2,837,933	-	7,315	-	-	41,067,283
Pupil transportation	4,222,557	170,010	-	-	-	-	4,392,567
Employee benefits	16,231,100	-	309,130	-	-	-	16,540,230
Cost of sales (school lunch)	-	-	1,134,259	-	-	-	1,134,259
Debt service:							
Principal	-	-	-	-	-	3,805,000	3,805,000
Interest and other fiscal charges	-	-	-	-	-	1,090,629	1,090,629
Capital outlay	-	-	-	-	15,409,343	-	15,409,343
Total expenditures	66,259,569	3,007,943	1,443,389	7,315	15,409,343	4,895,629	91,023,188
Excess (deficiency) of revenues over expenditures	6,556,758	(297,995)	(161,562)	121	(15,409,343)	(4,244,440)	(13,556,461)
OTHER FINANCING SOURCES (USES)							
Transfers in	906,238	297,995	550,760	4,152,616	17,188,660	5,970,629	29,066,898
Transfers out	(13,008,043)	-	-	-	(506,238)	(15,552,617)	(29,066,898)
Serial bonds issued	-	-	-	-	-	9,925,000	9,925,000
Premium on serial bonds issued	-	-	-	-	-	273,088	273,088
Total other financing sources (uses)	(12,101,805)	297,995	550,760	4,152,616	16,682,422	616,100	10,198,088
Net change in fund balances	(5,545,047)	-	389,198	4,152,737	1,273,079	(3,628,340)	(3,358,373)
Fund balances—beginning	20,956,627	-	177,159	76,689	18,550	5,491,369	26,720,394
Fund balances—ending	$ 15,411,580	$ -	$ 566,357	$ 4,229,426	$ 1,291,629	$ 1,863,029	$ 23,362,021

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities
Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities (page 13) are different because:		
Net change in fund balances—total governmental funds (page 16)		$ (3,358,373)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions	$ 16,209,003	
Depreciation expense	(3,108,760)	13,100,243
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
District pension contributions	$ 3,650,953	
Cost of benefits earned net of employee contributions	(7,373,714)	(3,722,761)
Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.		1,195,811
Certain revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.		3,648,977
In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.		(13,663)
Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts are reported as expenses as they accrue.		21,502
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:		
Serial bonds issued	$ (9,925,000)	
Premium on serial bonds issued	(273,088)	
Repayment of serial bonds	3,805,000	
Amortization of premiums on serial bonds	306,908	
Amortization of deferred charge on refunding	(147,334)	
Change in compensated absences	(566,436)	
Change in workers' compensation	(561,137)	
Change in other postemployment benefits obligation	(1,294,201)	(8,655,288)
Change in net position of governmental activities		$ 2,216,448

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Net Position—Agency Fund
June 30, 2020

	Agency Fund
ASSETS	
Restricted cash and cash equivalents	$ 683,427
Total assets	$ 683,427
LIABILITIES	
Agency fund liabilities	$ 528,364
Due to other funds	32,004
Extraclassroom activity balances	123,059
Total liabilities	$ 683,427

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Niagara Wheatfield Central School District, New York (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental 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.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from the legally separate *component units* for which the primary government is financially accountable. The District reports no business-type activities or discretely presented component units.

Reporting Entity

The District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the District is to provide education for pupils. Support services such as transportation of pupils, food service, administration, finance, and plant maintenance are also included.

The financial reporting entity includes all funds, functions and organizations over which the District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Blended Component Unit—The District reports the Tuscarora Indian Education Fund (the "School") as a blended component unit of the District. The School was established to provide elementary education for grades K through 8 for residents and members of the Tuscarora Indian Reservation located within the District's boundaries. Separate financial statements are available from the District's business office.

Inclusion in the financial statements is based primarily on the concept of financial accountability as defined in GASB. Financial accountability is determined on the basis of fiscal dependency, ability to impose the District's will or potential for the component unit to provide specific financial benefits to, or to impose specific financial burdens on, the District. The Board of Education together with certain members of the Tuscarora Indian Nation have primary fiscal responsibility for the School. The

School's budget is prepared by the District and subsequently approved by the New York State Native American Unit. All funds appropriated for the School are passed through the District. All employees serving the School are employees of the District and allocations are made from the District to the School for these services.

The General Fund of the School, the Capital Projects and School Lunch funds have been blended into the corresponding funds of the District. All eliminations for related activity between the District and the School have been made.

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

Joint Venture—The District is one of 13 participating school districts in the Orleans-Niagara Board of Cooperative Educational Services ("BOCES"). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that share 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 member 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 also issue debt on behalf of BOCES. As of June 30, 2020, there was no such debt issued by the District.

During the year ended June 30, 2020, the District expended $7,903,810 to Orleans-Niagara BOCES for administrative and program services provided by BOCES. Audited financial statements are available from Orleans-Niagara BOCES administrative offices.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the District's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

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

The District reports the following major governmental funds:

- *General Fund*—This fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property taxes and state sources. The General Fund includes the General Fund of the Tuscarora School. This is the primary operating fund of the blended component unit and accounts for all financial resources of the School except those required to be accounted for in another fund.

- *Special Aid Fund*—This fund is used to account for special operating projects or programs supported in whole, or in part, with federal and state grants.

- *School Lunch Fund*—This fund is used to account for transactions of the District's food service operations.

- *Special Revenue Fund*—This fund is used to account for other revenues that are legally restricted to expenditures for specific purposes. The District entered into an agreement with the Power Authority of the State of New York (the "Authority") as part of its renewal of the Authority's licensing agreement. The agreement provides the District an allocation of low cost electricity generated at the Niagara Power Project. The District then enters into a resale agreement with an energy provider to sell excess electricity. This fund was created to control the transactions of this agreement.

- *Capital Projects Fund*—This fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

- *Debt Service Fund*—This fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the District reports the following fund type:

Fiduciary Funds—These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The Fiduciary Fund of the District includes an *Agency Fund*.

- *Agency Fund*—This fund is used to account for assets held by the District as an agent for individuals, private organizations, various student groups and clubs and/or other governmental units. Included within the Agency Fund are the extraclassroom activity funds of the District, which represent funds of the students of the District. The Board of Education exercises general oversight of these funds.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

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

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the period of availability. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability within 90 days of year-end. All other revenue items are considered to be measureable and available only when cash is received by the District.

The Agency Fund has no measurement focus, but utilizes the *accrual basis of accounting* for reporting assets and liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The District's cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Permissible investments include obligations of the United States Treasury, United States government agencies, repurchase agreements and obligations of New York State or its localities. The District has no investments at June 30, 2020; however, when the District does have investments they are recorded at fair value in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent unspent proceeds of debt, the Tuscarora Indian Education Fund cash, amounts to support restricted fund balances, amounts restricted for capital projects and debt service, amounts held on behalf of others, and unearned revenue.

Receivables—Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance or uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories—Inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Capital Assets—Capital assets, which include land, construction in progress, buildings and improvements, land improvements, and furniture, equipment and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than an established threshold of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are completed.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Capitalization Threshold	Estimated Useful Life
Land	$ 1	n/a
Buildings	5,000	50
Land improvements	5,000	50
Furniture and equipment	5,000	5-15
Vehicles	5,000	10

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new school bus included as part of *expenditures—pupil transportation).* The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2020, the District has three items that qualify for reporting in this category. The first item, related to pensions, is reported in the government-wide financial statements. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability, the difference during the measurement period between the District's contributions, its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the District's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The third item is a deferred charge on refunding which the District also reports within its government-wide financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2020, the District has three items that qualify for reporting in this category. The first item represents the effect of the net change in the District's proportion of the collective net pension liability and the difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements. The second item represents the effects of the change in the District's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability and is reported on the government-wide financial statements. The final item is deferred inflows for state aid receivable of $13,048,822 within its fund financial statements. As the District is not able to determine when these funds will be received, they are currently classified as deferred inflows and will subsequently be recognized as revenue once they meet the proper recognition criteria.

Net Position Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as committed. The Board of Education may assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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 July 24, 2019 for collection from September 3 through November 4, 2019. Thereafter, uncollected amounts became the responsibility of Niagara County. Such amounts are submitted to the District by April 1 of the following year as required by law.

Tax payments are due September 3 through October 4 without penalty; October 5 through November 4 with a two percent penalty.

The tax roll is returned to the Niagara County Treasurer after November 5 at which time all unpaid taxes and penalties are payable to that office. The District retains their full tax levies for all unpaid items are returned to the County. Thus, the District is assured of receiving 100% of its tax levy. The County enforces all liens.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At June 30, 2020, the District reported $16,445 of unearned revenues in the Special Aid Fund. The District received grant funding in advance but has not yet spent the funds and therefore recognizes a liability. The District reported $21,857 of unearned revenues in the School Lunch Fund. The District received school lunch money in advance but has not performed the services and therefore recognizes a liability.

Compensated Absences—The District labor agreements and District rules and regulations provide for sick leave, vacations, and other miscellaneous paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Pension Plans—The District is mandated by New York State law to participate in the New York State Teachers' Retirement System ("TRS") and the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other Postemployment Benefits—In addition to providing pension benefits, the District provides health insurance coverage for certain retired employees as discussed in Note 7.

Other

Estimates—The preparation of the financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/deferred inflows, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended June 30, 2020, the District early implemented GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. Additionally, the District implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing effective dates of certain provisions in Statements No. 84, 87, 89, 91, 92, 93, 94, 96, and 97. The implementation of GASB Statements No. 90 and 95 did not have a material impact on the District's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The District has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 84, *Fiduciary Activities*; No. 93, *Replacement of Interbank Offered Rates*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB*

Statement No. 32, effective for the year ending June 30, 2021, No. 87, *Leases*; No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; and No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022, No. 91, *Conduit Debt Obligations*; No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 84, 87, 89, 91, 92, 93, 94, 96, and 97 will have on its financial position and results of operations when such statements are adopted.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash and cash equivalents reported by the District at June 30, 2020 are as follows:

	Governmental Funds	Fiduciary Funds	Total
Deposits	$ 26,202,212	$ 683,427	$ 26,885,639

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2020 as follows:

	Bank Balance	Carrying Amount
FDIC insured	$ 885,069	$ 873,059
Uninsured:		
Collateral held by pledging bank's agent in the District's name	26,792,201	26,012,580
Total	$ 27,677,270	$ 26,885,639

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. At June 30, 2020, the District's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the District's name.

Restricted Cash and Cash Equivalents—The District reports unspent proceeds of debt, the Tuscarora Indian Education Fund cash, amounts to support restricted fund balances, amounts restricted for capital projects and debt service, amounts held on half of others, and unearned revenue as restricted cash and cash equivalents. At June 30, 2020, the District reported $16,039,853 of restricted cash within its governmental funds and $683,427 within its fiduciary fund.

Investments—The District had no investments at June 30, 2020.

Interest Rate Risk—In accordance with its investment policy, the District manages exposures by limiting investments to low risk type investments governed by New York State statutes.

3. RECEIVABLES

Major revenues accrued by the District at June 30, 2020 consisted of the following:

Receivables—Represents amounts due from various sources for out-of-district tuition, commissions, substitute teaching reimbursement and other services provided. The District reports amounts of $1,201 and $6,960 in the General Fund and Special Aid Fund, respectively.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State and other local governments. Intergovernmental receivables at June 30, 2020 are presented as follows:

General Fund:		
New York State Tuscarora tuition 19-20	$ 1,268,433	
New York State excess cost aid	728,887	
New York State operating aid 17-18	3,843,620	
New York State operating aid 18-19	3,945,861	
New York State operating aid 18-19	3,990,908	
BOCES aid	1,116,996	
Foster students tuition and CSE costs	141,465	
New York State workers' compensation	24,216	$ 15,060,386
Special Aid Fund:		
Federal Title I Grants to Local Educational Agencies	$ 140,601	
New York State summer school	203,858	
New York State Special Education - Grants to States	205,710	
New York State Special Education - Preschool Grants	4,288	
New York State Tuscarora elementary supplemental	77,440	
New York State Tuscarora secondary supplemental	44,045	
Universal Pre-K	119,326	
St. Mary's School for the Deaf	149,044	
My Brother's Keeper	1,233	945,545
School Lunch Fund:		
New York State aid	$ 1,124	
Federal Aid	89,442	90,566
Total governmental funds		$ 16,096,497

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2020 was as follows:

	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
Capital assets, not being depreciated:				
Land	$ 900,115	$ -	$ -	$ 900,115
Construction in progress	6,843,440	15,409,343	13,394,599	8,858,184
Total capital assets, not being depreciated	7,743,555	15,409,343	13,394,599	9,758,299
Capital assets, being depreciated:				
Buildings and improvements	90,404,569	13,394,599	-	103,799,168
Land improvements	5,802,626	-	-	5,802,626
Furniture, equipment and vehicles	10,323,975	799,660	40,963	11,082,672
Total capital assets, being depreciated	106,531,170	14,194,259	40,963	120,684,466
Less accumulated depreciation for:				
Buildings and improvements	26,239,340	2,195,156	-	28,434,496
Land improvements	2,873,846	248,043	-	3,121,889
Furniture, equipment and vehicles	7,264,058	665,561	40,963	7,888,656
Total accumulated depreciation	36,377,244	3,108,760	40,963	39,445,041
Total capital assets being depreciated, net	70,153,926	11,085,499	-	81,239,425
Governmental activities capital assets, net	$ 77,897,481	$ 26,494,842	$ 13,394,599	$ 90,997,724

Depreciation expense was charged to the functions and programs of governmental activities as follows:

General Support	$ 254,456
Instruction	2,290,108
Pupil transportation	564,196
Total	$ 3,108,760

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2020, were as follows:

	General Fund	Special Aid Fund	School Lunch Fund	Total Governmental Funds
Salary and employee benefits	$ 256,972	$ 13,479	$ 9,700	$ 280,151

6. PENSION PLANS

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"). These cost-sharing multiple-employer public employee retirement systems compute contribution requirements based on the New York State Retirement and Social Security Law ("NYSRSSL").

Plan Descriptions and Benefits Provided

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

Employees' Retirement System—ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. ERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3.0%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2020, the District reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2019 for TRS and March 31, 2020 for ERS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of June 30, 2018 and April 1, 2019, respectively, with update procedures used to rollforward the total pension liability/(asset) to the measurement dates. The District's proportion of the net pension liability/(asset) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2019	March 31, 2020
Net pension liability/(asset)	$ (3,991,973)	$ 6,359,007
District's portion of the Plan's total net pension liability/(asset)	0.153655%	0.0240139%

For the year ended June 30, 2020, the District recognized pension expenses of $4,889,300 and $2,401,366 for TRS and ERS, respectively. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Difference between expected and actual experiences	$ 2,705,258	$ 374,253	$ 296,851	$ -
Changes of assumptions	7,541,371	128,040	1,838,800	110,561
Net difference between projected and actual earnings on pension plan investments	-	3,259,936	3,201,356	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	74,113	588,514	304,064	39,333
District contributions subsequent to the measurement date	2,306,037	316,917	-	-
Total	$ 12,626,779	$ 4,667,660	$ 5,641,071	$ 149,894

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	TRS	ERS
2021	$ 1,758,564	$ 818,457
2022	67,136	1,080,137
2023	1,752,018	1,296,259
2024	1,151,974	1,005,996
2025	97,540	-
Thereafter	(147,561)	-

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

	TRS	ERS
Measurement date	June 30, 2019	March 31, 2020
Actuarial valuation date	June 30, 2018	April 1, 2019
Interest rate	7.10%	6.80%
Salary scale	1.90%-4.72%	4.20%
Decrement tables	July 1, 2009- June 30, 2014	April 1, 2010- March 31, 2015
Inflation rate	2.20%	2.50%
Cost-of-living adjustments	1.30%	1.30%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2014, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

	TRS	ERS	TRS	ERS
	Target Allocation		Long-Term Expected Real Rate of Return	
Measurement date			June 30, 2019	March 31, 2020
Asset class:				
Domestic equities	33.0 %	36.0 %	6.3 %	4.1 %
International equities	16.0	14.0	7.8	6.2
Global equities	4.0	0.0	7.2	0.0
Private equity	8.0	10.0	9.9	6.8
Real estate	11.0	10.0	4.6	5.0
Absolute return strategies	0.0	2.0	0.0	3.3
Domestic fixed income securities	16.0	0.0	1.3	0.0
Global fixed income securities	2.0	0.0	0.9	0.0
High-yield fixed income securities	1.0	0.0	3.5	0.0
Opportunistic portfolio	0.0	3.0	0.0	4.7
Private debt	1.0	0.0	6.5	0.0
Real assets	0.0	3.0	0.0	6.0
Bonds and mortgages	7.0	17.0	2.9	0.8
Short-term	1.0	1.0	0.3	0.0
Inflation-indexed bonds	0.0	4.0	0.0	0.5
Total	100.0 %	100.0 %		

Discount Rate—The discount rate used to calculate the total pension liability/(asset) was 7.10% for TRS and 6.80% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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/(asset).

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart on the following page presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.10% for TRS and 6.80% for ERS, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.10% for TRS and 5.80% for ERS) or one percentage-point higher (8.10% for TRS and 7.80% for ERS) than the current assumption.

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability/(asset)	$ 18,019,349	$ (3,991,973)	$ (22,456,988)

ERS	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
Employer's proportionate share of the net pension liability/(asset)	$ 11,670,574	$ 6,359,007	$ 1,467,032

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability/(asset) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)	
	TRS	ERS
Valuation date	June 30, 2018	April 1, 2019
Employers' total pension liability	$ 119,879,474	$ 194,596,261
Plan fiduciary net position	122,477,481	168,115,682
Employers' net pension liability/(asset)	$ (2,598,007)	$ 26,480,579
System fiduciary net position as a percentage of total pension liability/(asset)	102.2%	86.4%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to $2,380,465.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $316,917.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description—In addition to pension benefits, the District pays for a portion of eligible retirees' health insurance, depending on the type of health plan provided in accordance with the provisions of various employment contracts. The benefit level, employee contributions and employer contributions are governed by the District's contractual agreements.

Employees Covered by Benefit Terms—As of the July 1, 2018, the actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
Active employees	543
Total	580

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or "earned"), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability ("UAAL") under GASB Statement No. 45.

Total OPEB Liability

The District's total OPEB liability of $8,224,585 was measured as of June 30, 2019, was determined by an interim actuarial valuation as of July 1, 2018, and was reported as of June 30, 2020.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the July 1, 2018 interim actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 3.62% as of June 30, 2018 to 3.13% effective June 30, 2019. The salary scale assumes an increase of 3.00% per year and was based on the District's future expectations. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate for post-65 medical trend rates used is 4.75%, while the ultimate healthcare cost trend rate is 3.78%. Mortality rates were updated to rates based on the sex-distinct and job-category-specific headcount-weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, and then adjusted for mortality improvements with Scale MP-2018 mortality improvement scaled on a generational basis.

The actuarial assumptions used in the July 1, 2018 interim actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability
Balance at June 30, 2019	$ 6,930,384
Changes for the year:	
Service cost	361,354
Interest	257,613
Changes of assumptions or other inputs	1,025,925
Benefit payments	(350,691)
Net changes	1,294,201
Balance at June 30, 2020	$ 8,224,585

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the net OPEB liability:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Net OPEB liability	$ 8,344,532	$ 8,224,585	$ 7,988,034

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in the initial (4.75%) and ultimate (3.78%) healthcare cost trend rates.

	1% Decrease (3.75% / 2.78%)	Healthcare Cost Trend Rates (4.75% / 3.78%)	1% Increase (5.75% / 4.78%)
Net OPEB liability	$ 7,637,662	$ 8,224,585	$ 8,803,871

Funding Policy—Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various union contracts, which were ratified by the District's Board of Education. The District recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. District governmental funds contributed $350,691 for the fiscal year ended June 30, 2020. The District's contributions to the OPEB plan are based on negotiated contracts with three bargaining units, as discussed in Note 14. Any amendments to the employer's contributions are subject to the bargaining units.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The District reports deferred outflows of resources and deferred inflows or resources due to differences during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability are required to be determined. The table below presents the District's deferred outflows of resources and deferred inflows of resources at June 30, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,293,579
Changes of assumptions or other inputs	923,127	108,043
Benefit payments subsequent to measurement date	443,099	-
Total	$ 1,366,226	$ 1,401,622

The District's benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021. The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2021	$ (77,478)
2022	(77,478)
2023	(77,478)
2024	(77,478)
2025	(77,478)
Thereafter	(91,105)

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; assessment challenges; theft of, damage to, and destruction of assets; and natural disasters. The District purchases commercial insurance to cover such potential risks. The liability insurance limits are as follows: Commercial property coverage with a blanket coverage, general liability coverage with a $1,000,000 limit per occurrence, commercial automobile coverage with a combined single limit of $1,000,000, School Board legal liability with a $1,000,000 limit per occurrence and an aggregate limit of $3,000,000, and excess liability coverage with a $10,000,000 limit per occurrence.

There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any material settlements which have exceeded insurance coverage in the past three fiscal years.

The District participates in the Orleans-Niagara School Health Plan, a public entity risk pool. This plan is designed to provide health insurance coverage for participating entities.

The District has elected to discharge any liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees.

***Workers' Compensation*—**The District has chosen to establish a self-insured plan for risks associated with employee workers' compensation claims. The District accounts for this activity in the General Fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated with consideration of the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other benefit costs.

Claim activities for the current year and the prior year are:

Fiscal Year Ended	Beginning Balance	Claims and Changes in Estimates	Claims Paid and Changes in Estimates	Ending Balance
June 30, 2020	$ 2,599,818	$ 603,756	$ 42,619	$ 3,160,955
June 30, 2019	2,623,600	481,748	505,530	2,599,818

At June 30, 2020, the General Fund maintains a restricted fund balance in the amount of $938,508 for the purpose of funding the District's future claim liabilities.

9. SHORT-TERM DEBT

Liabilities for bond anticipation notes ("BANs") are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. A summary of the District's short-term debt for the fiscal year ended June 30, 2020 follows:

Description	Interest Rate	Maturity Date	Balance 7/1/2019	Issued	Redeemed	Balance 6/30/2020
Capital Projects Fund:						
Capital improvements	2.75%	3/25/2020	$ 11,000,000	$ -	$ 11,000,000	$ -
Total			$ 11,000,000	$ -	$ 11,000,000	$ -

10. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The District's outstanding long-term liabilities include serial bonds, energy performance contract, compensated absences, workers' compensation, other postemployment benefits ("OPEB") obligation and net pension liability. The bonds payable of the District are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the District's long-term liabilities at June 30, 2020 are summarized on the following page.

	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020	Due Within One Year
Serial bonds	$ 17,980,000	$ 9,925,000	$ 3,805,000	$ 24,100,000	$ 4,900,000
Premium on serial bonds	1,080,045	273,088	306,908	1,046,225	319,804
Bonds payable, net	19,060,045	10,198,088	4,111,908	25,146,225	5,219,804
Capital lease	2,478,271	-	-	2,478,271	131,795
Compensated absences	6,255,329	1,120,494	554,058	6,821,765	341,088
Workers' compensation	2,599,818	603,756	42,619	3,160,955	476,666
OPEB obligation	6,930,384	1,644,892	350,691	8,224,585	-
Net pension liability*	1,729,871	4,629,136	-	6,359,007	-
Total	$ 39,053,718	$ 18,196,366	$ 5,059,276	$ 52,190,808	$ 6,169,353

(*Additions to the net pension liability are shown net of reductions.)

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction and renovations of major capital facilities. Serial bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 7 to 15 years.

On March 17, 2020, the District issued $9,925,000 of serial bonds at a premium of $273,088 with an interest rate of 2.00 percent. Principal payments begin on March 15, 2021 and mature on March 15, 2035.

Principal is paid annually, interest is paid semiannually; these payments are recorded in the Debt Service Fund. A summary of additions and payments for the year ended June 30, 2020 is show below:

Description	Year of Issue/ Maturity	Interest Rate (%)	Balance 7/1/2019	Additions	Payments	Balance 6/30/2020
2013 Serial Bonds	2013/2028	1.50-4.00	$ 6,695,000	$ -	$ 675,000	$ 6,020,000
DASNY Refunding - 2013	2012/2026	5.00-5.50	2,470,000	-	305,000	2,165,000
Refunding Bonds - 2015	2015/2022	1.00-5.00	8,815,000	-	2,825,000	5,990,000
2020 Serial Bonds	2020/2035	2.00%	-	9,925,000	-	9,925,000
Total			$ 17,980,000	$ 9,925,000	$ 3,805,000	$ 24,100,000

Premiums on Serial Bonds—Premiums on bond issuances are being amortized on a straight-line basis over the life of their respective bonds. The unamortized premium as of June 30, 2020 was $1,046,225.

Capital lease—During the year ended June 30, 2019, the District entered into a capital lease, an energy performance contract, for the acquisition, construction and installation of various District energy efficiency improvements, in an effort to reduce energy costs. The energy performance contract carries an interest rate of 3.13% and is payable annually, with the first principal payment due on October 23, 2020 and final payment due on April 23, 2035. Total outstanding balance at June 30, 2020 was $2,478,271.

The requirements of the capital lease are summarized below:

Year Ending June 30,	
2021	$ 208,220
2022	208,220
2023	208,220
2024	208,220
2025	208,220
2026-2030	1,041,098
2031-2035	1,041,095
Total minimum payments	3,123,293
Less: amount representing interest	(645,022)
Present value of minimum payments	$ 2,478,271

The assets acquired through the energy performance contract are as follows:

Assets:	
Construction in progress	$ 2,404,226

Compensated Absences—As explained in Note 1, the District records the value of compensated absences in the government-wide financial statements. The liability for compensated absences consists of unpaid accumulated annual 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 other employees expected to become eligible in the future to receive such payments are included. The amount recorded in the government-wide financial statements at June 30, 2020 for governmental activities is $6,821,765. Management estimates that $341,088 is due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable. The annual budgets of the operating funds provide for these benefits as they become due.

Workers' Compensation—As explained in Note 8, the District is self-insured for risks associated with employee workers' compensation claims. The District's liability, as calculated by an independent third party administrator, is estimated to be $3,160,955 as of June 30, 2020.

OPEB Obligation—As explained in Note 7, the District provides health insurance coverage for certain retirees. The District's other postemployment benefit ("OPEB") cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB. The long-term OPEB obligation is $8,224,585 at June 30, 2020.

Net Pension Liability—The District reported a liability, $6,359,007, for its proportionate share of the net pension liability for the Employee Retirement System. Refer to Note 6 for additional information related to the District's net pension liability.

The following is a maturity schedule of the District's indebtedness:

Year Ending June 30,	Serial Bonds	Premiums on Serial Bonds	Capital Lease	Compensated Absences	Workers' Compensation	OPEB Obligation	Net Pension Liability	Total
2021	$ 4,900,000	$ 319,804	$ 131,795	$ 341,088	$ 476,666	$ -	$ -	$ 6,169,353
2022	4,685,000	154,901	135,946	-	-	-	-	4,975,847
2023	1,670,000	99,931	140,227	-	-	-	-	1,910,158
2024	1,725,000	99,931	144,644	-	-	-	-	1,969,575
2025	1,770,000	99,931	149,199	-	-	-	-	2,019,130
2026-2030	6,280,000	186,009	819,511	-	-	-	-	7,285,520
2031-2035	3,070,000	85,718	956,949	-	-	-	-	4,112,667
Thereafter	-	-	-	6,480,677	2,684,289	8,224,585	6,359,007	23,748,558
	$ 24,100,000	$ 1,046,225	$ 2,478,271	$ 6,821,765	$ 3,160,955	$ 8,224,585	$ 6,359,007	$ 52,190,808

Interest requirements on serial bonds payable and the capital lease are summarized as follows:

Year Ending June 30,	Serial Bonds	Capital Lease	Total
2021	$ 779,097	$ 76,424	$ 855,521
2022	589,850	72,274	662,124
2023	397,988	67,992	465,980
2024	346,888	63,575	410,463
2025	286,488	59,020	345,508
2026-2030	688,664	221,588	910,252
2031-2035	160,400	84,149	244,549
Total	$ 3,249,375	$ 645,022	$ 3,894,397

11. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construct or improvement of these assets reduce the balance in this category.

- ***Restricted Net Position***—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- ***Unrestricted Net Position***—This category represents net position of the District not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the District at June 30, 2020 includes:

- ***Inventories***—Representing the portion of fund balance in the School Lunch Fund, $42,800 composed of inventories. This balance is nonspendable as the inventories do not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grants, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the District at June 30, 2020 includes:

	General Fund	Capital Projects Fund	Debt Service Fund	Total
Workers' compensation	$ 938,508	$ -	$ -	$ 938,508
Employee benefits	1,530,595	-	-	1,530,595
Retirement contribution	2,553,271	-	-	2,553,271
Capital projects	558,741	1,291,629	-	1,850,370
Transportation	3,417,824	-	-	3,417,824
Debt service	-	-	1,863,029	1,863,029
Total	$ 8,998,939	$ 1,291,629	$ 1,863,029	$ 12,153,597

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

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

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

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

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

- ***Debt Service***—Represents amounts within the Debt Service Fund resulting from contributions related to certain external agreements that are required to be used for capital project expenses or the debt service thereof.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. As of June 30, 2020, the District has no committed fund balance.

In the fund financial statements, assignments are not legally required segregations but are segregated for a specific purpose by the District at June 30, 2020 and include:

	General Fund*	School Lunch Fund	Special Revenue Fund	Total
Encumbrances	$ 1,313,426	$ 500,000	$ -	$ 1,813,426
Subsequent year's expenditures	2,014,432	-	-	2,014,432
Specific purpose	-	23,557	4,229,426	4,252,983
Total	$ 3,327,858	$ 523,557	$ 4,229,426	$ 8,080,841

*A portion, $10,412, of the total General Fund encumbrances, $1,313,426, is related to the General Fund of the Tuscarora School.

- ***Assigned to Encumbrances***—Represents amounts related to unperformed (executory) contracts for goods and services.

- ***Assigned to Subsequent Year's Expenditures***—Representing available fund balance being appropriated to meet expenditure requirements in the 2020-21 fiscal year.

- ***Assigned for Specific Purpose***—Represents amounts related to the District's agreement with the New York State Power Authority and to maintain school lunch operations. The District has $23,557 and $4,229,426 of fund balance assigned for specific purpose in the School Lunch Fund and the Special Revenue Fund, respectively, at June 30, 2020.

If the District must use funds for emergency expenditures the Board of Education shall authorize the Business Administrator to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the District will use unassigned fund balance.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are generally short term in nature and exist because of temporary advances or payments made on behalf of other funds. Due to availability restrictions related to intergovernmental receivables from New York State certain interfund payables between the District and its blended component unit are not considered short term. The District considered the receivable associated with this item to be nonspendable. The composition of interfund balances as of June 30, 2020 are summarized below.

Fund	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	$ 1,711,382	$ 363,127
Special Aid Fund	181,102	1,126,345
School Lunch Fund	182,024	44,960
Special Revenue Fund	500,000	-
Capital Projects Fund	-	1,008,072
Total governmental funds	2,574,508	2,542,504
Fiduciary Funds:		
Agency Fund	-	32,004
Total	$ 2,574,508	$ 2,574,508

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. All of these balances are expected to be collected/paid within the subsequent year.

Fund Transfers out:	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
General Fund	$ -	$ 297,995	$ 550,760	$ -	$ 6,188,659	$ 5,970,629	$ 13,008,043
Capital Projects Fund	506,238	-	-	-	-	-	506,238
Debt Service Fund	400,000	-	-	4,152,616	11,000,001	-	15,552,617
Total	$ 906,238	$ 297,995	$ 550,760	$ 4,152,616	$ 17,188,660	$ 5,970,629	$ 29,066,898

Transfers are used primarily to finance certain special aid programs, provide funding for the school lunch program, to fund capital projects, to fund the purchase of equipment, and to finance long-term liabilities.

13. AGENCY FUND

The agency fund exists for temporary deposit funds. The following is a summary of changes in assets and liabilities for the fiscal year ended June 30, 2020:

	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
ASSETS				
Restricted cash and cash equivalents	$ 703,800	$ 64,379,000	$ 64,399,373	$ 683,427
Due from other funds	-	38,676,879	38,676,879	-
Total assets	$ 703,800	$ 103,055,879	$ 103,076,252	$ 683,427
LIABILITIES				
Agency fund liabilities	$ 526,531	$ 39,284,605	$ 39,282,772	$ 528,364
Due to other funds	64,021	104,935	136,952	32,004
Extraclassroom activity balances	113,248	180,022	170,211	123,059
Total liabilities	$ 703,800	$ 39,569,562	$ 39,589,935	$ 683,427

14. LABOR RELATIONS

District employees are represented by three bargaining units with the balance governed by Board of Education rules and regulations. The Niagara Wheatfield Administrators Association contract and the Niagara Wheatfield School Related Personnel Association contract are in place through June 30, 2021, and the Niagara Wheatfield Teachers Association contract is in place through June 30, 2022.

15. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The District considers encumbrances significant if they are in excess of $100,000. As of June 30, 2020, the significant encumbrances of the District are shown below:

Description	Amount
General Fund-Contractual payments	$ 725,169

16. TAX ABATEMENTS

The District is subject to programs entered into by Niagara County Industrial Development Agency ("NCIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the NCIDA and incentives may include property tax abatements of any new property tax revenue realized from the increased assessed value of any incentivized project from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future these new revenues will increase periodically until the project is taxed at full assessed value. Assuming the NCIDA incentivized projects would have been completed absent tax abatement, the unrealized property tax revenue is $2,986,305. However, during 2020 the District collected $1,723,767 related to these new incentivized projects.

17. CONTINGENCIES

Litigation—Various legal actions are pending against the District. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the District.

Grants—In the normal course of business, the District receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Other—The District is involved in litigation in the ordinary course of its operations. The District believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the District's financial condition or results of operations.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 7, 2020, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)—
Teachers' Retirement System
Last Seven Fiscal Years*

	Year Ended June 30,						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
District's proportion of the net pension liability/(asset)	0.153655%	0.152547%	0.148638%	0.147937%	0.147638%	0.152165%	0.152186%
District's proportionate share of the net pension liability/(asset)	$ (3,991,973)	$ (2,758,444)	$ (1,129,793)	$ 1,584,472	$ (15,334,899)	$ (16,950,243)	$ (1,001,766)
District's covered payroll	$ 26,346,775	$ 24,848,123	$ 23,554,161	$ 22,828,235	$ 23,378,113	$ 23,515,147	$ 22,788,478
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(15.2%)	(11.1%)	(4.8%)	6.7%	(65.6%)	(72.1%)	(4.4%)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%	100.7%

*Information prior to the year ended June 30, 2014 is not available.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of District's Contributions—
Teachers' Retirement System
Last Seven Fiscal Years*

	Year Ended June 30,						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 2,723,770	$ 2,435,116	$ 2,760,548	$ 3,027,024	$ 3,887,673	$ 3,652,538	$ 2,639,359
Contributions in relation to the contractually required contribution	(2,723,770)	(2,435,116)	(2,760,548)	(3,027,024)	(3,887,673)	(3,652,538)	(2,639,359)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 26,666,004	$ 26,346,775	$ 24,848,123	$ 23,554,161	$ 22,828,235	$ 23,378,113	$ 23,515,147
Contributions as a percentage of covered payroll	10.2%	9.2%	11.1%	12.9%	17.0%	15.6%	11.2%

*Information prior to the year ended June 30, 2014 is not available.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability— Employees' Retirement System
Last Seven Fiscal Years*

	Year Ended June 30,						
	2019	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
District's proportion of the net pension liability	0.0240139%	0.0244149%	0.0235882%	0.0241841%	0.0249604%	0.0271952%	0.0271952%
District's proportionate share of the net pension liability	$ 6,359,007	$ 1,729,871	$ 761,295	$ 2,272,389	$ 4,006,207	$ 918,722	$ 1,228,915
District's covered payroll	$ 8,806,272	$ 8,422,967	$ 8,226,689	$ 7,852,383	$ 7,716,218	$ 7,673,875	$ 7,780,520
District's proportionate share of the net pension liability as a percentage of its covered payroll	72.2%	20.5%	9.3%	28.9%	51.9%	12.0%	15.8%
Plan fiduciary net position as a percentage of the total pension liability	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

*Information prior to the year ended June 30, 2014 is not available.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of District's Contributions—
Employees' Retirement System
Last Seven Fiscal Years*

	Year Ended June 30,						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 1,255,803	$ 1,215,837	$ 1,187,778	$ 1,191,873	$ 1,293,863	$ 1,412,637	$ 1,404,818
Contributions in relation to the contractually required contribution	(1,255,803)	(1,215,837)	(1,187,778)	(1,191,873)	(1,293,863)	(1,412,637)	(1,404,818)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,697,441	$ 8,659,798	$ 8,294,352	$ 8,236,889	$ 7,771,396	$ 7,647,821	$ 7,780,520
Contributions as a percentage of covered payroll	14.4%	14.0%	14.3%	14.5%	16.6%	18.5%	17.9%

*Information prior to the year ended June 30, 2014 is not available.

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

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

Last Three Fiscal Years*

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 361,354	$ 409,056	$ 428,181
Interest	257,613	302,876	246,050
Changes of assumptions or other inputs	1,025,925	(19,117)	(133,452)
Differences between expected and actual experience	-	(1,623,153)	-
Benefit payments	(350,691)	(475,972)	(404,543)
Net changes in total OPEB liability	1,294,201	(1,406,310)	136,236
Total OPEB liability—beginning	6,930,384	8,336,694	8,200,458
Total OPEB liability—ending	$ 8,224,585	$ 6,930,384	$ 8,336,694
Plan fiduciary net position			
Contributions—employer	$ 350,691	$ 475,972	$ 404,543
Benefit payments	(350,691)	(475,972)	(404,543)
Net change in plan fiduciary net position	-	-	-
Total fiduciary net position—beginning	-	-	-
Total fiduciary net position—ending	$ -	$ -	$ -
District's net OPEB liability—ending	$ 8,224,585	$ 6,930,384	$ 8,336,694
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered employee payroll	n/a	n/a	n/a
District's net OPEB liability as a percentage of covered employee payroll	0.0%	0.0%	0.0%

*Information prior to the year ended June 30, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget**
REVENUES				
Local sources:				
Real property taxes and other tax items	$ 35,197,009	$ 35,197,009	$ 35,333,595	$ 136,586
Charges for services	1,181,000	1,181,000	2,261,854	1,080,854
Use of money and property	76,000	76,000	198,868	122,868
Sale of property and compensation for loss	76,000	76,000	218,147	142,147
Miscellaneous	321,000	325,660	621,890	296,230
State sources:				
Basic formula	30,522,953	30,525,953	24,158,845	(6,367,108)
Lottery	-	-	5,757,735	5,757,735
Board cooperative education	2,553,957	2,553,957	2,485,452	(68,505)
Textbooks	228,543	228,543	227,525	(1,018)
Computer software/hardware	131,889	131,889	132,019	130
Library loan program	26,026	26,026	26,099	73
Federal sources:				
Impact Aid	350,000	350,000	568,261	218,261
Medicaid assistance	150,000	150,000	192,695	42,695
Total revenues	70,814,377	70,822,037	72,182,985	1,360,948
OTHER FINANCING SOURCES				
Transfers in	891,888	891,888	626,357	(265,531)
Appropriated reserves	1,350,000	1,350,000	-	(1,350,000)
Total other financing sources	2,241,888	2,241,888	626,357	(1,615,531)
Total revenues and other financing sources	$ 73,056,265	$ 73,063,925	$ 72,809,342	$ (254,583)

(continued)

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2020

(concluded)

	Budgeted Amounts		Actual		Variance with
	Original	**Final**	**Amounts**	**Encumbrances**	**Final Budget**
EXPENDITURES					
General support:					
Board of Education	$ 56,550	$ 109,479	$ 87,215	$ 2,800	$ 19,464
Central administration	252,570	253,799	247,246	-	6,553
Finance	483,292	498,285	468,670	-	29,615
Staff	474,802	551,107	496,124	484	54,499
Central services	5,669,313	5,975,629	4,625,987	459,553	890,089
Special items	794,619	798,326	732,838	-	65,488
Instruction:					
Instruction, administration and improvement	1,887,322	2,001,867	1,816,619	-	185,248
Teaching—regular school	22,065,326	21,849,656	20,513,701	94,985	1,240,970
Programs for pupils with handicapping conditions	9,472,876	9,146,000	8,287,734	47,148	811,118
Occupational education	1,636,940	1,636,940	1,612,277	-	24,663
Teaching—special schools	116,546	177,236	144,648	-	32,588
Instructional media	1,141,850	1,334,629	837,185	309,398	188,046
Pupil services	2,892,397	2,972,238	2,637,314	1,200	333,724
Pupil transportation	5,090,639	4,704,285	4,222,557	62,277	419,451
Employee benefits	16,743,667	16,567,527	14,955,485	325,169	1,286,873
Total expenditures/encumbrances	68,778,709	68,577,003	61,685,600	1,303,014	5,588,389
OTHER FINANCING SOURCES					
Transfers out	6,393,650	12,783,014	12,957,282	-	(174,268)
Total expenditures/encumbrances and other financing uses	75,172,359	81,360,017	74,642,882	1,303,014	5,414,121
Net change in fund balances*	(2,116,094)	(8,296,092)	(1,833,540)		
Fund balance—beginning	29,015,099	29,015,099	29,015,099		
Fund balance—ending	$ 26,899,005	$ 20,719,007	$ 27,181,559		

*The net change in fund balances was included as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date, which increased from 3.62% as of June 30, 2018 to 3.13% at June 30, 2019. Mortality rates were updated to rates based on the sex-distinct and job-category-specific headcount-weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, and then adjusted for mortality improvements with Scale MP-2018 mortality improvement scaled on a generational basis. Finally, the healthcare cost trend rate has an initial rate of 4.75% decreasing to an ultimate rate of 3.78%.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the Special Aid, School Lunch, Special Revenue and Debt Service funds. Appropriation limits, where applicable, for the Special Aid Fund, Special Purpose Fund and Debt Service Fund are maintained based on individual grants and donations, fundraising revenues accepted by the Board of Education or debt schedules. The periods of such grants may vary from the District's fiscal year. A budget is maintained for the School Lunch Fund and Special Revenue funds as a management tool for internal control purposes. The Tuscarora Indian School prepares a proposed budget for the Tuscarora Indian Education Fund requiring approval by the New York State Native American Unit. As such a reconciliation of the ending fund balance on the Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget (Non-GAAP Basis) to the actual—General Fund to the ending fund balance on Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds as follows:

Ending fund balance—Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget (Non-GAAP Basis) and Actual—General Fund	$ 27,181,559
Tuscarora Indian School deficit fund balance	(11,769,979)
Ending fund balance—Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Funds	$ 15,411,580

The appropriated budget is prepared by fund, function, and department. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Excess of Expenditures over Appropriations—The District's appropriations for the year ended June 30, 2020 exceeded the adjusted budget as follows:

- General Fund transfers out exceeded the adjusted budget due to transfers out to support the Special Aid Fund not expected in the original budget.

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SUPPLEMENTARY INFORMATION

Niagara Wheatfield Central School District, New York
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit—General Fund
Year Ended June 30, 2020

Change from Adopted Budget to Final Budget

Adopted budget 2019-2020	$ 74,400,000
Add: Prior year's encumbrances	772,359
Original budget 2019-2020	75,172,359
Budget revisions:	
Use of Capital Reserve	6,180,000
State aid budget adjustment	3,000
Donations	4,658
Final budget 2019-2020	$ 81,360,017

Section 1318 of Real Property Tax Law Limit Calculation

2020-2021 voter approved expenditure budget	$ 77,119,627	
Maximum allowed (4% of 2020-2021 budget)		$ 3,084,785
General Fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$ 3,327,858	
Unassigned fund balance	3,084,783	
Total unrestricted fund balance		6,412,641
Less:		
Appropriated fund balance	$ 2,014,432	
Encumbrances included in assigned fund balance	1,313,426	
Total adjustments		3,327,858
General Fund fund balance subject to Section 1318 of Real Property Tax Law		$ 3,084,783
Actual percentage		4.00%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance, minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Capital Project Expenditures

Year Ended June 30, 2020

Project Title	Original Appropriation	Revised Appropriation	Expenditures to date Prior Years	Current Year	Total	Unexpended Balance
Phase II - 2016 Capital Project	$ 13,622,694	$ 12,929,721	$ 4,843,972	$ 8,085,749	$ 12,929,721	$ -
Phase III - 2016 Capital Project	-	464,878	458,963	5,915	464,878	-
Phase IV - 2016 Capital Project	-	446,050	-	65,683	65,683	380,367
Phase I & II- 2020 Capital Project	30,000,000	30,000,000	118,523	5,372,188	5,490,711	24,509,289
Energy Performance Contract	2,478,271	2,478,271	1,289,939	1,114,287	2,404,226	74,045
Capital Outlay 2018-2019	100,000	100,000	96,830	-	96,830	3,170
Smart Schools	2,007,464	2,007,464	58,418	125,274	183,692	1,823,772
Steig Parking Lot	635,000	635,000	23,653	335,184	358,837	276,163
Decton Unit	400,000	400,000	49,974	305,063	355,037	44,963
	$ 49,243,429	$ 49,461,384	$ 6,940,272	$ 15,409,343	$ 22,349,615	$ 27,111,769

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
June 30, 2020

Capital assets, net of accumulated depreciation		$ 90,997,724
Add:		
Unspent debt proceeds	$ 382,752	
Deferred charge on refunding	191,275	574,027
Deduct:		
Serial bonds	$ (24,100,000)	
Capital lease	(2,478,271)	
Premiums on bonds payable	(1,046,225)	(27,624,496)
Net investment in capital assets		$ 63,947,255

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Combining Balance Sheet—General Fund and Tuscarora Indian Education Fund
June 30, 2020

	General	Tuscarora Indian Education	Elimination	Combined
ASSETS				
Cash and cash equivalents	$ 6,119,652	$ -	$ -	$ 6,119,652
Restricted cash and cash equivalents	8,998,939	7,814	-	9,006,753
Receivables	1,201	-	-	1,201
Due from other funds	13,464,373	286,380	(12,039,371)	1,711,382
Intergovernmental receivables	3,279,997	11,780,389	(11,780,389)	3,279,997
Intergovernmental receivables-Tuscarora	-	-	11,780,389	11,780,389
Total assets	$ 31,864,162	$ 12,074,583	$ (12,039,371)	$ 31,899,374
LIABILITIES				
Liabilities:				
Accounts payable	$ 121,191	$ 300	$ -	$ 121,491
Accrued liabilities	232,470	24,502	-	256,972
Due to other funds	363,127	12,039,371	(12,039,371)	363,127
Due to retirement systems	2,697,382	-	-	2,697,382
Total liabilities	3,414,170	12,064,173	(12,039,371)	3,438,972
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues-State aid receivable	1,268,433	11,780,389	-	13,048,822
Total deferred inflows of resources	1,268,433	11,780,389	-	13,048,822
FUND BALANCES (DEFICIT)				
Nonspendable	11,780,389	-	(11,780,389)	-
Restricted	8,998,939	-	-	8,998,939
Assigned	3,317,446	10,412	-	3,327,858
Unassigned	3,084,785	(11,780,391)	11,780,389	3,084,783
Total fund balances (deficit)	27,181,559	(11,769,979)	-	15,411,580
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 31,864,162	$ 12,074,583	$ (12,039,371)	$ 31,899,374

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statements of Revenues, Expenditures and Changes in Fund Balances (Deficit)—
General Fund and Tuscarora Indian Education Fund
June 30, 2020

	General	Tuscarora Indian Education	Elimination	Combined
REVENUES				
Real property taxes and other tax items	$ 35,333,595	$ -	$ -	$ 35,333,595
Charges for services	2,261,854	-	-	2,261,854
Use of money and property	198,868	9	-	198,877
Sale of property and compensation for loss	218,147	-	-	218,147
Miscellaneous	621,890	40	-	621,930
State sources	32,787,675	633,293	-	33,420,968
Federal sources	760,956	-	-	760,956
Total revenues	72,182,985	633,342	-	72,816,327
EXPENDITURES				
Current:				
General support	6,658,080	925,797	-	7,583,877
Instruction	35,849,478	2,372,557	-	38,222,035
Pupil transportation	4,222,557	-	-	4,222,557
Employee benefits	14,955,485	1,275,615	-	16,231,100
Total expenditures	61,685,600	4,573,969	-	66,259,569
Excess (deficiency) of revenues over expenditures	10,497,385	(3,940,627)	-	6,556,758
OTHER FINANCING SOURCES (USES)				
Transfers in	626,357	279,881	-	906,238
Transfers out	(12,957,282)	(50,761)	-	(13,008,043)
Total other financing sources (uses)	(12,330,925)	229,120	-	(12,101,805)
Net change in fund balances (deficit)	(1,833,540)	(3,711,507)	-	(5,545,047)
Fund balances (deficit)—beginning	29,015,099	(8,058,472)	-	20,956,627
Fund balances (deficit)—ending	$ 27,181,559	$ (11,769,979)	$ -	$ 15,411,580

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FEDERAL AWARDS INFORMATION

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor Program or Cluster Title (1a)	Federal CFDA Number (1b)	Pass Through Entity's Identifying Number (1c)	Passed-Through to Subrecipients	Federal Expenditures (1d)
U.S. DEPARTMENT OF AGRICULTURE:				
Passed through New York State Department of Agriculture:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	n/a	$ -	$ 258,044
National School Lunch Program	10.555	n/a	-	683,898
Total Child Nutrition Cluster			-	941,942
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	941,942
U.S. DEPARTMENT OF EDUCATION:				
Passed through New York State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	021-20-1960	-	541,429
Title I Grants to Local Educational Agencies	84.010	021-19-1960	-	16,436
Title I Grant to Local Educational Agencies, School Improvement	84.010A	0011-20-2142	-	23,684
Title I Grant to Local Educational Agencies, School Improvement	84.010A	0011-19-2142	-	1,971
Total Title I Grants to Local Educational Agencies			-	583,520
Special Education Cluster:				
Special Education—Grants to States	84.027	032-20-0607	-	853,410
Special Education—Preschool Grants	84.173	033-20-0607	-	32,827
Total Special Education Cluster			-	886,237
Impact Aid	84.041	N/A	-	568,261
Improving Teacher Quality State Grants	84.367	0147-20-1960	-	55,148
Improving Teacher Quality State Grants	84.367	0147-19-1960	-	30,158
Total Improving Teacher Quality State Grants			-	85,306
Student Support and Academic Enrichment Program	84.424	0204-20-1960	-	15,252
TOTAL U.S. DEPARTMENT OF EDUCATION			-	2,138,576
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			$ -	$ 3,080,518

The notes to this schedule of expenditures of federal awards are an integral part of this schedule.

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Niagara Wheatfield Central School District, New York (the "District") under programs of federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. The following notes were identified on the schedule:

a) Includes all federal award programs of the Niagara Wheatfield Central School District, New York.

b) Source: Catalog of Federal Domestic Assistance

c) Pass-through entity identifying numbers are presented where available.

d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.

e) Total federal expenditures for the District's 2019-2020 fiscal year are reconciled to Federal sources as reported in the basic financial statements as follows:

Balance per schedule of expenditures of federal awards	$ 3,080,518
Medicaid reimbursement	192,695
Total Federal Sources per financial statements	$ 3,273,213

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2020, the District used $105,992 worth of commodities.

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Certified Public Accountants

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
Niagara Wheatfield Central School District, New York:

We have audited 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niagara Wheatfield Central School District, New York (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 October 7, 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Drescher & Malecki LLP

October 7, 2020

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

The Board of Education
Niagara Wheatfield Central School District, New York:

Report on Compliance for Each Major Federal Program

We have audited the Niagara Wheatfield Central School District, New York's (the "District") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

The District's management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Drescher & Malecki LLP

October 7, 2020

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	___ Yes	✓ No
Significant deficiency(ies) identified?	___ Yes	✓ None reported
Noncompliance material to the financial statements noted?	___ Yes	✓ No

Federal Awards:

Internal control over major federal programs:		
Material weakness(es) identified?	___ Yes	✓ No
Significant deficiency(ies) identified?	___ Yes	✓ None reported
Type of auditors' report issued on compliance for major federal programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	✓ No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs?		$ 750,000
Auditee qualified as low-risk auditee?	✓ Yes	___ No

Section II. FINANCIAL STATEMENT FINDINGS SECTION

No findings noted.

Section IiI. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2020
(Follow-up on June 30, 2019 Findings)

No findings were reported.

<u>APPENDIX C</u>

Form of Legal Opinion

Hawkins Delafield & Wood LLP
7 World Trade Center, 250 Greenwich Street
New York, New York 10007

June 28, 2021

The Board of Education of the
Niagara Wheatfield Central School District,
in the County of Niagara, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Niagara Wheatfield Central School District, in the County of Niagara (the "District"), a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $14,085,000 Bond Anticipation Note-2021 (the "Note"), dated and delivered the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX D
UNDERTAKING TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **Niagara Wheatfield Central School District**, in the County of Niagara, a School District of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the School Board as of June 28, 2021.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $14,085,000 Bond Anticipation Note-2021, dated June 28,2021, maturing on June 28, 2022, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(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 of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

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

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer;

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

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

(15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

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

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. 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 hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this 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 Undertaking; provided that the sole and exclusive remedy for breach of this 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 Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

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

(b) to add a dissemination agent for the information required to be provided hereby 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 Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities 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 the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

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

Section 8. Governing Law. This 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, the undersigned has duly authorized, executed and delivered this Undertaking as of **June 28, 2021.**

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT

By____

President of the Board of Education