PRELIMINARY OFFICIAL STATEMENT DATED JUNE 24, 2022

<u>NEW/RENEWAL ISSUE</u>
SERIAL BONDS
BOND ANTICIPATION NOTES

RATING: SEE "RATING" SECTION HEREIN
Moody's Underlying Rating "Aa3" (Stable Outlook)

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

The Bonds and the Notes will <u>NOT</u> be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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

$1,598,000
SCHOOL DISTRICT SERIAL BONDS, 2022
(the "Bonds")

Dated Date: July 13, 2022 **Maturity Dates: July 15, 2023-2036**

$13,000,000
BOND ANTICIPATION NOTES, 2022A
(the "Series A Notes")

Dated Date: July 28, 2022 **Date of Maturity: June 28, 2023**

$2,059,253
BOND ANTICIPATION NOTES, 2022B
(the "Series B Notes")

Dated Date: July 19, 2022 **Date of Maturity: July 19, 2023**

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

Prior Redemption: The Bonds are subject to redemption prior to maturity as set forth in "Optional Redemption for the Bonds" herein. The Notes will not be subject to redemption, in whole or in part, prior to maturity.

Form and Denomination: The Bonds will be issued as registered bonds payable to the Depository Trust Company ("DTC" or the "securities depository"). The Notes will be issued as registered notes and, at the option of the initial purchaser(s), may be registered to DTC, or may be registered in the name of the initial purchaser(s).

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

The Bonds bear interest from July 13, 2022, with interest thereon payable on January 15, 2023, July 15, 2023 and semi-annually thereafter on January 15 and July 15 in each year until maturity (or earlier redemption). The Bonds mature on July 15 in each year commencing July 15, 2023.

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

Proposals for the Bonds shall be for not less than $1,598,000 and accrued interest, if any, on the total principal amount of the Bonds.

To the extent that the Bonds and the Notes are issued through DTC, the Bonds and the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as securities depository for the Bonds and the Notes. In such event, individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof, except for one Bond and one Series B Note of an odd denomination, as may be determined by such successful bidder(s). Initial purchasers of the Bonds and the Notes will not receive certificates representing their ownership interest in the Bonds or the Notes. Payment of the principal of and interest on the Bonds and the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds or the Notes. See “Book-Entry-Only System” herein.

To the extent that the Bonds and the Notes are registered in the name of the initial purchaser (s), principal of and interest on the Bonds and the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Bonds and the Notes will be issued in registered form in denomination of $5,000, or integral multiples thereof, except for one Bond and one Series B Note of an odd denomination as may be determined by such successful bidder(s).

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

The Bonds and the Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinion as to the validity of the Bonds and the Notes of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about July 13, 2022. The Series A Notes and the Series B Notes will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about July 19, 2022 and July 28, 2022, respectively.

Facsimile or telephone bids for the Bonds will be received WEDNESDAY, June 29, 2022 until 11:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Bond Sale. Electronic bids for the Bonds may be submitted via facsimile or iPreo’s parity Electronic Bid Submission System (“PARITY”), also in accordance with the terms stated in the Notice of Bond Sale. No bids will be accepted after the time for receiving bids as detailed above.

Facsimile or telephone bids for the Series A Notes will be received WEDNESDAY, June 29 until 11:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale for the Series A Notes.

Facsimile or telephone bids for the Series B Notes will be received THURSDAY, July 14 until 10:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale for the Series B Notes.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE BONDS AND THE NOTICES OF SALE WITH RESPECT TO THE NOTES. UNLESS THE BONDS AND THE NOTES ARE PURCHASED FOR THE SUCCESSFUL BIDDERS’ OWN ACCOUNT(S) AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE DISTRICT WILL ENTER INTO IN SEPARATE UNDERTAKINGS FOR THE BONDS AND THE NOTES TO PROVIDE CERTAIN CONTINUING DISCLOSURE, AS REQUIRED BY THE RULE (SEE “DISCLOSURE UNDERTAKING”) HEREIN.

DATED: June 24, 2022

The Bonds mature on July 15 in each year as set forth below:

Year	Amount*		Interest Rate	Yield	CUSIP Number***
2023	$ 98,000				
2024	105,000				
2025	115,000				
2026	110,000				
2027	110,000				
2028	120,000				
2029	120,000				
2030	130,000				
2031	125,000	**			
2032	130,000	**			
2033	140,000	**			
2034	145,000	**			
2035	85,000	**			
2036	65,000	**			

*The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment, following their sale, to achieve substantially level or declining annual debt service, and to permit the District to comply with applicable provision of the Internal Revenue Code of 1986, as amended (the “Code”).

** The Bonds maturing in the years 2031-2036 are subject to redemption prior to maturity. See “DESCRIPTION OF THE BONDS – Optional Redemption for the Bonds” herein.

*** CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

FRONTIER CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

School District Officials

2021-22 BOARD OF EDUCATION

Patrick Boyle - President
Dr. Mary Ann Costello - Vice President

John Cordier
Daniel Diplock
Laura Errington
John Kilcoyne, Jr.
Davis Podkulski

Christopher Swiatek – Superintendent of Schools
Robert McDow – Assistant Superintendent of Finance and Operations
Mary Kaye Clouden – District Treasurer
Shannon Cross – District Clerk

SCHOOL DISTRICT ATTORNEYS

Hodgson Russ LLP

BOND COUNSEL

Hodgson Russ LLP

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

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

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APPENDIX – C – Form of Disclosure Undertaking with Respect to the Bonds
APPENDIX – D – Form of Disclosure Undertaking with Respect to the Notes

PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

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

$1,598,000
SCHOOL DISTRICT SERIAL BONDS, 2022
(the "Bonds")

$13,000,000
BOND ANTICIPATION NOTES, 2022A
(the "Series A Notes")

$2,059,253
BOND ANTICIPATION NOTES, 2022B
(the "Series B Notes" and collectively with the Series A Notes, the "Notes")

This Official Statement, which includes the cover page, has been prepared by the Frontier Central School District, Erie County, New York (the "District" or "School District", "County" and "State," respectively) in connection with the sale by the District of its $1,598,000 School District Serial Bonds, 2022 (the "Bonds"), its $13,000,000 Bond Anticipation Notes, 2022A (the "Series A Notes") and its $2,059,253 Bond Anticipation Notes, 2022B (the "Series B Notes" and, collectively with the Series A Notes, the "Notes").

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

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

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. 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 and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See "COVID-19," herein.

THE BONDS

Description of the Bonds

The Bonds comprise an issue in the aggregate principal amount of $1,598,000, will be dated July 13, 2022 (the date of delivery) and will mature in installments on July 15, 2023 and annually thereafter as set forth on the cover page hereof. Interest on the Bonds will be payable on January 15, 2023, July 15, 2023 and semiannually thereafter on January 15 and July 15, of each year until maturity (or earlier redemption).

The Bonds will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form in denominations of $5,000 each or any integral multiple thereof (except for one bond of an odd denomination maturing in 2023). Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. Principal and interest on the Bonds will be payable when due as described in "Book-Entry-Only System" herein. The record date for the Bonds is the last business day of the calendar month immediately preceding each respective interest payment date.

Optional Redemption for the Bonds

The Bonds maturing on or before July 15, 2030 will not be subject to redemption prior to maturity. The Bonds maturing on or after July 15, 2031 will be subject to redemption prior to maturity, at the option of the District, on July 15, 2030 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%), plus accrued interest to the date of redemption.

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

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

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

Purpose and Authorization for the Bonds

The Bonds are being issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education (the "Board") of the District, following a positive vote at annual meeting of the qualified voters of the District that was held on September 27, 2018, authorizing the issuance of up to $1,804,000 of serial bonds to undertake an approved

Multi-Use Field Project, consisting of door replacement work at the District's High School and (primarily) the development of a multi-use synthetic turf athletic field inside the track at the District's High School.

Proceeds of the Bonds in the amount of $1,598,000, along with $91,000 available funds of the District, will be used to redeem and retire a portion of an outstanding bond anticipation note of the District that was issued on July 20, 2021 and provide $233,000 in new money for the aforementioned purpose.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provision will apply: The Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity (except for one Bond of an odd denomination maturing in 2023). Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of a bank (s) or trust company(ies) located and authorized to do business and act as a fiscal agent in the State of New York to be named by the District. Interest on the Bonds will be payable on January 15, 2023, July 15, 2023 and semi-annually thereafter on January 15 and July 15 in each year to maturity (or earlier redemption). Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month immediately preceding each respective interest payment date. The Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificates of Determination executed by the President of the Board authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of the bonds between the record date for the Bonds and such interest payment date.

THE NOTES

Description of the Notes

The Series A Notes are dated July 28, 2022 and mature, without option of prior redemption, on June 28, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Series B Notes are dated July 19, 2022 and mature, without option of prior redemption, on July 19, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are general obligations of the District and will contain a pledge of its faith and credit of the District for payment of the principal of and interest on the Notes, as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid for from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, sufficient to pay such principal and interest as the same become due, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW," herein.

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

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

Purpose and Authorization for the Notes

The Series A Notes are issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a certain bond resolution that was duly adopted by the Board of the District, following a positive vote at a special meeting of the qualified voters of the District that was held on July 20, 2021. The bond resolution that was passed on August 3, 2021 authorizes the District to issue debt obligations up to $65,116,550 to finance the undertaking of the "2021 Capital Improvements Project" consisting of the reconstruction and renovation of, and the construction of improvements and upgrades to various district buildings and facilities (and the sites thereof). Proceeds of the Series A Notes will provide original financing for this project.

The Series B Notes are issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to certain bond resolutions that were duly adopted by the Board of the District, following positive votes at annual or special meetings of the qualified voters of the District that were held on May 15, 2018, May 21, 2019, June 9, 2020 (and then adjourned until 5:00 pm on June 16, 2020, for the purpose of receiving mailed absentee ballots), May 18, 2021 and May 17, 2022 on (a) June 5, 2018, authorizing up to $843,111 of serial bonds for the acquisition of various school buses for use in the transportation program of the District ($168,622 of this issue), (b) June 4, 2019, authorizing up to $886,324 of serial bonds for the acquisition of various school buses for use in the transportation program of the District ($345,000 of this issue); (c) June 23, 2020, authorizing up to $888,485 of serial bonds for the acquisition of various buses for use in the transportation program of the District ($480,000 of this issue); (d) June 1, 2021, authorizing up to $882,113 of serial bonds for the acquisition of various buses for use in the transportation program of the District ($565,000 of this issue); and (e) June 21, 2022 authorizing up to $550,631 of serial bonds for the acquisition of various school buses for use in the transportation program of the District ($500,630 of this issue).

Proceeds of the Series B Notes in the amount of $1,558,622, along with $1,007,485 of available funds of the District, will be used to redeem and renew, in part, an outstanding bond anticipation note of the District issued on July 20, 2021.

A portion of the proceeds of the Series B Notes in the amount of $500,631 will provide original financing for the acquisition of buses pursuant to the June 21, 2022 bond resolution

Certificated Notes

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

THE BONDS AND THE NOTES

Nature of the Obligation

The Bonds and the Notes, when duly issued and paid for will constitute contracts between the District and the holders thereof.

Holders of any series of Notes or Bonds of the District may bring an action or commence a proceeding in accordance with the Civil Practice Law and Rules to enforce the rights of the holders of such series of Notes or Bonds.

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

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

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

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

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

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

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

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

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

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

Book-Entry-Only System

If the Bonds or Notes are registered in Book-Entry-Only form, DTC will act as securities depository for the Bonds and/or the Notes. The Bonds and/or Notes will be issued as fully-registered Bonds and/or 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. Once fully-registered certificate will be issued for all Bonds and 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 Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 Bonds and 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 the Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and 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 Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond or Note documents. For example, Beneficial Owners of Bonds and Notes may wish to ascertain that the nominee holding the Bonds or 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.

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

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

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

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

Source: The Depository Trust Company

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND 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 BONDS AND 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 BONDS AND 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.

Security and Source of Payment

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

The Bonds and 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 of and interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all of the taxable real property in the District, subject to certain statutory limitation imposed by Chapter 97 of the 2011 Laws of New York. See “TAX LEVY LIMITATION LAW,” herein.

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

Remedies Upon Default

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

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

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

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

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency police powers to assure the continuation of essential public services.

Special Provisions Affecting Remedies Upon Default

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

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

The Federal Bankruptcy Code (the "Bankruptcy Code") allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a federal court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made applicable in the future.

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

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

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

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

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

THE SCHOOL DISTRICT

General Information

The District comprises an area of approximately 39 square miles and is located in the southern portion of Erie County along the shore of Lake Erie in the Town of Hamburg. The District includes a major portion of the Town of Hamburg and a small portion of the Town of Eden. Portions of the District closest to Buffalo are suburban residential in character while outlying areas are more rural. Most residents of the District are employed in business, industry, and professions in Buffalo or the Niagara Frontier.

Transportation is provided through the District on State Routes 5 and 20. Bus service is provided by the Niagara Frontier Transportation Authority (Metro) on a regular, commuter basis. Major airlines operate from the Buffalo-Niagara International Airport, a 30-minute drive from the District. Conrail provides rail facilities within the District, which operates several mainlines and spurs with industrial sidings. Passenger rail service is provided by Amtrak in the Village of Depew, north of the District.

Police protection is provided by the Town of Hamburg Police Department, the Erie County Sheriff's Department and the State Police. Electricity is supplied throughout the District by the New York State Electric and Gas Corporation and National Grid. Water services are provided by the Erie County Water Authority. Sanitary sewage collection and treatment facilities are provided throughout the unincorporated portions of the District by the Towns' special assessment sewer districts. The Village of Hamburg (within the Town of Hamburg) provides sanitary sewer services to residents. The following banks have one or more offices within the District: Citizen's Bank, Bank of America, Key Bank, Evans Bank, M&T Bank and Northwest Savings Bank.

Source: District Officials.

District Population

The 2020 population of the School District is estimated to be 35,791. (Source: 2020 U.S. Census Bureau estimate).

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District are the Towns and County listed below. The figures set below with respect to such Towns, County and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns, County or State are necessarily representative of the District, or vice versa.

	Per Capita Income			**Median Family Income**		
	2000	**2006-2010**	**2016-2020**	**2000**	**2006-2010**	**2016-2020**
Towns Of:						
Hamburg	$21,943	$29,730	$39,957	$56,974	$75,857	$91,106
Eden	23,060	28,379	38,450	60,640	73,675	101,818
County Of:						
Erie	20,357	26,378	35,050	49,490	63,404	80,437
State Of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Survey data.

District Facilities

Name	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Senior High School	1955	2,349	2021
Middle School	1963	1,971	2021
Big Tree Elementary School	1992	918	2021
Pinehurst Elementary School	1955	810	2021
Cloverbank Elementary School	1959	891	2021
Blasdell Elementary School	1959	891	2021
Frontier Community Learning Center	2002	270	2021

Source: District Official

District Employees

The School District employs 1,000 full-time and part-time employees. The number of members, the collective bargaining units which represent them and their current contract expiration dates are as follows:

Employees	Bargaining Unit	Expiration Date
427	Frontier Central Teachers Association	6/30/2025
318	Frontier Central Employees Association	6/30/2022*
16	Frontier Central Administrators Association	6/30/2023
12	Frontier Central Registered Nurses Association	6/30/2023

*Under Negotiation
Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2017-18	4,790	2022-23	4,530
2018-19	4,679	2023-24	4,519
2019-20	4,605	2024-25	4,511
2020-21	4,527	2025-26	4,484
2021-22	4,489	2026-27	4,455

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 four years and the budgeted figures for the 2020-21 and 2021-22 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	1,335,122	3,134,478
2018-2019	1,365,016	3,538,465
2019-2020	1,448,038	3,097,735
2020-2021	1,393,745	3,541,199
2021-2022 (Budgeted)	1,640,240	3,665,680
2022-2023 (Budgeted)	1,302,180	4,029,570

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
2017-2018	15.3	9.80
2018-2019	14.9	10.62
2019-2020	14.6	8.86
2020-2021	14.6	9.53
2021-2022	16.2	9.80

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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

The State’s 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS Reserve Fund as of June 2019. The District has funded the reserve in the amount of. $3,541,199 as of June 30, 2021.

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 May 26, 2021 and financial data as of June 30, 2021, the School District's beginning year total OPEB liability was $8,212,706, the net change for the year was $22,666 resulting in a total OPEB liability of $8,253,372 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, 2021 financial statements.

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

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

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

Major Employers

Name	Nature of Business	Estimated Number of Employees
Ford Motor Company	Manufacturing	1,100
Frontier Central School District	Education	896
FedEx Corp.	Shipping	600
Wegmans Food Markets, Inc.	Retail Food	550
West Herr Ford	Store Auto Sales	500
Walmart, Inc.	Retail Store	450

Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Erie County. The data set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the District is necessarily representative of the County or vice versa.

Year	County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2017	5.1%	4.6%	4.1%
2018	4.4%	4.1%	3.9%
2019	4.1%	3.8%	3.7%
2020	9.1%	9.9%	8.1%
2021	5.5%	6.9%	3.9%

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

2020-21 Monthly Figures

	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Erie County	5.8%	5.5%	5.2%	4.4%	4.2%	3.9%	3.4%	4.3%	4.5%	4.2%	3.5%	N/A
New York State	7.5%	7.1%	6.7%	5.7%	5.3%	4.9%	4.5%	5.3%	5.1%	4.7%	4.2%	N/A

Investment Policy

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

The primary objectives of the District's investment policy are, in priority order, as follows:

- To conform to all applicable federal, State and other legal requirements.
- To adequately safeguard principal.
- To provide sufficient liquidity to meet all operating requirements.
- To obtain a reasonable rate of return on invested funds.

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys which are not required for immediate expenditure in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit 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; (4) with the approval of the State Comptroller, tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, obligations of the District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML. The District is not presently investing in repurchase agreements.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Form of School Government

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

Members of the Board are elected on a staggered term basis by qualified voters within the District boundaries at the annual election of the District (held in May). The term of office for each board member is five years and the number of terms that may be served is unrestricted.

During the first seven days of July each year, the Board meets for the purpose of reorganization. At that time an election is held within the Board to elect a President (who serves as the chief fiscal officer of the District) and Vice President, and to appoint a District Clerk and District Treasurer.

The Board is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board appoints the Superintendent of Schools, who serves under a written contract which, by statute, must be of no less than three and no more than five years in duration. Such Superintendent is the chief executive officer of the District. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities, under the direction of the Board. Certain other administrative and financial duties are performed by the Assistant Superintendent of Finance and Operations, who is appointed by the Board.

Budgetary Procedures

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

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

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

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

The budget for the 2019-20 fiscal year was adopted by the qualified voters on May 21, 2019 by a vote of 1,237 to 311.

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 (and then adjourned until 5:00 pm on June 16, 2020, for the purpose of receiving mailed absentee ballots), under an Executive Order from former Governor Andrew Cuomo that extended and expanded restrictions aimed at limiting the spread of COVID-19. The budget for the 2020-21 fiscal year was adopted by the qualified voters on by a vote of 4,717, to 2,373. The 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 562 to 310. The 2021-22 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 531 yes to 342 no. The 2022-23 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2020-21 fiscal year, approximately 43.19% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The amount of State aid to school districts is dependent in part upon the financial condition of the State.

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

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

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

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

Federal Aid Received by the State - Federal Aid Received by the State – Since March 2020, the state has been awarded over $14 billion in federal education “COVID-19” response funding through the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act; the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (“CRRSA”); and the America Rescue Plan (“ARP’) Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $4,074,837 in ARP funds available through September 2024 and $4,219,782 in CRRSA funds available through September 2023 and was also allocated a total of $600,000 under three separate ARP-SLR (State-Level-Reserve) subcategories of Learning Loss, Comprehensive After-school and Summer Enrichment.

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, 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 History - Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

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

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

The State's 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and provided additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increased the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding was targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increased the minimum community schools funding amount from $75,000 to $100,000 to enable all high-need districts across the State can apply the funds to a wide range of activities.

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

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

The State's 2022-2023 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-2203 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-2022 school year and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-2023 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-2023 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-2023 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-2023 school year.

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid is slated to be completed by the end of the 2023-24 State fiscal year.

A case related to the Campaign for Fiscal Equity, Inc. was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the Campaign for Fiscal Equity case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below"

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

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for the 2021-2022 and 2022-2023 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$79,961,198	$32,931,659	41.18%
2018-2019	82,568,218	33,942,561	41.11
2019-2020	84,266,849	34,783,634	41.28
2020-2021	88,125,551	35,816,368	44.20
2021-2022 (Budgeted)	90,189,395	38,952,376	43.19
2022-2023 (Budgeted)	93,818,683	41,326,083	44.05

Source: Audited financial statements for the 2016-2017 fiscal year through the 2020-2022 fiscal year and the adopted budgets of the District for the 2021-20212 and 2022-2023 fiscal years. This table is not audited.

Fiscal Stress Monitoring

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

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

The reports of State Comptroller for the past five fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	3.3
2020	No Designation	6.7
2019	No Designation	6.7
2018	No Designation	6.7
2017	No Designation	3.3

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

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on August 17, 2018. The purpose of the audit was to determine whether the District procured professional services in accordance with their Board policies and the applicable statutory requirements, and whether payments for such services were proper for the District's purposes between July 1, 2016 through March 6, 2018.

Key Findings

- The Board did not establish adequate policies, or ensure the District officials developed adequate written procedures, for procuring professional services.
- The District selected and paid nine professional service providers $466,960 but could not provide documented evidence for how or why those vendors were selected.

Key Recommendations

- Review and update the purchasing policy and procedures to ensure they include detailed guidance for procuring professional services.

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

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

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

Other Information

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

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

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

Other than "Estimated 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, 2021 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:	2018	2019	2020	2021	2022
Assessed Valuations:					
Hamburg	$ 1,408,179,641	$ 1,406,790,042	$ 1,416,828,026	$ 1,429,527,809	$ 1,442,560,381
Eden	1,194,284	1,173,198	1,172,217	1,176,925	1,177,374
Total	$ 1,409,373,925	$ 1,407,963,240	$ 1,418,000,243	$ 1,430,704,734	$ 1,443,737,755
Equalization Rates:					
Hamburg	52.00%	50.00%	47.00%	44.50%	41.00%
Eden	63.00%	59.00%	57.00%	53.00%	51.00%
Full Valuations:					
Hamburg	$ 2,708,037,771	$ 2,813,580,084	$ 3,014,527,715	$ 3,212,422,043	$ 3,518,439,954
Eden	1,895,689	1,988,471	2,056,521	2,220,613	2,308,576
Total	$ 2,709,933,460	$ 2,815,568,555	$ 3,016,584,236	$ 3,214,642,656	$ 3,520,748,530

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:

	2018	2019	2020	2021	2022
Hamburg	$ 27.48	$ 28.23	$ 28.92	$ 29.62	$ 30.19
Eden	22.70	23.91	23.85	24.88	24.28

Tax Collection Procedure

District taxes are payable and due by October 15. There is a 7.5% penalty if paid after October 15 until October 31 and a 9.0% penalty for the entire month of November.

On November 30, a list of all unpaid taxes is given to the County Treasurer for re-levy on County/School District tax rolls with additional penalties.

The District is reimbursed by the County for all unpaid taxes so that it is assured of 100% collection of its tax levy each year.

Tax Collection Record

Fiscal Year Ended June 30:

	2018	2019	2020	2021	2022*
Total Tax Levy	$38,722,282	$39,765,353	$41,030,166	$42,406,338	$43,699,822
Less STAR Reimbursement	5,527,269	5,421,234	5,088,719	4,834,855	4,542,982
Total Taxes to be Collected	33,195,013	34,344,119	35,941,447	37,571,483	39,156,840
Taxes Collected Prior to Return to County	32,511,299	33,440,034	35,058,353	36,735,791	38,311,454
Uncollected Returned to County [1]	$683,714	$904,085	$883,094	$835,692	$845,386
% Collected Prior to Return	97.94%	97.37%	97.54%	97.78%	97.79%

*Tax Collection Figures as of 12/2/2021.

Note: The County reimburses the District for any unpaid taxes, thus assuring the District of 100% collection each year. See “Tax Collection Procedure” below.

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
2016-2017	$ 78,282,115	$ 37,846,431	48.35%
2017-2018	79,961,198	38,727,313	48.43
2018-2019	82,568,218	39,763,863	48.16
2019-2020	84,266,849	41,031,138	48.69
2020-2021	88,125,551	37,571,483	42.63
2021-2022 (Budgeted)	90,189,395	38,897,602	43.13
2022-2023 (Budgeted)	93,818,688	44,808,332	47.76

Source: Audited financial statements for the 2016-17 fiscal year through 2020-21 fiscal year and the adopted budgets of the District for the 2021-2022 and 2022-2023 fiscal years. This table is not audited.

Major Taxpayers 2020

For 2021-22 Tax Roll

Name	Type	Assessed Value
G&I IX Empire McKinley	Retail	$ 19,050,500
McKinley Mall LLC	Retail	14,026,630
Niagara Mohawk Power Corp	Utility	12,656,803
National Fuel	Utility	12,067,836
Ford Stamping Plant	Manufacturing	12,060,500
MREIC Buffalo NY LLC	Retail/Warehouse	11,600,000
Burke & Companies	Apts/Mixed	11,431,600
Mission Hills Patio Homes LLC, Villages of	Apartments	9,663,100
Wal-Mart Real Estate Business	Retail	7,832,000
Maplewood Estate Apartments	Apartments	7,500,000
Total		$ 117,888,969

1. The above taxpayers represent 8.17 % of the School District's 2021-22 Assessed value of $1,443,737,755

As of the date of this Official Statement, the District has 12 pending or outstanding tax certiorari claims the potential impact of which is unknown at this time.

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. 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 $90,550 or less in 2021-22, and $92,000 or less in 2022-23, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-2022 school year and $74,900 for the 2022-23 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 converted the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibited new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes 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 State's 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response the COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits the most recent of such Executive Orders expired on July 5, 2021.

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 modified then-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.

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

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

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures" are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Bonds and the Notes. The State Commissioner of Taxation and Finance has promulgated a regulation that allows school districts, beginning in the year 2020-2021 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded "BOCES".

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board 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 capital improvements projects to be financed by the Bonds and the Notes.

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

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

1. (a) Such obligations are authorized for an object or purpose of which the District is not authorized to expend money; or
   (b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with;

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

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

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Serial Bonds	$33,780,000	$31,055,000	$28,415,000	$25,760,000	$23,205,000
Bond Anticipation Notes	0	883,701	3,695,000	15,726,063	22,567,851
Capital Leases	1,819,290	1,110,774	569,417	200,139	0
Total Debt Outstanding	$35,599,290	$33,049,475	$32,679,417	$41,686,202	$45,772,851

Status of Outstanding Bond Issues

Year of Issue:	2015		2016	
Amount Issued:	$4,580,000		$5,715,000	
Purpose/Instrument:	Construction/Serial Bond		Buses/Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2022	$ 245,000 *	$ 105,500	$ 720,000 *	$ 84,700
2023	250,000	99,988	740,000	66,700
2024	265,000	94,050	765,000	46,350
2025	270,000	87,425	780,000	23,400
2026	275,000	80,000	-	-
2027	285,000	69,000	-	-
2028	295,000	57,600	-	-
2029	310,000	45,800	-	-
2030	325,000	33,400	-	-
2031	335,000	20,400	-	-
2032	345,000	10,350	-	-
Totals:	$ 3,200,000	$ 703,513	3,005,000	221,150

Year of Issue:	2017		2021	
Amount Issued:	$23,935,000		$16,880,000	
Purpose/Instrument:	Construction/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2022	$ 1,640,000 *	$ 409,363	$ -	$ 161,097
2023	1,675,000	376,563	1,540,000	316,000
2024	1,710,000	343,063	1,495,000	285,650
2025	1,740,000	308,863	1,500,000	255,700
2026	1,870,000	274,063	1,505,000	225,650
2027	1,905,000	236,663	1,515,000	195,450
2028	1,950,000	193,800	1,185,000	168,450
2029	2,010,000	135,300	1,165,000	144,950
2030	1,785,000	75,000	1,120,000	122,100
2031	715,000	21,450	1,125,000	99,650
2032	-	-	1,130,000	77,100
2033	-	-	1,190,000	53,900
2034	-	-	1,200,000	30,000
2035	-	-	900,000	9,000
Totals:	$ 17,000,000	$ 2,374,125	$ 16,570,000	$ 2,144,697

*Principal reduction payment made prior to the date of the June 16, 2022 Debt Calculation

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2022	$ 2,605,000	$ 760,660	$ 3,365,660	7.44%
2023	4,205,000	859,250	5,064,250	18.64%
2024	4,235,000	769,113	5,004,113	29.71%
2025	4,290,000	675,388	4,965,388	40.69%
2026	3,650,000	579,713	4,229,713	50.04%
2027	3,705,000	501,113	4,206,113	59.35%
2028	3,430,000	419,850	3,849,850	67.86%
2029	3,485,000	326,050	3,811,050	76.29%
2030	3,230,000	230,500	3,460,500	83.94%
2031	2,175,000	141,500	2,316,500	89.06%
2032	1,475,000	87,450	1,562,450	92.52%
2033	1,190,000	53,900	1,243,900	95.27%
2034	1,200,000	30,000	1,230,000	97.99%
2035	900,000	9,000	909,000	100.00%
Totals:	$ 39,775,000	$ 5,443,485	$ 45,218,485	

Status of Short-Term Indebtedness

Type	Dated Date	Maturity Date	Interest Rate	Amount Outstanding
BAN	7/20/2021	7/20/2022	1.000%	$4,022,107

*A portion will be redeemed and renewed, in part, with the proceeds of the Series B Notes; the remaining portion will be redeemed and retired with the proceeds of the Bonds.

Cash Flow Borrowings

The District has not found it necessary to borrow in anticipation of taxes or revenues in recent years, nor does it anticipate undertaking such borrowing.

Capital Project Plans

On September 27, 2018, District voters approved a $1,804,000 multi-use field project consisting of a modest amount of door replacement work at the District High School and the development of a multi-use synthetic turf athletic field inside the track at the District High School. The project received SED approval and construction began in summer 2020. The District issued a $22,567,851 Bond Anticipation Note on July 22, 2020 of which $1,400,000 was issued against this authorization. On July 20, 2021 the District redeemed and partially renewed the existing notes and issued an additional $171,000 in new money for the project. Completion of the second and final phase of project is anticipated prior to December 2022.

On July 20, 2021 District voters approved a new $70,116,550 capital project. The multi-phased project will include reconstruction and renovation of, and the construction of improvements and upgrades to various District buildings and facilities, (and the sites thereof). The District will use $2,643,588 of 2016 capital reserve funds, $356,412 of 2019 capital reserve funds, and $2,000,000 of other available District funds, with the remaining balance of the project to be financed through the issuance of bond anticipation notes and serial bonds not to exceed $65,116,550 in the aggregate. This will be the first borrowing against the authorization.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 76.6%.

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

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

Debt Statement Summary

As of June 24, 2022

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Hamburg	$ 1,442,560,381	41.00%	$ 3,518,439,954
Eden	1,177,374	51.00%	2,308,576
			$ 3,520,748,530
Debt Limit: 10% of Full Valuation			$ 352,074,853
Inclusions:			
Serial Bonds			$ 37,170,000
Bond Anticipation Notes			4,022,107
Total Inclusions:			$ 41,192,107
Exclusions:			
Building Aid Estimate [1]			$0
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to This Issue:			$ 41,192,107
New Monies This Bond Issue:			233,000
New Monies This BAN Issue:			13,500,631
Total Net Indebtedness			$ 54,925,738
Net Debt Contracting Margin			$ 297,149,115
Percentage of Debt-Contracting Power Exhausted			15.60%

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
County of:	$ 3,520,748,530					
Erie	$ 64,771,315,475	5.44%	$ 635,892,184	N/A	$ 635,892,184	$ 34,564,938
Town of	$ 3,518,439,954					
Hamburg	$ 4,753,132,872	74.02%	13,764,735	N/A	13,764,735	10,189,152
Town of	$ 2,308,576					
Eden	$ 604,567,561	0.38%	14,133,784	N/A	14,133,784	53,971
Total						$ 44,808,060

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2020

Notes: 1 Bonds and Bond Anticipation notes as of 2020 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 24, 2022:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness	$ 54,925,738	$ 1,534.62	1.560%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 99,733,798	$ 2,786.56	2.833%

(a) The District's estimated population is 35,791 (Source: 2020 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2021-22 is $3,520,748,530

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

MARKET AND RISK FACTORS

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

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

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

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

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

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

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

Cyber Security

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 operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard again 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.

COVID – 19

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

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. While several vaccines have been developed and are now being deployed world-wide, the full and continuing impact of the pandemic is difficult to predict due to uncertainties regarding its ultimate duration and severity.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve took immediate significant steps to backstop those markets and to provide much-needed liquidity, and the markets then generally stabilized. Still, given these conditions, it is possible that the process of trading the Notes in the secondary market could be affected in ways that are difficult to predict.

Federal Response

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the $2.3 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act of 2020 and the $1.9 trillion American Rescue Plan Act ("ARP" or the "Arp Act") of 2021, both of which provide funding for pandemic-related expenses and attempt to address financial stability and liquidity issues through a variety of stimulus measures.

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

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

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

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

State Response

Executive Orders: Pursuant to emergency powers granted by the State Legislature, former Governor Cuomo and current Governor Hochul have released a number of executive orders in response to the COVID-19 pandemic.

Pursuant to State Executive Order 202.4, every school in the State was directed to close no later than March 18, 2020. While schools were originally ordered closed until April 1, the time period was later extended to May 15, and then through the end of the school year. School districts must normally maintain 180-day in-class attendance for State aid; however, this requirement was waived to the extent attributable to COVID-19 related closures during the 2019-20 school year. Additionally, pursuant to State Executive Orders Nos. 202.13 and 202.26, the school district elections and budget votes that normally would have been held in-person on May 19, 2020 were postponed and conducted by absentee ballot, with such ballots being counted on June 16, 2020.

While initially "non-essential" employees were mandated to work from home, starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening.

As COVID-19 cases began to rise again in the fall of 2020, the State shifted to a strategy based on identifying areas with higher positivity rates and implementing successively higher restrictions in such areas. When COVID-19 cases dropped again, affected areas could be removed from the list. As of March 22, 2021, all remaining location-based restrictions were lifted.

Due to the spread of Delta and Omicron variants in the fall and winter of 2021, the State implemented a mask mandate; however, as of February 9, 2022 such State-wide mandate has been lifted.

Since increased supplies of COVID-19 vaccine have become available, the State has encouraged residents to get vaccinated and, currently, all New Yorkers five years of age or older are eligible to receive a vaccine.

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

State Budget: The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State's 2019-2020 fiscal year and continuing during the State's 2020-2021 and 2021-2022 fiscal years.

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

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

Accordingly, the State enacted budget for the 2021-2022 fiscal year was more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts benefitted from a $1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive in full, by the 2023-2024 fiscal year, the increased level of Foundation Aid that was originally promised in 2007, along with a $105 million expansion of full-day prekindergarten. Local governments also received a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal (VLT) facilities received a full restoration of $10.3 million in proposed VLT aid cuts.

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

Although both the 2021-2022 and 2022-2023 State budgets contained additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

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

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

Local Impacts

During the course of the pandemic, the District has seen increased expenditures for personal protective equipment, partitions for all classrooms, cleaning staff and additional technology for students and teachers; much of this spending has been covered by the federal dollars that have made their way to the District under the relief legislation discussed above.

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

Although the District has not yet experienced any lasting adverse financial effects, it is continuing to monitor this situation and, in the absence of any future relief litigation, will attempt to mitigate any such adverse effects through program cuts or staffing reductions, as may be needed.

TAX EXEMPTION

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

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

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

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

LITIGATION

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

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned its bond rating of "Aa3" to the Bonds.

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

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 or notes may have an adverse effect on the market price of the bonds or notes.

DISCLOSURE UNDERTAKING

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

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

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

MUNICIPAL ADVISOR

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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.

The School District's contact information is as follows: Robert McDow, Assistant Superintendent of Business & Operations, phone: (716) 926-1717; email: rmcdow@frontiercsd.org.

Additional copies of the Notice of Bond Sale with respect to the Bonds, the Notice of Sale with respect to the Notes, and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (585) 747-8111 or at www.RGTimbsInc.net.

Frontier Central School District

Dated: June 24, 2022
Hamburg, New York

Patrick Boyle
President of the Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021	Budget 2022	
Beginning Fund Balance - July 1	$11,937,839	$15,146,571	$15,475,518	$17,875,761	$19,841,990	$25,077,994	E
Revenues:							
Real Property Taxes	$37,846,431	$38,727,313	$39,763,863	$41,031,138	$37,571,483	$38,897,602	
Real Property Tax Items	$669,435	$745,826	$802,434	$930,089	$5,831,217	$5,500,924	
Non-Property Tax Items	5,405,756	5,587,800	5,775,109	5,585,712	6,371,067	5,460,000	
Charges for Services	1,172,762	979,982	1,089,540	944,336	481,405	470,250	
Use of Money & Property	79,923	135,626	288,656	201,479	82,799	109,998	
Sale of Property/Comp. for Loss	89,767	46,700	80,733	27,205	19,244	25,250	
Miscellaneous	611,345	491,955	531,435	504,428	558,784	349,448	
State Aid	31,907,712	32,931,659	33,942,561	34,783,634	35,816,368	38,952,376	
Federal Aid	280,984	314,337	293,887	258,828	1,226,519	250,000	
Interfund Transfer	218,000	0	0	0	166,665	173,547	
Total Revenues	$78,282,115	$79,961,198	$82,568,218	$84,266,849	$88,125,551	$90,189,395	
Expenditures:							
General Support	$6,224,921	$6,516,830	$6,960,672	$6,733,981	$7,570,173	$8,305,113	
Instruction	42,492,301	44,721,299	47,065,981	49,111,767	48,515,575	51,966,808	
Pupil Transportation	3,266,681	3,358,481	3,472,564	3,386,841	3,242,823	3,791,883	
Employee Benefits	18,154,197	17,060,189	18,034,374	17,995,824	17,378,744	22,259,512	
Debt Service	4,706,361	4,287,536	4,347,708	4,696,016	3,804,215	6,415,719	
Interfund Transfer	228,922	3,687,916	286,676	376,191	2,378,017	300,000	
Total Expenditures	$75,073,383	$79,632,251	$80,167,975	$82,300,620	$82,889,547	$93,039,035	
Adjustments	0	0	0	0	0	0	
Year End Fund Balance	$15,146,571	$15,475,518	$17,875,761	$19,841,990	$25,077,994	$22,228,354	E
Excess (Deficit) Revenues Over Expenditures	$3,208,732	$328,947	$2,400,243	$1,966,229	$5,236,004	($2,849,640)	1

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

Note:

1. Appropriated Fund Balance planned to be used.

E. Estimate

General Fund – Budget Summary

	2022-23 Adopted Budget
Revenues:	
Real Property Taxes	$44,808,332
Other Tax Items	5,650,000
Current Year Pilots Receivable	816,172
Charges for Services	470,250
Interest and Earnings	50,000
Use of Property	77,998
Insurance Recoveries and Compensation of Loss	7,250
Miscellaneous	439,051
State Aid	41,326,083
Appropriated Fund Balance	2,849,640
Interfund Transfers	173,547
Total Revenues	96,668,323
Expenditures:	
General Support	9,107,395
Instruction	53,332,245
Transportation	4,223,280
Employee Benefits	23,101,972
Debt Service	6,653,431
Interfund Transfers	250,000
Total Expenditures	$96,668,323

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

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2017	2018	2019	2020	2021
Assets:					
Cash and cash equivalents	$15,992,370	$15,325,259	$17,707,563	$5,542,217	$6,710,432
Cash and cash equivalents - Restricted	$0	$0	$0	$13,370,025	$18,111,378
Accounts Receivable	253,893	161,531	232,989	336,762	433,675
Due from Other Funds	753,211	1,588,740	1,483,720	2,030,874	2,980,247
State and Federal Aid Receivable	939,572	1,048,840	995,910	812,884	0
Due from Other Governments	2,944,813	3,060,916	3,547,733	2,912,173	3,941,109
Cash Value of Life Insurance	344,493	344,493	344,493	344,493	278,141
Total Assets	$21,228,352	$21,529,779	$24,312,408	$25,349,428	$32,454,982
Liabilities:					
Accounts Payable	$849,976	$1,470,246	$1,201,984	$1,153,654	$1,121,356
Accrued Liabilities	810,183	709,262	1,049,253	629,625	2,205,800
Unearned Revenue	57,135	47,858	12,510	0	0
Due to Other Funds	115,781	61,987	0	0	0
Due to Retirement Systems	4,248,706	3,764,908	4,172,900	3,724,159	4,049,832
Total Liabilities:	$6,081,781	$6,054,261	$6,436,647	$5,507,438	$7,376,988
Fund Balances:					
Nonspendable	344,493	344,493	344,493	344,493	278,141
Restricted	10,209,389	10,087,671	11,946,990	13,370,025	18,111,378
Assigned:	1,237,505	1,723,613	2,132,518	2,545,615	2,966,914
Unassigned	3,355,184	3,319,741	3,451,760	3,581,857	3,721,561
Total Fund Balance	$15,146,571	$15,475,518	$17,875,761	$19,841,990	$25,077,994
Total Liabilities and Fund Balance	$21,228,352	$21,529,779	$24,312,408	$25,349,428	$32,454,982

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

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2021

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.

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK

Basic Financial Statements, Required Supplementary Information, Supplementary Information and Federal Awards Information for the Year Ended June 30, 2021 and Independent Auditors' Reports

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Drescher & Malecki LLP
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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Education
Frontier 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 Frontier Central School District, New York (the "District"), as of and for the year ended June 30, 2021, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2021, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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, and 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"), 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 the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021 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 5, 2021

As management of the Frontier 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, 2021. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the District's financial statements, which follow this narrative. For comparative purposes, certain data from the prior year has been reclassified to conform to the current year presentation.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $61,286,749 (net position). Net position consists of $44,649,857 net investment in capital assets, $18,280,925 restricted for specific purposes, offset by unrestricted net position of $(1,644,033).

- The District's total net position increased by $1,750,407 during the year ended June 30, 2021.

- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $2,516,267, a decrease of $4,600,534 in comparison with the prior year's fund balance, as restated, of $7,116,801.

- At the end of the current fiscal year, *unassigned fund balance* of the General Fund was $3,721,561, or approximately 4.5 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the District's discretion and constitutes approximately 14.8 percent of the General Fund's total fund balance of $25,077,994 at June 30, 2021.

- The District's total bonded indebtedness decreased by $2,555,000 as a result of scheduled principal payments.

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 other 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 for some items that will only 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, community service, school food service, student activities, 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 and 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 funds' balance sheet and in the governmental funds' statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects Fund, which are considered major funds. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

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 Private Purpose Trust Fund.

The fiduciary fund statements can be found on pages 18 and 19 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 20-44 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 related notes to the required supplementary information can be found on pages 45-52 of this report.

Supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 53-57.

Finally, the Federal Awards Information section presents the District's Schedule of Expenditures of Federal Awards. This section can be found immediately following the Supplementary Information on pages 58-66 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a 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 $61,286,749 at June 30, 2021, as compared to assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $59,536,342, as restated, at the close of the year ended June 30, 2020.

Table 1, shown below, presents the condensed statements of net position of the District at June 30, 2021 and June 30, 2020.

Table 1 - Condensed Statements of Net Position

	June 30,	
	2021	2020 (as restated)
Current assets	$ 32,727,672	$ 31,025,328
Noncurrent assets	89,532,106	86,574,987
Total assets	122,259,778	117,600,315
Deferred outflows of resources	27,601,449	24,636,516
Current liabilities	30,576,935	24,828,690
Noncurrent liabilities	45,403,242	49,508,267
Total liabilities	75,980,177	74,336,957
Deferred inflows of resources	12,594,301	8,363,532
Net position:		
Net investment in capital assets	44,649,857	42,533,767
Restricted	18,280,925	13,370,025
Unrestricted	(1,644,033)	3,632,550
Total net position	$ 61,286,749	$ 59,536,342

The largest portion of the District's net position, $44,649,857, reflects its investment in capital assets (e.g. land, buildings, improvements and equipment), net of accumulated depreciation and 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, $18,280,925, 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.

The remaining balance of the District's net position, $(1,644,033), is considered to be an unrestricted deficit. This deficit does not mean that the District does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the District's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, workers' compensation, other postemployment benefits ("OPEB") obligations, and net pension liability are funded annually within the funds.

Table 2, as presented below, shows the changes in net position for the years ended June 30, 2021 and June 30, 2020.

Table 2—Condensed Statements of Changes in Net Position

	Year Ended June 30,	
	2021	2020
Program revenues:		
Charges for services	$ 626,668	$ 1,388,126
Operating grants and contributions	6,355,756	4,742,664
General revenues	85,991,401	83,147,103
Total revenues	92,973,825	89,277,893
Program expenses	91,223,418	91,302,735
Change in net position	1,750,407	(2,024,842)
Net position—beginning, as restated	59,536,342	61,376,197
Restatement	-	184,987
Net position—ending	$ 61,286,749	$ 59,536,342

Overall revenues increased 4.1 percent from the prior year, primarily due to increases in federal funding related to the COVID-19 pandemic, along with increases in state aid, real property taxes and sales tax. Total expenses decreased 0.1 percent from the prior year, primarily due to a decrease in pupil transportation and instruction costs due to the impact of the COVID-19 pandemic and decreases in allocable employee benefits.

A summary of sources of revenues for the years ended June 30, 2021 and June 30, 2020 is presented below in Table 3:

Table 3—Summary of Sources of Revenues

	Year Ended June 30,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Charges for services	$ 626,668	$ 1,388,126	$ (761,458)	(54.9)
Operating grants and contributions	6,355,756	4,742,664	1,613,092	34.0
Taxes and tax items	49,773,767	47,546,939	2,226,828	4.7
Use of money and property	85,607	254,544	(168,937)	(66.4)
Sale of property and compensation for loss	19,244	-	19,244	100.0
State sources—unrestricted	35,323,383	34,621,234	702,149	2.0
Miscellaneous	789,400	724,386	65,014	9.0
Total revenues	$ 92,973,825	$ 89,277,893	$ 3,695,932	4.1

The most significant sources of revenue for the year ended June 30, 2021 were taxes and tax items of $49,773,767, or 53.5 percent of total revenues, state sources—unrestricted of $35,323,383, or 38.0 percent of total revenues, and operating grants and contributions of $6,355,756, or 6.8 percent of total revenues. Similarly, for the year ended June 30, 2020 the most significant sources of revenue were taxes and tax items of $47,546,939, or 53.3 percent of total revenues, state sources—unrestricted of $34,621,234, or 38.8 percent of total revenues, and operating grants and contributions of $4,742,664, or 5.3 percent of total revenues.

A summary of program expenses for the years ended June 30, 2021 and June 30, 2020 is presented below in Table 4:

Table 4—Summary of Program Expenses

	Year Ended June 30,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
General support	$ 10,888,240	$ 9,030,365	$ 1,857,875	20.6
Instruction	73,679,871	74,372,608	(692,737)	(0.9)
Pupil transportation	3,844,419	4,992,863	(1,148,444)	(23.0)
School food service	1,752,179	1,870,055	(117,876)	(6.3)
Student activities	112,300	-	112,300	100.0
Interest and other fiscal charges	946,409	1,036,844	(90,435)	(8.7)
Total program expenses	$ 91,223,418	$ 91,302,735	$ (79,317)	(0.1)

The most significant expense items for the year ended June 30, 2021 were instruction of $73,679,871, or 80.8 percent of total expenses, general support of $10,888,240, or 11.9 percent of total expenses, and pupil transportation of $3,844,419, or 4.2 percent of total expenses. Similarly, for the year ended June 30, 2020 the most significant expense items were instruction of $74,372,608, or 81.5 percent of total expenses, general support of $9,030,365, or 9.9 percent of total expenses, and pupil transportation of $4,992,863, or 5.5 percent of total expenses.

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* in special revenue funds 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 particular purposes by the Board of Education.

As of June 30, 2021, the District's governmental funds reported a combined ending fund balance of $2,516,267, a decrease of $4,600,534 from the prior year. Excluding the effect of $24,229,707 fund balance deficit in the Capital Projects Fund, $3,721,561, of this amount constitutes *unassigned fund balance* which is available for spending 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, $379,035, (2) restricted for particular purposes, $19,568,698 or (3) assigned for particular purposes, $3,076,680.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $3,721,561, while total fund balance increased to $25,077,994. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 4.5 percent of total General Fund expenditures and transfers out, while total fund balance represents 30.3 percent of that same amount.

The total fund balance of the District's General Fund increased by $5,236,004 during the current fiscal year. During the annual budget process, the District anticipated utilizing $2,545,615 of fund balance, which included funds appropriated from unrestricted fund balance ($1,948,488) and reserves ($500,000), and the appropriation of prior year's encumbrances ($97,127). As a result of spending less than anticipated, the District's General Fund fund balance ended $7,781,619 higher than expected.

The fund balance within the Capital Projects Fund decreased by $9,999,934 during the year ended June 30, 2021, to an ending fund balance deficit of $24,229,707. Capital outlay is supported primarily by short-term debt which is the main cause of the deficit. The remaining deficit balance is anticipated to be remedied through the receipt of state aid.

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 in Table 5 on the following page.

Table 5—General Fund Budget

Adopted budget, 2020-2021	$ 89,486,591
Add: Prior year's encumbrances	97,127
Original budget, 2020-2021	89,583,718
Budget revisions	-
Final budget, 2020-2021	$ 89,583,718

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 Requirement Supplementary Information section of this report.

Capital Asset and Debt Administration

Capital assets—The District's investment in capital assets for its governmental activities as of June 30, 2021, amounted to $89,532,106 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment. 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 June 30, 2021 and June 30, 2020 are presented in Table 6 below:

Table 6 - The District's Capital Assets (Net of Accumulated Depreciation)

	June 30,	
	2021	2020
Land	$ 802,150	$ 802,150
Construction in progress	2,762,573	11,626,631
Land improvements	10,752,790	2,420,100
Buildings and building improvements	71,057,959	62,182,949
Equipment and vehicles	4,156,634	4,178,103
Total	$ 89,532,106	$ 81,209,933

Additional information on the District's capital assets is presented in Note 5 to the financial statements.

Long-term liabilities—At June 30, 2021, the District had total long-term liabilities of $45,403,242, as compared to $49,508,267 in the prior year. Of the total long-term liabilities at June 30, 2021, $23,205,000 represents serial bonds issued by the District. During the year ended June 30, 2021, the District's total bonded indebtedness decreased by $2,555,000 as a result of scheduled principal payments.

A summary of the District's long-term liabilities at June 30, 2021 and June 30, 2020 is presented in Table 7 on the following page.

Table 7—Summary of Long-Term Liabilities

	June 30, 2021	June 30, 2020
Serial bonds	$ 23,205,000	$ 25,760,000
Premium on serial bonds	346,013	396,971
Compensated absences	4,917,372	4,355,629
Capital leases	-	200,139
Workers' compensation	2,907,947	2,720,000
OPEB obligation	8,235,372	8,212,706
Net pension liability	5,791,538	7,862,822
Total	$ 45,403,242	$ 49,508,267

Additional information on the District's long-term liabilities can be found in Note 11 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate, not seasonally adjusted, for the region at June 30, 2021 was 4.7 percent. This compares to New York State's average unemployment rate of 7.8 percent. These factors, as well as others, are considered in preparing the District's budget.

During the current fiscal year, the District appropriated $2,849,640 of the General Fund's fund balance for spending in the District's 2021-2022 fiscal year budget. The 2021-2022 adopted budget appropriations total of $93,039,035 is an approximate increase of 4.0 percent as compared to the $89,486,591 budgeted appropriations in 2020-2021. The District's total tax levy in 2021-2022 is $43,579,954, an increase of $1,205,941 compared to $42,374,013 levied during the 2020-2021 year.

Request for Information

This financial report is designed to provide our taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Robert McDow, Assistant Superintendent for Finance and Operations, Frontier Central School District, 5120 Orchard Avenue, Hamburg, New York 14075.

BASIC FINANCIAL STATEMENTS

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FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Net Position
June 30, 2021

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,837,568
Restricted cash and cash equivalents	19,632,148
Receivables	439,785
Intergovernmental receivables	5,439,136
Cash value of life insurance	278,141
Inventories	100,894
Capital assets not being depreciated	3,564,723
Capital assets, net of accumulated depreciation	85,967,383
Total assets	122,259,778
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	26,564,527
Deferred outflows—relating to OPEB	1,036,922
Total deferred outflows of resources	27,601,449
LIABILITIES	
Accounts payable	1,298,719
Retainages payable	51,158
Accrued liabilities	2,520,172
Due to retirement systems	4,076,944
Unearned revenue	62,091
Bond anticipation notes payable	22,567,851
Noncurrent liabilities:	
Due within one year	3,047,224
Due in more than one year	42,356,018
Total liabilities	75,980,177
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	11,978,409
Deferred inflows—relating to OPEB	615,892
Total deferred inflows of resources	12,594,301
NET POSITION	
Net investment in capital assets	44,649,857
Restricted for:	
Workers' compensation	2,907,947
Retirement contribution	4,934,944
Tax certiorari	351,115
Employee benefits	4,917,372
Capital projects	5,000,000
Student activities	169,547
Unrestricted	(1,644,033)
Total net position	$ 61,286,749

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
Year Ended June 30, 2021

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
				Primary Government
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**
Governmental activities:				
General support	$ 10,888,240	$ -	$ -	$ (10,888,240)
Instruction	73,679,871	481,405	4,532,063	(68,666,403)
Pupil transportation	3,844,419	-	-	(3,844,419)
School food service	1,752,179	48,403	1,823,693	119,917
Student activities	112,300	96,860	-	(15,440)
Interest and other fiscal charges	946,409	-	-	(946,409)
Total primary government	$ 91,223,418	$ 626,668	$ 6,355,756	(84,240,994)
	General revenues:			
	Real property taxes and other tax items			43,402,700
	Non-property tax items			6,371,067
	Use of money and property			85,607
	Sale of property and compensation for loss			19,244
	State sources—unrestricted			35,323,383
	Miscellaneous			789,400
	Total general revenues			85,991,401
	Change in net position			1,750,407
	Net position—beginning, as restated			59,536,342
	Net position—ending			$ 61,286,749

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Balance Sheet—Governmental Funds
June 30, 2021

ASSETS	General	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
Cash and cash equivalents	$ 6,710,432	$ -	$ 127,136	$ 6,837,568
Restricted cash and cash equivalents	18,111,378	4,519	1,516,251	19,632,148
Receivables	433,675	-	6,110	439,785
Intergovernmental receivables	3,941,109	-	1,498,027	5,439,136
Due from other funds	2,980,247	-	-	2,980,247
Cash value of life insurance	278,141	-	-	278,141
Inventories	-	-	100,894	100,894
Total assets	$ 32,454,982	$ 4,519	$ 3,248,418	$ 35,707,919
LIABILITIES				
Accounts payable	$ 1,121,356	$ 127,213	$ 50,150	$ 1,298,719
Accrued liabilities	2,205,800	-	-	2,205,800
Due to other funds	-	1,539,162	1,441,085	2,980,247
Due to retirement systems	4,049,832	-	27,112	4,076,944
Unearned revenue	-	-	62,091	62,091
Bond anticipation notes payable	-	22,567,851	-	22,567,851
Total liabilities	7,376,988	24,234,226	1,580,438	33,191,652
FUND BALANCES (DEFICIT)				
Nonspendable	278,141	-	100,894	379,035
Restricted	18,111,378	-	1,457,320	19,568,698
Assigned	2,966,914	-	109,766	3,076,680
Unassigned	3,721,561	(24,229,707)	-	(20,508,146)
Total fund balances (deficit)	25,077,994	(24,229,707)	1,667,980	2,516,267
Total liabilities and fund balances (deficit)	$ 32,454,982	$ 4,519	$ 3,248,418	$ 35,707,919

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position
June 30, 2021

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

Total fund balances (deficit)—governmental funds (page 14)		$ 2,516,267
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $137,434,465 and the accumulated depreciation is $47,902,359.		89,532,106
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	$ 3,931,991	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	22,632,536	
Deferred inflows of resources related to pension plans	(11,978,409)	14,586,118
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 experience and changes of assumptions	$ 1,036,922	
Deferred inflows related to experience and changes of assumptions	(615,892)	421,030
Retained percentages are not a current liability and, therefore are not reported in the funds.		(51,158)
Net accrued interest expense for serial bonds and bond anticipation notes is not reported in the fund statements		(314,372)
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	$ (23,205,000)	
Premium on serial bonds	(346,013)	
Compensated absences	(4,917,372)	
Workers' compensation	(2,907,947)	
OPEB obligation	(8,235,372)	
Net pension liability	(5,791,538)	(45,403,242)
Net position of governmental activities		$ 61,286,749

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds
Year Ended June 30, 2021

	General	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Real property taxes	$ 37,571,483	$ -	$ -	$ 37,571,483
Real property tax items	5,831,217	-	-	5,831,217
Non-property tax items	6,371,067	-	-	6,371,067
Charges for services	481,405	-	-	481,405
Use of money and property	82,799	-	2,808	85,607
Sale of property and compensation for loss	19,244	-	-	19,244
Miscellaneous	558,784	173,547	6,111	738,442
State sources	35,816,368	-	991,393	36,807,761
Federal sources	1,226,519	-	3,644,859	4,871,378
Sales—food service	-	-	48,403	48,403
Student activity collections	-	-	96,860	96,860
Total revenues	87,958,886	173,547	4,790,434	92,922,867
EXPENDITURES				
Current:				
General support	7,570,173	-	-	7,570,173
Instruction	48,515,575	-	2,711,198	51,226,773
Pupil transportation	3,242,823	-	43,140	3,285,963
Employee benefits	17,378,744	-	509,009	17,887,753
Debt service:				
Principal	2,755,139	-	-	2,755,139
Interest and other fiscal charges	1,049,076	-	-	1,049,076
Cost of sales (school lunch)	-	-	1,407,711	1,407,711
Student activities	-	-	112,300	112,300
Capital outlay	-	12,228,513	-	12,228,513
Total expenditures	80,511,530	12,228,513	4,783,358	97,523,401
Excess (deficiency) of revenues over expenditures	7,447,356	(12,054,966)	7,076	(4,600,534)
OTHER FINANCING SOURCES (USES)				
Transfers in	166,665	2,221,697	156,320	2,544,682
Transfers out	(2,378,017)	(166,665)	-	(2,544,682)
Total other financing sources (uses)	(2,211,352)	2,055,032	156,320	-
Net change in fund balances (deficit)	5,236,004	(9,999,934)	163,396	(4,600,534)
Fund balances (deficit)—beginning, as restated	19,841,990	(14,229,773)	1,504,584	7,116,801
Fund balances (deficit)—ending	$ 25,077,994	$ (24,229,707)	$ 1,667,980	$ 2,516,267

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances (deficit)—total governmental funds (page 16)		$ (4,600,534)
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 expense in the current period.		
Capital asset additions	$ 11,870,672	
Depreciation expense	(3,548,499)	8,322,173
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 is reported as an expense as it accrues.		451,966
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
District pension contributions	$ 4,651,240	
Cost of benefits earned net of employee contributions	(8,416,772)	(3,765,532)
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.		(794,074)
In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.		102,667
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 related items is as follows:		
Principal repayment of serial bonds	$ 2,555,000	
Amortization of premiums on serial bonds	50,958	
Change in compensated absences	(561,743)	
Principal repayment of capital leases	200,139	
Change in workers' compensation	(187,947)	
Change in other postemployment benefits obligation	(22,666)	2,033,741
Change in net position of governmental activities		$ 1,750,407

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2021

	Private Purpose Trust
ASSETS	
Restricted cash and cash equivalents	$ 631,047
Total assets	631,047
NET POSITION	
Restricted for scholarships	$ 631,047
Total net position	$ 631,047

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

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Changes in Fiduciary Net Position—Fiduciary Funds
Year Ended June 30, 2021

	Private Purpose Trust
ADDITIONS	
Contributions	$ 12,121
Total additions	12,121
DEDUCTIONS	
Scholarships awarded	11,900
Total deductions	11,900
Change in net position	221
Net position—beginning	630,826
Net position—ending	$ 631,047

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Frontier 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 District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally 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 certain legally separate component units for which the primary government is financially accountable. The District reports no business-type activities or 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.

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; however, since the District has administrative involvement with these funds they are reported within the District's Student Activities Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

Joint Venture—The District is one of 19 participating school districts in the Erie 1 Board of Cooperative Education Services ("BOCES"). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES. All BOCES property is held by the BOCES Board as a corporation under Section 1950(6) of Education Law.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of General Municipal Law.

The 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, 2021, there was no debt issued by the District on behalf of BOCES.

During the fiscal year ended June 30, 2021, the District was billed $7,572,240 for BOCES administrative and program costs. Audited financial statements are available from the Erie 1 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.

The District reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal sources of revenues for the General Fund are real property taxes and state sources.

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

The District reports the following nonmajor governmental funds:

- *Special Aid Fund*—The Special Aid 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*—The School Lunch Fund is used to account for transactions of the District's food service operations.
- *Student Activities*—The Student Activities Fund is used to account for extraclassroom transactions, which represents funds of the students of the District. The District exercises administrative involvement with these funds.
- *Debt Service Fund*—The Debt Service 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. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary Funds include the *Private Purpose Trust Fund*. The *Private Purpose Trust Fund* is used to account for assets held by the District for scholarships.

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 generally 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 most revenues to be available if they are collected within 90 days of the end of the current fiscal period and certain grant revenues to be available if they are expected to be collected within 120 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, claims and judgments, and pensions 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 (within 90 days of year-end). 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 Private Purpose Trust Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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 Agencies, repurchase agreements and obligations of New York State or its localities. The District had no investments at June 30, 2021; 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 debt proceeds and amounts to support unearned revenues, restricted fund balances, and amounts held on behalf of others.

Cash Value of Life Insurance—Cash value of life insurance is stated at the lower of accumulated premiums or surrender value of the contracts.

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, site improvements, buildings, and 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 ($5,000) for the type of asset and an estimated useful life in excess of two years. 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:

	Capitalization Threshold	Estimated Useful Life (Years)
Land improvements	$ 5,000	20
Buildings and improvements	5,000	20-50
Furniture, equipment and vehicles	5,000	5-20

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).

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At June 30, 2021, the District reported $39,428 and $22,663 of unearned revenue in the Special Aid Fund and School Lunch Fund, respectively. The District received grant funding and monies for the purchase of school lunches in advance but has not performed the services and therefore recognizes a liability.

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, 2021, the District has two items that qualify for reporting in this category. The first item is related to pensions 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 liability, and the difference during the measurement period between the District's contributions, its proportionate share of total contribution to the pension systems not included in pension expense, and any contributions to the pension systems 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 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 OPEB liability.

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, 2021, the District reports two deferred inflows of resources on the government-wide financial statements related to pensions and OPEB, respectively. 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. The second represents the effects of the change in the District's proportion of the collective 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 OPEB liability.

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 has by resolution authorized the Assistant Superintendent for Business and Support Services to assign fund balance. The Board may also 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 Expenses/Expenditures

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 by a given function or segment 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—Real property taxes are levied annually as of July 1st by the Board of Education and attached as an enforceable lien. Uncollected real property taxes are subsequently enforced by the County of Erie. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than April 1st.

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 7.

Other Postemployment Benefits—In addition to providing pension benefits, the District provides health insurance coverage for certain retired employees, as disclosed in Note 8.

Other

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

Adoption of New Accounting Pronouncements—During the year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. Additionally, the District implemented GASB Statements No. 92, *Omnibus 2020*; 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*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 93 addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate ("IBOR"). GASB Statement No. 97 increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with the reporting of certain defined contribution plans and enhances the relevance, consistency and comparability of the accounting and reporting for internal Revenue Code Section 457 deferred compensation plans. Other than matter discussed in Note 2, the implementation of GASB Statements No. 84, 92, 93, and 97 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. 87, *Leases;* and No. 89, *Interest Capitalization,* 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. 87, 89, 91, 94, and 96 will have on its financial position and results of operations when such statements are adopted.

Deficit Fund Balance—The Capital Projects Fund has a deficit fund balance at June 30, 2021 totaling $24,229,707. The majority of this deficit exists because the District issued bond anticipation notes ("BANs"), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenses, and fund balances.) When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs or retire the BANs. The remaining deficit is anticipated to be remedied through the receipt of state aid.

2. RESTATEMENT OF NET POSITION AND FUND BALANCE

During the year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 established the Student Activities Fund fund balance of $184,987 as of June 30, 2020. Accordingly, Nonmajor Funds' fund balance and governmental activities net position were restated by $184,987 as of June 30, 2020.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District's investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. The District's Assistant Superintendent of Business and Support Services 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, time deposit and certificates of deposit at 100 percent 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 obligations 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 at June 30, 2021, are presented as follows:

	Governmental Funds	Fiduciary Funds	Total
Petty cash (uncollateralized)	$ 170	$ -	$ 170
Deposits	26,469,546	631,047	27,100,593
Total	$ 26,469,716	$ 631,047	$ 27,100,763

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2021 as shown on the following page.

	Bank Balance	Carrying Amount
FDIC insured	$ 812,972	$ 812,972
Uninsured:		
Collateral held by pledging bank's agent in the District's name	26,867,200	26,287,621
Total	$ 27,680,172	$ 27,100,593

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, 2021, 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 and amounts to support unearned revenues, restricted fund balances, and amounts held on behalf of others as restricted cash and cash equivalents. At June 30, 2021, the District reported $19,632,148 and $631,047 of restricted cash within its governmental and fiduciary funds, respectively.

Investments—The District had no investments at June 30, 2021.

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.

4. RECEIVABLES

Major revenues accrued by the District at June 30, 2021 consisted of the following:

Receivables— Represents amounts due from various sources. Receivables at June 30, 2021 are as follows:

General Fund:		
Tuitions due from other districts	$ 194,996	
Pharmacy rebates	135,679	
Other	103,000	$ 433,675
School Lunch Fund:		
Rebates		109
Student Activities Fund:		
Program fees		6,001
Total governmental funds		$ 439,785

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, 2021 are presented on the following page.

General Fund:		
New York State - BOCES aid	$ 1,236,400	
New York State - Excess Cost aid	840,799	
New York State - General aid	659,029	
Erie County - sales tax	1,110,542	
Federal - CARES funding	94,339	$ 3,941,109
Special Aid Fund:		
New York State - Supported Section 4201	130,816	
New York State - Preschool Grants	8,874	
New York State - Summer Student with Disabilities	65,893	
New York State - Title I Grants to Local Education Agencies	206,044	
New York State - Grants to States	390,559	
New York State - Universal Pre-K	198,344	
New York State - Title II Grants to Local Education Agencies	60,625	
Other	119,156	1,180,311
School Lunch Fund:		
Breakfast and lunch programs		317,716
Total governmental funds		$ 5,439,136

5. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2021 was as follows:

	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Capital assets, not being depreciated:				
Land	$ 802,150	$ -	$ -	$ 802,150
Construction in progress	11,626,631	2,528,360	11,392,418	2,762,573
Total capital assets, not being depreciated	12,428,781	2,528,360	11,392,418	3,564,723
Capital assets, being depreciated:				
Land improvements	5,355,555	8,910,916	-	14,266,471
Buildings and building improvements	95,633,245	10,848,375	-	106,481,620
Equipment and vehicles	13,042,700	975,439	896,488	13,121,651
Total capital assets, being depreciated	114,031,500	20,734,730	896,488	133,869,742
Less accumulated depreciation for:				
Land improvements	2,935,455	578,226	-	3,513,681
Buildings and building improvements	33,450,296	1,973,365	-	35,423,661
Equipment and vehicles	8,864,597	996,908	896,488	8,965,017
Total accumulated depreciation	45,250,348	3,548,499	896,488	47,902,359
Total capital assets, being depreciated, net	68,781,152	17,186,231	-	85,967,383
Governmental activities capital assets, net	$ 81,209,933	$ 19,714,591	$ 11,392,418	$ 89,532,106

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

Governmental activities:		
General support	$	432,692
Instruction		2,927,990
Pupil transportation		187,817
Total	$	3,548,499

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2021 were as follows:

	General Fund
Salary and employee benefits	$ 1,628,480
Health claims	577,320
Total	$ 2,205,800

7. 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 retirements 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 NYSSTR Comprehensive Annual Financial Report which can be found at the TRS 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 (3.0%) 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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2021, the District reported the liability presented on the following page for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of June 30, 2020 for TRS and March 31, 2021 for ERS. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2019 and April 1, 2020, respectively, with update procedures used to rollforward the total pension liability to the measurement dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
Net pension liability	$ 5,761,645	$ 29,893
District's portion of the Plan's total net pension liability	0.208508%	0.0300213%

For the year ended June 30, 2021, the District recognized pension expenses of $7,695,167 and $977,584 for TRS and ERS, respectively. At June 30, 2021 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	$ 5,048,354	$ 365,079	$ 295,273	$ -
Changes of assumptions	7,287,140	5,496,433	2,597,485	103,664
Net difference between projected and actual earnings on pension plan investments	3,762,859	-	-	8,587,146
Changes in proportion and differences between the District's contributions and proportionate share of contributions	7,916	664,755	364,933	29,908
District contributions subsequent to the measurement date	3,419,305	512,686	-	-
Total	$ 19,525,574	$ 7,038,953	$ 3,257,691	$ 8,720,718

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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
2022	$ 2,182,442	$ (272,874)
2023	4,468,806	14,659
2024	3,648,739	(345,604)
2025	2,243,040	(1,590,632)
2026	58,944	-
Thereafter	246,607	-

***Actuarial Assumptions*—**The total pension liability as of the measurement dates were determined by using actuarial valuations as noted in the table on the following page, with update procedures used to roll forward the total pension liability to the respective measurement dates. The actuarial valuations used the actuarial assumptions are shown below:

	TRS	ERS
Measurement date	June 30, 2020	March 31, 2021
Actuarial valuation date	June 30, 2019	April 1, 2020
Interest rate	7.10%	5.90%
Salary scale	1.90% - 4.72%	4.40%
Decrement tables	July 1, 2009 - June 30, 2014	April 1, 2015 - March 31, 2020
Inflation rates	2.20%	2.70%
Cost-of-living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on July 1, 2010 – June 30, 2015 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2019, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015. For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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, 2020	March 31, 2021
Asset class:				
Domestic equities	34.9 %	32.0 %	7.1 %	4.1 %
International equities	16.4	15.0	7.7	6.3
Global equities	3.0	0.0	7.4	0.0
Private equity	8.0	10.0	10.4	6.8
Real estate	10.0	9.0	6.8	5.0
Opportunistics/absolute return strategies	0.0	3.0	0.0	4.5
Credit	0.0	4.0	0.0	3.6
Domestic fixed income securities	15.9	0.0	1.8	0.0
Global bonds	2.4	0.0	1.0	0.0
High-yield bonds	0.5	0.0	3.9	0.0
Private debt	0.6	0.0	5.2	0.0
Real assets	0.0	3.0	0.0	6.0
Real estate debt	6.0	0.0	3.6	0.0
Fixed income	0.0	23.0	0.0	0.0
Short-term	2.3	1.0	0.0	0.5
Total	100.0 %	100.0 %		

Discount Rate—The discount rate used to calculate the total pension liability was 7.10% for TRS and 5.90% 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.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.10% for TRS and 5.90% 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 4.90% for ERS) or one percentage-point higher (8.10% for TRS and 6.90% 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)	$ 36,394,328	$ 5,761,645	$ (19,946,938)

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	$ 8,297,252	$ 29,893	$ (7,594,546)

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

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2019	April 1, 2020
Employers' total pension liability	$ 123,242,776	$ 220,680,157
Plan fiduciary net position	120,479,505	220,580,583
Employers' net pension liability	$ 2,763,271	$ 99,574
System fiduciary net position as a percentage of total pension liability	97.8%	100.0%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 amounted to $3,564,258.

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, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $512,686.

8. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description— In addition to pension benefits, the District provides group health, vision, and dental insurance benefits to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. The estimated cost of such benefits totaled $296,364 for the year ended June 30, 2021.

Employees Covered by Benefit Terms—At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	130
Active employees	811
Total	941

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 ("AAL") under GASB Statement No. 45.

Total OPEB Liability

The District's total OPEB liability of $8,235,372 was measured three months prior to fiscal year end and was determined by an actuarial valuation dated May 26, 2021, utilizing participant data measured on April 1, 2021.

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 May 26, 2021 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.48% to 2.27% effective June 30, 2021. The salary scale changed from 3.22% to 3.11% effective June 30, 2021. The mortality rates changed to MP-2020, fully generational tables, while the retirement rates remained unchanged using the Pub-2010 Public Retirement Plan. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 4.00%, while the ultimate healthcare cost trend rate is 4.17%.

The actuarial assumptions used in the May 26, 2021 valuation were based on the results of an actuarial experience study of plan participants for the period July 1, 2020 through March 30, 2021.

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, 2020:	$ 8,212,706
Changes for the year:	
Service cost	323,373
Interest	204,345
Changes of assumptions	162,963
Differences between expected and actual experience	(371,651)
Benefit payments	(296,364)
Net changes	22,666
Balance at June 30, 2021	$ 8,235,372

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 total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability:

	Decrease (1.27%)	Discount Rate (2.27%)	Increase (3.27%)
Total OPEB liability	$ 8,852,234	$ 8,235,372	$ 7,665,072

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the total OPEB liability of a 1% change in the initial (4.00%) and ultimate (4.08%) healthcare cost trend rates.

	1% Decrease (3.00% / 3.08%)	Healthcare Cost Trend Rates (4.00% / 4.08%)	1% Decrease (5.00% / 5.08%)
Total OPEB liability	$ 7,465,750	$ 8,235,372	$ 9,122,082

Funding Policy—Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various contracts, which were ratified by the District's Board of Education. The District contributes funding to satisfy the current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the District. The District's governmental activities contributed $296,364 for the fiscal year ended June 30, 2021.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The District reports deferred outflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total contributions from employers included in the collective total 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, 2021.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 585,899	$ 615,892
Changes of assumptions	376,932	-
Contributions subsequent to the measurement date	74,091	-
Total	$ 1,036,922	$ 615,892

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, 2022. Other 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,	
2022	$ 443,985
2023	(84,003)
2024	(13,043)

9. RISK MANAGEMENT

The District is exposed to various risks of losses related to damage and destruction of assets, vehicle liability, injuries to employees, health insurance, and unemployment insurance. The District purchases commercial insurance to cover such potential risks. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded insurance coverage in the past three fiscal years. The general liability insurance is limited to $1 million per occurrence and a $3 million aggregate. All other policies have limits ranging from $10,000 to $10,000,000.

10. 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, 2021 are shown on the following page.

Description	Interest Rate	Maturity Date	Balance 7/1/2020	Issues	Redemptions	Balance 6/30/2021
Capital Projects Fund:						
Bus 2019	2.50%	7/23/2020	$ 15,726,063	$ -	$ 15,726,063	$ -
Bus 2020	1.25%	7/22/2021	-	22,567,851	-	22,567,851
Total			$ 15,726,063	$ 22,567,851	$ 15,726,063	$ 22,567,851

11. 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 bonds payable, compensated absences, capital leases, workers' compensation, 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 for the year ended June 30, 2021 follows:

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Due Within One Year
Serial bonds	$ 25,760,000	$ -	$ 2,555,000	$ 23,205,000	$ 2,605,000
Premium on serial bonds	396,971	-	50,958	346,013	50,958
Bonds payable, net	26,156,971	-	2,605,958	23,551,013	2,655,958
Compensated absences*	4,355,629	561,743	-	4,917,372	245,869
Capital leases	200,139	-	200,139	-	-
Workers' Compensation	2,720,000	933,845	745,898	2,907,947	145,397
OPEB obligation	8,212,706	527,718	505,052	8,235,372	-
Net pension liability*	7,862,822	-	2,071,284	5,791,538	-
Total	$ 49,508,267	$ 2,023,306	$ 6,128,331	$ 45,403,242	$ 3,047,224

(*Activity for compensated absences and the net pension liability is shown net.)

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction, and renovation 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 District. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 4 to 16 years.

Prior Year's Advanced Refunding—During prior years, the District issued $5,715,000 in serial bonds with interest rates ranging from 1.00% to 4.00% to advance refund $5,745,000 of outstanding 2009 series bonds with an average interest rates ranging from 3.00% to 4.00%. The total net proceeds of $5,921,738 (after deductions for net issuance costs, including underwriters discount) were used to purchase non-callable, direct obligations of the United States of America and placed in an irrevocable trust fund to pay for all future debt service payments of the original bonds. As a result, the original bonds are considered refunded and the liability of those bonds, $3,070,000, has been removed from the financial statements.

Principal is paid annually, interest is paid semi-annually; these payments are recorded in the Debt Service Fund. A summary of additions and payments for the year ended June 30, 2021 is shown below.

Description	Original Issue	Interest Rate (%)	Year of Issue/ Maturity	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
2015 Refunding Bond	$ 4,580,000	2.00-4.00	2016/2032	$ 3,440,000	$ -	$ 240,000	$ 3,200,000
2016 Refunding Bond	5,715,000	1.00-4.00	2017/2021	3,710,000	-	705,000	3,005,000
2017 Serial Bond	23,935,000	2.00-3.00	2018/2031	18,610,000	-	1,610,000	17,000,000
Total				$ 25,760,000	$ -	$ 2,555,000	$ 23,205,000

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, 2021 was $346,013.

Compensated Absences—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 annual budgets of the operating funds provide for these benefits as they become due. The liability for compensated absences at June 30, 2021 amounts to $4,917,372, of which $245,869 has been included within the current portion of long-term debt. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable.

Workers' Compensation—Accrued workers' compensation, which totals $2,907,947 represents the City's estimate of both asserted and unasserted workers' compensation losses. The payments related to these liabilities are dependent upon many factors and, therefore, timing of future payments are not readily determinable. Refer to Note 9 for additional information related to workers' compensation.

OPEB Obligation—As explained in Note 8, the District provides health insurance coverage for certain retirees. The District's annual postemployment benefit ("OPEB") cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The long-term OPEB obligation is estimated to be $8,235,372 at June 30, 2021.

Net Pension Liability—The District reported a liability, totaling $5,791,538 for its proportionate share of the net pension liability for the Teachers' Retirement System and Employees' Retirement System. Refer to Note 7 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	Premium on Serial Bonds	Compensated Absences	Workers' Compensation	OPEB Obligation	Net Pension Liability	Total
2022	$ 2,605,000	$ 50,958	$ 245,869	$ 145,397	$ -	$ -	$ 3,047,224
2023	2,665,000	50,958	-	-	-	-	2,715,958
2024	2,740,000	50,958	-	-	-	-	2,790,958
2025	2,790,000	37,885	-	-	-	-	2,827,885
2026	2,145,000	24,813	-	-	-	-	2,169,813
2027-Thereafter	10,260,000	130,441	4,671,503	2,762,550	8,235,372	5,791,538	31,851,404
Total	$ 23,205,000	$ 346,013	$ 4,917,372	$ 2,907,947	$ 8,235,372	$ 5,791,538	$ 45,403,242

Interest requirements on serial bonds are as follows:

Year Ending June 30,	Interest
2022	$ 599,563
2023	543,251
2024	483,463
2025	419,688
2026	354,063
Thereafter	898,763
Total	$ 3,298,791

12. 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, construction 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, 2021 includes:

- ***Cash value of life insurance***—Represents long-term investments in the District's life insurance contract of $278,141.

- ***Inventories***—Represents the portion of fund balance, $100,894, composed of inventory. This balance is nonspendable as the inventory does not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. At June 30, 2021, the District had restricted funds as shown below.

	General Fund	Total Nonmajor Funds	Total
Workers' compensation	$ 2,907,947	$ -	$ 2,907,947
Retirement contribution	4,934,944	-	4,934,944
Tax certiorari	351,115	-	351,115
Employee benefits	4,917,372	-	4,917,372
Capital projects	5,000,000	-	5,000,000
Debt service	-	1,287,773	1,287,773
Student activities	-	169,547	169,547
Total	$ 18,111,378	$ 1,457,320	$ 19,568,698

- ***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.

- ***Retirement Contribution***—According to General Municipal Law Section 6-r, this restriction must be used to pay "retirement contributions". The restriction may be established by Board resolution; there are no referendum requirements to create the funds or expend money from the funds. The Board may authorize the transfer of the moneys to a reserve fund established pursuant to Sections 6c-g of the GML or Section 3651 of Education Law.

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

- ***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.

- ***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.

- ***Debt Service***—According to General Municipal Law Section 6-l, the mandatory reserve for debt service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property and unspent debt proceeds and premiums.

- ***Student Activities***—Amounts generated by the Extraclassroom Activities of the District, which are restricted for use only within the Student Activities Fund.

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, 2021, 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, 2021 and include:

	General Fund	School Lunch Fund	Total
Subsequent year's expenditures	$ 2,849,640	$ -	$ 2,849,640
Encumbrances	117,274	-	117,274
Specific use	-	109,766	109,766
Total	$ 2,966,914	$ 109,766	$ 3,076,680

- ***Assigned to Subsequent Year's Expenditures***—Representing available fund balance being appropriated to meet expenditure requirements in the 2021-2022 fiscal year.

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

- ***Assigned to Specific Use***—Representing fund balance within the special revenue funds that is assigned for a specific purpose. The assignments' purpose relates to each fund's operations and represent remaining amounts within funds that are not restricted or committed.

If the District must use funds for emergency expenditures, the Board of Education shall authorize the Assistant Superintendent of Business and Support Services 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.

13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of June 30, 2021 is show below.

Fund	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	$ 2,980,247	$ -
Capital Projects Fund	-	1,539,162
Nonmajor Funds	-	1,441,085
Total governmental funds	$ 2,980,247	$ 2,980,247

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.

The District made the following transfers during the year ended June 30, 2021:

Fund	Transfers in: General Fund	Transfers in: Capital Projects Fund	Transfers in: Nonmajor Funds	Total
Transfers out:				
General Fund	$ -	$ 2,221,697	$ 156,320	$ 2,378,017
Capital Projects Fund	166,665	-	-	166,665
Total	$ 166,665	$ 2,221,697	$ 156,320	$ 2,544,682

14. SCHOLARSHIPS—PRIVATE PURPOSE TRUST

Within the Private-Purpose Trust, the District maintains various scholarships funds. The funds are increased through interest earnings and contributions and decreased through annual awards. A summary of the Private-Purpose Trust Fund balances in the accounts at June 30, 2021 is presented below:

Richard Verreault-Noreen Falkner Scholarship	$ 3,174
Alexander Patterson Scholarship	23,268
Rober O. Starr Award	2,732
S.J. Grottanelli Scholarship	7,764
Blasdell Highschool Scholarship	570
Walter Sikes Scholarship	2,338
C.H. Mead Scholarship	493
Dorothy Klimowicz Scholarship	3,867
Alice I. Royce Scholarship	5,639

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Detective Sgt. Joseph Larosa Memorial	1,267
Michael J. Sutfin Scholarship	127
Arsillio Capuani Scholarship	466
Spicer Scholarship	507,279
Brian W. Moore Memorial Scholarship	11,949
Franc E. Titus Scholarship	6,143
Elma L. Titus Scholarship	6,908
Tara Panzarella Memorial Scholarship	6,835
The Kenny Award	944
Frontier Secretaries Association Scholarship	2,124
William Rauch Scholarship	608
Lois Koss Memorial Scholarship	1,365
Frontier Annual Scholarship	35,187
	$ 631,047

15. LABOR CONTRACTS

District employees are represented by four bargaining units, with the balance governed by Board of Education rules and regulations. Negotiated contracts are in place through June 30, 2021 for the Frontier Central Teachers' Association, through June 30, 2022 for the Frontier Central Administrative and Supervisory Association and Frontier Central Employees' Association, and through June 30, 2023 for the Frontier Central Registered Nurses' Association.

16. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrances 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 executor 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 to be significant for amounts that are encumbered in excess of $10,000. As of June 30, 2021, the District reports the following significant encumbrances within the General Fund:

Description	Amount Encumbered
General Fund:	
Mower	$ 25,434
Auditing Services	19,000
Live Streaming & Recording System	20,880

17. TAX ABATEMENTS

The District is subject to tax abatements granted by the the Erie County Industrial Development Agency ("ECIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the ECIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the District, the abatements have resulted in reductions of property taxes, which the District administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by ECIDA, the District collected $994,053 during the 2020-2021 fiscal year in payments in lieu of taxes ("PILOT"), these collections were made in lieu of $1,678,266 in property taxes.

18. 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 operation.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2021, which is the date the financial statements are available for issuance, and has determined, except as disclosed below, there are no subsequent events that require disclosure under generally accepted accounting principles.

- On July 20, 2021, the District issued serial bonds in the amount of $16,570,000 with an interest rate of 2.00% with a maturity date of July 15, 2034.

- On July 20, 2021, the District issued bond anticipation notes in the amount of $4,022,107 with an interest rate of 1.00% with a maturity date of July 20, 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

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FRONTIER 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,						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability/(asset)	0.208508%	0.206507%	0.204187%	0.202696%	0.200839%	0.201219%	0.199165%
District's proportionate share of the net pension liability/(asset)	$ 5,761,645	$ (5,365,054)	$ (3,692,246)	$ (1,540,688)	$ 2,151,073	$ (20,900,283)	$ (22,185,698)
District's covered payroll	$ 35,390,446	$ 34,720,230	$ 33,606,676	$ 32,120,579	$ 30,991,259	$ 30,225,884	$ 29,419,717
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	16.3%	(15.5%)	(11.0%)	(4.8%)	6.9%	(69.1%)	(75.4%)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

*Information prior to the year ended June 30, 2015 is not available.

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK

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

	Year Ended June 30,							
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 3,135,594	$ 3,097,753	$ 3,660,284	$ 3,258,316	$ 3,758,675	$ 4,186,421	$ 5,371,978	$ 4,868,910
Contributions in relation to the contractually required contribution	(3,135,594)	(3,097,753)	(3,660,284)	(3,258,316)	(3,758,675)	(4,186,421)	(5,371,978)	(4,868,910)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 36,243,440	$ 35,390,446	$ 34,720,230	$ 33,606,676	$ 32,120,579	$ 30,991,259	$ 30,225,884	$ 29,419,717
Contributions as a percentage of covered payroll	8.7%	8.8%	10.5%	9.7%	11.7%	13.5%	17.8%	16.5%

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

FRONTIER 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,						
	2020	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
District's proportion of the net pension liability	0.0300213%	0.029693%	0.029957%	0.028875%	0.030700%	0.031920%	0.033097%
District's proportionate share of the net pension liability	$ 29,893	$ 7,862,822	$ 2,122,535	$ 931,911	$ 2,884,615	$ 5,123,257	$ 1,118,096
District's covered payroll	$ 10,302,572	$ 10,427,688	$ 10,151,868	$ 9,945,946	$ 9,320,776	$ 9,447,556	$ 9,249,399
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.3%	75.4%	20.9%	9.4%	30.9%	54.2%	12.1%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

*Information prior to the year ended June 30, 2015 is not available.

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District's Contributions—
Employees' Retirement System
Last Eight Fiscal Years*

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,515,646	$ 1,546,502	$ 1,482,268	$ 1,433,342	$ 1,548,078	$ 1,642,155	$ 1,848,331	$ 2,055,555
Contributions in relation to the contractually required contribution	(1,515,646)	(1,546,502)	(1,715,884)	(1,685,390)	(1,658,630)	(1,804,983)	(2,023,088)	(1,983,916)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,087,573	$ 10,623,960	$ 10,225,157	$ 10,080,677	$ 9,513,256	$ 9,397,076	$ 9,511,756	$ 10,056,949
Contributions as a percentage of covered payroll	15.0%	14.6%	14.5%	14.2%	16.3%	17.5%	19.4%	20.4%

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

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FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Four Fiscal Years*

	Year Ended June 30,			
	2021	**2020**	**2019**	**2018**
Total OPEB Liability				
Service cost	$ 323,373	$ 270,900	$ 195,231	$ 159,015
Interest	204,345	283,118	197,990	190,152
Differences between expected and actual experience	(371,651)	(961,018)	2,538,890	201,601
Changes of assumptions	162,963	660,431	74,678	77,979
Benefit payments	(296,364)	(336,779)	(184,456)	(206,078)
Net changes in total OPEB liability	22,666	(83,348)	2,822,333	422,669
Total OPEB liability—beginning	8,212,706	8,296,054	5,473,721	5,051,052
Total OPEB liability—ending	$ 8,235,372	$ 8,212,706	$ 8,296,054	$ 5,473,721
Plan fiduciary net position				
Contributions—employer	$ 296,364	$ 336,779	$ 184,456	$ 206,078
Benefit payments	(296,364)	(336,779)	(184,456)	(206,078)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-
Plan fiduciary net position—ending	$ -	$ -	$ -	$ -
District's net OPEB liability—ending	$ 8,235,372	$ 8,212,706	$ 8,296,054	$ 5,473,721
Plan's fiduciary net position as a percentage of total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 41,318,182	$ 40,071,945	$ 38,769,297	$ 39,932,376
District's net OPEB liability as a percentage of covered-employee payroll	19.9%	20.5%	21.4%	13.7%

*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.

FRONTIER 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, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local sources:				
Real property taxes	$ 37,539,158	$ 37,539,158	$ 37,571,483	$ 32,325
Real property tax items	5,464,255	5,464,255	5,831,217	366,962
Non-property tax items	5,460,000	5,460,000	6,371,067	911,067
Charges for services	1,155,250	1,155,250	481,405	(673,845)
Use of money and property	137,161	137,161	82,799	(54,362)
Sale of property and compensation for loss	55,250	55,250	19,244	(36,006)
Miscellaneous	349,448	349,448	558,784	209,336
State sources:				
Basic formula and excess cost aid	25,885,009	25,885,009	25,216,481	(668,528)
Lottery aid	6,676,210	6,676,210	6,876,635	200,425
BOCES aid	2,775,811	2,775,811	2,908,650	132,839
Textbook aid	301,506	301,506	296,726	(4,780)
Computer software	159,006	159,006	163,416	4,410
Library / loan program	32,843	32,843	32,843	-
Miscellaneous	-	-	321,617	321,617
Federal sources:				
Coronavirus relief fund	-	-	541,950	541,950
Other federal aid	630,531	630,531	564,392	(66,139)
Medicaid assistance	250,000	250,000	120,177	(129,823)
Total revenues	86,871,438	86,871,438	87,958,886	1,087,448
OTHER FINANCING SOURCES				
Transfers in	166,665	166,665	166,665	-
Appropriated reserves	500,000	500,000	-	(500,000)
Total other financing sources	666,665	666,665	166,665	(500,000)
Total revenues and other financing sources	$ 87,538,103	$ 87,538,103	$ 88,125,551	$ 587,448

(continued)

FRONTIER 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, 2021

(concluded)

	Budgeted Amounts		Actual		Variance with
	Original	**Final**	**Amounts**	**Encumbrances**	**Final Budget**
EXPENDITURES					
General support:					
Board of education	$ 47,845	$ 84,821	$ 64,816	$ 9,557	$ 10,448
Central administration	304,216	302,016	410,431	-	(108,415)
Finance	657,676	714,588	641,901	19,000	53,687
Staff	617,939	792,929	773,482	-	19,447
Central services	4,949,016	4,815,680	4,920,289	26,284	(130,893)
Special items	822,557	812,205	759,254	1,550	51,401
Instruction:					
Instruction, administration and improvements	2,542,856	2,710,569	2,679,813	-	30,756
Teaching—regular school	26,978,110	26,904,606	26,524,085	13,601	366,920
Programs for pupils with handicapping conditions	12,455,392	12,490,525	11,227,245	6,500	1,256,780
Occupational education	1,524,944	1,524,944	1,524,944	-	-
Teaching—special school	557,922	507,922	99,451	11,354	397,117
Instructional media	3,015,993	3,151,559	2,997,935	22,228	131,396
Pupil services	3,448,331	3,567,135	3,462,102	7,200	97,833
Pupil transportation	3,717,957	3,719,972	3,242,823	-	477,149
Employee benefits	21,717,053	21,258,335	17,378,744	-	3,879,591
Debt service:					
Principal	2,755,139	2,755,139	2,755,139	-	-
Interest and other fiscal charges	1,049,075	1,049,076	1,049,076	-	-
Total expenditures/ encumbrances	87,162,021	87,162,021	80,511,530	117,274	6,533,217
OTHER FINANCING USES					
Transfers out	2,421,697	2,421,697	2,378,017	-	43,680
Total expenditures/ encumbrances and other financing uses	89,583,718	89,583,718	82,889,547	117,274	6,576,897
Net change in fund balance*	(2,045,615)	(2,045,615)	5,236,004		
Fund balance—beginning	19,841,990	19,841,990	19,841,990		
Fund balance—ending	$ 17,796,375	$ 17,796,375	$ 25,077,994		

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

The notes to the Required Supplementary Information are an integral part of this schedule.

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1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond 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 decreased from 2.48% to 2.27% at June 30, 2021. Finally, the initial healthcare cost trend rate remained at 4.00%, while the ultimate rate decreased from 4.51% to 4.17% at June 30, 2021.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—An annual budget is adopted on a basis consistent with generally accepted accounting principles in the United States of America for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the School Lunch Fund, the Special Aid Fund, the Student Activities Fund, and the Debt Service Fund. A budget is maintained for the School Lunch Fund as a management tool for internal control purposes. Appropriation limits, where applicable, for the Special Aid Fund and the Debt Service Fund is maintained based on individual grants and donations or fundraising revenues accepted by the Board of Education and debt schedules. The periods of such grants may vary from the District's fiscal year. No budget is adopted for the Student Activities Fund as the extraclassroom activities of the District are maintained by the individual clubs.

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 exceeding $10,000 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

During the year ended June 30, 2021, certain items exceed the adjusted budget, these items are shown below:

- General Fund central administration expenditures exceed the final budget by $108,415. This difference was a result of expenditures for personal service costs that were not included in the budget.
- General Fund central services expenditures exceed the final budget by $130,893. This difference was a result increased custodial costs as a result of COVID-19 which were reimbursed by federal aid.

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SUPPLEMENTARY INFORMATION

FRONTIER 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, 2021

Change from Adopted Budget to Final Budget		
Adopted budget, 2020-2021		$ 89,486,591
Add: Prior year's encumbrances		97,127
Original budget, 2020-2021		89,583,718
Budget revisions: Federal aid		-
Final budget, 2020-2021		$ 89,583,718
Section 1318 of Real Property Tax Law Limit Calculation		
2021-2022 Voter-approved expenditure budget	$ 93,039,035	
Maximum allowed (4% of 2021-2022 budget)		$ 3,721,561
General Fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$ 2,966,914	
Unassigned fund balance	3,721,561	
Total unrestricted fund balance		$ 6,688,475
Less:		
Appropriated fund balance	$ 2,849,640	
Encumbrances included in assigned fund balance	117,274	
Total adjustments		2,966,914
General Fund fund balance subject to Section 1318 of Real Property Tax Law		$ 3,721,561
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 (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance for subsequent year’s budget, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Capital Project Expenditures
Year Ended June 30, 2021

Description	Original Appropriation	Revised Appropriation	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Expenditures to Date: Total	Unexpended Balance
2018 Project - Phase 1	$ 12,243,587	$ 5,537,777	$ 5,537,777	$ -	$ 5,537,777	$ -
2018 Project - Phase 2	12,156,413	16,923,453	9,770,367	7,153,086	16,923,453	-
2018 Project - Phase 3	-	1,938,770	442,353	1,465,012	1,907,365	31,405
SOAR Project - Phase 1a	70,116,550	70,116,550	-	39,164	39,164	70,077,386
Capital Outlay 2020/2021	100,000	100,000	-	98,414	98,414	1,586
Multi-Use Field	1,804,000	829,563	676,573	152,990	829,563	-
Multi-Use Field - Phase 2	-	974,437	-	62,386	62,386	912,051
Smart Schools Bonds Act	3,056,630	3,056,630	234,213	2,375,654	2,609,867	446,763
Buses 2020/2021	881,807	881,807	-	881,807	881,807	-
Total	$ 100,358,987	$ 100,358,987	$ 16,661,283	$ 12,228,513	$ 28,889,796	$ 71,469,191

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
June 30, 2021

Capital assets, net of accumulated depreciation		$ 89,532,106
Add:		
Unspent debt proceeds		1,287,773
Deduct:		
Serial bonds issued for capital assets	$ (23,205,000)	
Unamortized premium on serial bonds	(346,013)	
Bond anticipation notes issued for capital assets	(22,567,851)	
Retainage payable	(51,158)	(46,170,022)
Net investment in capital assets		$ 44,649,857

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet—
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue				Total
ASSETS	Special Aid	School Lunch	Student Activities	Debt Service	Nonmajor Funds
Cash and cash equivalents	$ 91,927	$ 35,209	$ -	$ -	$ 127,136
Restricted cash and cash equivalents	39,428	22,663	166,387	1,287,773	1,516,251
Receivables	-	109	6,001	-	6,110
Intergovernmental receivables	1,180,311	317,716	-	-	1,498,027
Inventories	-	100,894	-	-	100,894
Total assets	$ 1,311,666	$ 476,591	$ 172,388	$ 1,287,773	$ 3,248,418
LIABILITIES					
Accounts payable	$ 40,571	$ 6,738	$ 2,841	$ -	$ 50,150
Due to other funds	1,231,667	209,418	-	-	1,441,085
Due to retirement systems	-	27,112	-	-	27,112
Unearned revenue	39,428	22,663	-	-	62,091
Total liabilities	1,311,666	265,931	2,841	-	1,580,438
FUND BALANCES					
Nonspendable	-	100,894	-	-	100,894
Restricted	-	-	169,547	1,287,773	1,457,320
Assigned	-	109,766	-	-	109,766
Total fund balances	-	210,660	169,547	1,287,773	1,667,980
Total liabilities and fund balances	$ 1,311,666	$ 476,591	$ 172,388	$ 1,287,773	$ 3,248,418

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK

Combining Statements of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds

June 30, 2021

	Special Revenue				Total
	Special Aid	School Lunch	Student Activities	Debt Service	Nonmajor Funds
REVENUES					
Use of money and property	$ -	$ 24	$ -	$ 2,784	$ 2,808
Miscellaneous	-	6,111	-	-	6,111
State sources	929,263	62,130	-	-	991,393
Federal sources	1,883,296	1,761,563	-	-	3,644,859
Sales—food service	-	48,403	-	-	48,403
Student activity collections	-	-	96,860	-	96,860
Total revenues	2,812,559	1,878,231	96,860	2,784	4,790,434
EXPENDITURES					
Current:					
Instruction	2,711,198	-	-	-	2,711,198
Pupil transportation	43,140	-	-	-	43,140
Employee benefits	164,541	344,468	-	-	509,009
Cost of sales (school lunch)	-	1,407,711	-	-	1,407,711
Student activities	-	-	112,300	-	112,300
Total expenditures	2,918,879	1,752,179	112,300	-	4,783,358
Excess (deficiency) of revenues over expenditures	(106,320)	126,052	(15,440)	2,784	7,076
OTHER FINANCING SOURCES					
Transfers in	106,320	50,000	-	-	156,320
Total other financing sources	106,320	50,000	-	-	156,320
Net change in fund balances	-	176,052	(15,440)	2,784	163,396
Fund balances—beginning, as restated	-	34,608	184,987	1,284,989	1,504,584
Fund balances—ending	$ -	$ 210,660	$ 169,547	$ 1,287,773	$ 1,667,980

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FEDERAL AWARDS INFORMATION

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

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:				
Summer Food Service Program for Children	10.559	N/A	$ -	$ 1,761,563
Total Child Nutrition Cluster			-	1,761,563
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	1,761,563
U.S. DEPARTMENT OF TREASURY:				
Passed through the County of Erie, New York:				
Coronavirus Relief Fund	21.019	N/A	-	541,950
TOTAL U.S. DEPARTMENT OF TREASURY			-	541,950
U.S. DEPARTMENT OF EDUCATION:				
Passed through New York State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	021-20-0810	-	499
Title I Grants to Local Educational Agencies	84.010	021-21-0810	-	517,932
Total Title 1 Grants to Local Educational Agencies			-	518,431
Special Education Cluster:				
Special Education - Grants to States	84.027	032-21-0230	-	1,181,308
Special Education - Preschool Grants	84.173	033-21-0230	-	38,547
Total Special Education Cluster			-	1,219,855
Supporting Effective Instruction State Grants	84.367	0147-20-0810	-	29,449
Supporting Effective Instruction State Grants	84.367	0147-21-0810	-	115,061
Student Support and Academic Enrichment Program	84.424	0204-20-0810	-	500
Governor's Emergency Education Relief Fund	84.425C	N/A	-	57,339
Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	-	507,053
TOTAL U.S. DEPARTMENT OF EDUCATION			-	2,447,688
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			$ -	$ 4,751,201

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

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1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Frontier Central School District, New York (the "District") under programs of federal government for the year ended June 30, 2021. 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 Frontier 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 2020-2021 fiscal year are reconciled to Federal sources as reported in the basic financial statements as follows:

Balance per schedule of expenditures of federal awards	$ 4,751,201
Medicaid reimbursement	120,177
Total Federal sources per financial statements	$ 4,871,378

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, 2021, the District used $44,445 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
Frontier Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Frontier Central School District, New York (the "District") as of and for the year ended June 30, 2021, 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 5, 2021 (which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 84).

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

October 5, 2021

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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
Frontier Central School District, New York

Report on Compliance for Each Major Federal Program

We have audited the Frontier 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, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

The District's management is responsible for compliance with 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, 2021.

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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 5, 2021

FRONTIER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of report the auditor issued: Unmodified*

* (which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 84)

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 programs:

Material weakness(es) identified?	______ Yes	✓ No
Significant deficiency(ies) identified?	______ Yes	✓ None reported

Type of report the auditor issued on compliance for major 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
21.019	Coronavirus Relief Fund
	Special Edcuation Cluster:
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.425C	Governor's Emergency Education Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund

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

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021
(Follow-up on June 30, 2020 Findings)

No findings were reported.

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APPENDIX C

FORM OF DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

FORM OF DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

This continuing disclosure undertaking (the “Disclosure Undertaking”) is executed and delivered by the Frontier Central School District, Erie County, New York (the “Issuer”) in connection with the issuance of its $1,598,000 School District Serial Bonds, 2022 (such Bonds, including any interests therein, being collectively referred to herein as the “Security”). The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB):

(i) no later than the following March 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2022, the Annual Financial Information relating to such fiscal year, unless Audited Financial Statements are prepared, in which case the Annual Financial Information will be provided on or prior to the following March 31 after the end of each fiscal year or within 60 days following receipt by the Issuer of Audited Financial Statements (whichever is later) (the “Report Date”), but in no event later than one year after the end of each fiscal year;

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

(iii) in a timely manner (not in excess of ten business days after the occurrence of any such event), notice of any of the following events with respect to the Security:

(1) Principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) Defeasances;

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

(11) Rating changes;

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

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

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

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

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

Section 2. Definitions

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

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

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

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

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

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

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

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

"Rule 15c2-12" means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof issued either before or after the effective date of this Disclosure Undertaking which are applicable to this Disclosure Undertaking.

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

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Security under the headings "THE SCHOOL DISTRICT", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", and "LITIGATION" and all Appendices (other than "APPENDIX C" and "APPENDIX D"); which Annual Financial Information may, but it is not required to, include audited financial statements.

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

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

Section 4. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

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

Section 6. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

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

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

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

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

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

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

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

provided that no such action pursuant to this Section 6 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 7. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

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

Section 8. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 9. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of July 13, 2022.

FRONTIER CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

By: SPECIMEN
President of the Board of Education

(SEAL)

ATTEST:

SPECIMEN
District Clerk

APPENDIX D

FORM OF DISCLOSURE UNDERTAKING WITH RESPECT TO THE NOTES

APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

WITH RESPECT TO THE NOTES

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Frontier Central School District, Erie County, New York (the “Issuer”) in connection with the issuance of it $13,000,000 Bond Anticipation Notes, 2022A and $2,059,252 Bond Anticipation Notes, 2022B or interests therein (such Note(s), including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

(1) Principal and interest payment delinquencies;

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

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

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

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

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

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

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

(9) Defeasances;

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

(11) Rating changes;

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

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

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

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

Section 2. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of [July __, 2022].

FRONTIER CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

By:____________SPECIMEN________________
President of the Board of Education

(SEAL)

ATTEST:

________SPECIMEN_________
District Clerk