

OFFICIAL STATEMENT

REFUNDING BONDS BOND ANTICIPATION NOTES

RATING: SEE "RATING" HEREIN

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Bonds and Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Bonds and Notes. See "TAX MATTERS" herein.

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

EVANS-BRANT (LAKE SHORE) CENTRAL SCHOOL DISTRICT ERIE COUNTY, NEW YORK

\$4,340,000*

SCHOOL DISTRICT REFUNDING SERIAL BONDS – 2022 (the "Bonds")

Date of Issue: April 6, 2022

Maturity Date: June 15, 2022-2027

\$1,595,000

BOND ANTICIPATION NOTES, 2022A (the "Notes")

Date of Issue: April 6, 2022

Maturity Date: April 6, 2023

The Bonds and Notes are general obligations of the Evans-Brant (Lake Shore) Central School District (the "District"), in Erie County, New York, and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and Notes and, unless paid from other sources, the Bonds and Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount (see "APPENDIX A – TAX INFORMATION – Tax Levy Limitation Law" herein).

The Bonds will be dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, with interest payable on June 15, 2022, December 15, 2022 and semi-annually thereafter on June 15 and December 15 in each year to maturity. The Bonds will mature on June 15 in each year in the principal amounts and will bear interest at the rates as shown on the inside cover page hereof. Certain maturities of the Bonds will not be subject to optional redemption prior to maturity, see "Optional Redemption for the Bonds" herein.

The Notes will be dated their Date of Delivery and will bear interest from that date until their respective maturity Dates, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to optional redemption prior to maturity.

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

If the Bonds and Notes are registered to DTC, such Notes will be registered in the name of Cede & Co., as nominee of DTC, which will act as Securities Depository for the Bonds and Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. The purchaser of such Notes will not receive certificates representing their ownership interest in such Bonds and Notes. Payments of principal of and interest on such Bonds and 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 Owner of such Bonds and Notes. (See "Book-Entry-Only System" herein.)

If the Bonds and Notes are registered in the name of the purchaser, principal of and interest on such Bonds and Notes will be payable in Federal Funds at the office of the District Clerk, Angola, New York. In such case, such Bonds and Notes will be issued in registered form in a denomination equal to the aggregate principal amount of such series of the Bonds and Notes.

The Bonds and Notes are offered when, as and if issued and received by the purchasers and subject to the receipt of the final approving opinions of Harris Beach PLLC, Buffalo, New York, Bond Counsel to the District. Capital Markets Advisors, LLC has served as Municipal Advisor to the Town in connection with the issuance of the Bonds and Notes. It is expected that delivery of the Bonds and Notes will be made on or about April 6, 2022.

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 SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND NOTES HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AND NOTES AS DESCRIBED IN THE RULE. SEE "DISCLOSURE UNDERTAKING," HEREIN

Dated: March 14, 2022

The Bonds will mature on June 15, 2022, and on June 15 in each year thereafter in the principal amounts below:

<u>Year</u>	<u>Amount**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2022	40,000			
2023	970,000			
2024	970,000			
2025	985,000			
2026	1,005,000			
2027	370,000			

** 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 as to their correctness on the Bonds or as indicated above.*

*** The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment, following their sale, pursuant to the terms of the accompanying Notice of Private Competitive Bond Sale, to achieve substantially level or declining annual debt service, and to permit the District to comply with applicable provisions of the Code.*

**EVANS-BRANT (LAKE SHORE) CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK**

Board of Education

Ms. Jennifer Michalec President
Ms. Carla Thompson Vice President
Mr. Christopher Binder Board Member
Mr. William Connors, Jr. Board Member
Ms. Kathleen Chiavetta Board Member
Mr. Michael Franey Board Member
Ms. Arlene DeJoy-Meckes Board Member

Mr. Daniel Pacos Superintendent of Schools
Ms. Charity Mucha..... Interim School Business Official
Ms. Nadine Kaczmarek District Treasurer
Webster Szanyi LLP (Ms. Marnie Smith, Esq.)..... School District Attorney

BOND COUNSEL

**HARRIS BEACH PLLC
Buffalo, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(716) 662-3910**

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information 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 since the date hereon.

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OFFICIAL STATEMENT

EVANS-BRANT (LAKE SHORE) CENTRAL SCHOOL DISTRICT ERIE COUNTY, NEW YORK

Relating To

\$4,340,000*

SCHOOL DISTRICT REFUNDING SERIAL BONDS – 2022

And

\$1,595,000

BOND ANTICIPATION NOTES, 2022A

This Official Statement, including the cover page and appendix hereto, presents certain information relating to the Evans-Brant (Lake Shore) Central School District in the County of Erie, State of New York (the "District," "County" and "State," respectively) in connection with the sale of \$4,340,000* School District Refunding Serial Bonds – 2022 (the "Bonds") and \$1,595,000 Bond Anticipation Notes – 2022A (the "Notes").

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 Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

THE BONDS

Description

The Bonds are dated with their Date of Delivery and will bear interest from that date until maturity, payable June 15, 2022, December 15, 2022 and semi-annually hereafter on June 15 and December 15 in each year until maturity. The Bonds shall mature on June 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will not be subject to redemption prior to maturity. (see "THE BONDS AND THE NOTES - Optional Redemption" herein.).

If the Bonds will be issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC which will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "THE BONDS AND THE NOTES - Book-Entry-Only System" herein).

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at the office of the District Clerk, Angola, New York, or at the option of the purchaser of the successful bidder, 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 with any paying agent fees being paid by such successful bidder. In such case, the Bonds will be issued in registered form in denominations corresponding to the amount of each annual maturity of the Bonds.

The record date for the Bonds will be the close of business on the last business day of the month preceding each interest payment date.

Authority for and purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of New York State, including among others, the Education Law and Local Finance Law and a refunding bond resolution duly adopted by the Board of Education of the District (the “Board”) on January 18, 2022.

The Bonds are being issued to refund all or a portion of the \$4,215,000 aggregate outstanding principal amount of the District’s School District Serial Bonds – 2014 issued on June 26, 2014 and maturing on June 15 in each of the years 2023 through 2027, inclusive (the “Refunded Bonds”). Details concerning the Refunded Bonds are presented in the schedule below. Proceeds of the Bonds will be used to: (i) purchase a portfolio of direct obligations of the United States of America (the “U.S. Government Obligations”), the principal of and investment income of which will be sufficient to pay on June 15, 2022 (the “Redemption Date”) the redemption price of the Refunded Bonds being equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date (the “Redemption Price of the Refunded Bonds”) and (ii) pay costs of issuance related to the Bonds.

\$11.010,000 (original principal amount) School District (Serial) Bonds, 2014

Maturity	Coupon	Maturity Value	Call Date	Call Price	CUSIP
06/15/2023	4.000%	\$ 920,000	06/15/2022	100.00%	299083 MB8
06/15/2024	2.500%	945,000	06/15/2022	100.00%	299083 MC6
06/15/2025	3.000%	970,000	06/15/2022	100.00%	299083 MD4
06/15/2026	3.000%	1,000,000	06/15/2022	100.00%	299083 ME2
06/15/2027	3.000%	<u>380,000</u>	06/15/2022	100.00%	299083 MF9
		\$ 4,215,000			

Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the District’s Refunding Financial Plan (the “Refunding Financial Plan”). The Refunding Financial Plan calls for the refunding of the Refunded Bonds through the sale, issuance and the application of the proceeds of the Bonds.

The proceeds of the Bonds after the payment of the issuance costs for the Bonds, will be held in an escrow fund (the “Escrow Deposit Fund”) with Manufacturers and Traders Trust Company, Buffalo, New York (the “Escrow Holder”) pursuant to the terms of an escrow contract (the “Escrow Contract”) to be entered into between the District and the Escrow Holder.

The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Escrow Contract, to provide to DTC sufficient moneys from the Escrow Deposit Fund to pay the Redemption Price of the Refunded Bonds on the Redemption Date, in accordance with the terms of the Refunded Bonds.

The holders of the Refunded Bonds will have a first lien on all cash in the Escrow Deposit Fund. The Escrow Contract shall terminate upon payment from the Escrow Deposit Fund of an amount sufficient for the payment, in full, of the Redemption Price of the Refunded Bonds (as described above).

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the District and will continue to be payable from the sources mentioned above. However, inasmuch as the cash held in the Escrow Deposit Fund shall be sufficient to pay the Redemption Price of the Refunded Bonds on the Redemption Date, it is not anticipated that other sources of payment will be required. Accordingly, for purposes of presentation in this Official Statement, debt service on the Refunded Bonds is not taken into account in determining the funds and revenues available for payment of the Bonds.

Verification of Mathematical Accuracy

Causey Demgen & Moore, P.C. will verify, from the information provided to them, the mathematical accuracy as of the date of the closing for the Bonds of the computations contained in the schedules provided to them in order to determine that the anticipated receipts from the U.S. Government Obligations investment securities and cash deposits, if any, to be held in the Escrow Deposit Fund, will be sufficient to pay, the Redemption Price of the Refunded Bonds on the Redemption Date. Causey Demgen & Moore, P.C. will express no opinion on the assumptions provided to them, nor as to the taxation of the interest on the Bonds.

Sources and Uses of Proceeds

The proceeds of the Bonds will be applied as follows:

Sources:	
Par Amount of the Bonds	
Reoffering Premium	_____
	=====
Application:	
Deposit to Escrow Deposit Fund	
Underwriter’s Discount	
Cost of Issuance and Contingency	_____
	=====
Total	=====

THE NOTES

Description of the Notes

The Notes are dated April 6, 2022 and will mature, without the option of prior redemption, on April 6, 2023.

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

If the Notes are registered to DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. The purchaser of such Notes will not receive certificates representing their ownership interest in such Notes. Payments of principal of and interest on such 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 such Notes (See “THE BONDS AND NOTES - Book-Entry-Only system” herein).

If the Notes are registered in the name of the purchaser, principal of and interest on such 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. In such case, such Notes will be issued in registered form in a denomination equal to the aggregate principal amount of the Notes.

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

Authority for and Purpose of the Notes

The Notes are being issued pursuant to the Constitution and Laws of the State, including the Local Finance Law, Education Law and various bond resolutions duly adopted by the District’s Board of Education on their respective

dates authorizing financing for purchase of various school transportation vehicles. See the chart below for borrowing history details regarding each such resolution.

Bond Resolution Approval Date	Bond Amount Authorized	BANs Outstanding	Paydown	New Money	The Notes
05/23/2017	486,885	194,754	97,377	0	97,377
05/22/2018	499,856	299,842	99,948	0	199,894
05/28/2019	570,048	458,370	99,948	0	358,422
06/23/2020	520,439	518,154	99,948	0	418,206
06/08/2021	575,675	0	0	521,101	521,101
Total:	\$2,652,903	\$1,471,120	\$397,221	521,101	\$ 1,595,000

THE BONDS AND THE NOTES

Optional Redemption

The Bonds and Notes are NOT subject to redemption prior to maturity.

Nature of Obligation

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

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

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor (however, see “TAX INFORMATION- Tax Levy Limitation Law”). The State Constitution requires the District to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the District to provide in each year by appropriation for the payment of all installments of principal of the Bonds and the Notes which will become due and payable in such year.

Book-Entry-Only System

IF THE BONDS AND NOTES ARE SO ISSUED AND FOR THE BONDS ISSUED IN BOOK-ENTRY-ONLY FORM, THE FOLLOWING PROVISIONS SHALL APPLY.

The Depository Trust Company (“DTC”) will act as securities depository for the Bonds and the Notes issued in book-entry form. The Bonds and the Notes issued in book-entry form will be issued as fully-registered bonds and 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. One fully-registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC. One fully-registered note certificate will be issued for each Note issued in book-entry form bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world’s largest securities 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 the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each bond or 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 the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the 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 the Bonds and the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the 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.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds or the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by the District to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend 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/or the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, 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 and note certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company and Clearing Corporation.

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

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

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

Certificated Bonds and Notes

DTC may discontinue providing its services with respect to the Bonds and the Notes issued in book-entry-only form at any time by giving reasonable notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the applicable Bonds and the Notes will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds and the principal of and interest on the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company 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 remain payable on June 15, 2022, December 15, 2022 and semiannually thereafter on June 15 and December 15 in each year to maturity. 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 day of the calendar month preceding each respective interest payment date. Bonds and Notes 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 the Bonds and the Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the respective Certificate of Determination for the

Bonds or the Notes executed by the President of the Board of Education authorizing the sale of the Bonds and the Notes, as applicable, 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 last business day of the calendar month preceding an interest payment date and such interest payment date.

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

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

The District is dependent, in large part, on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of the State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in this year or future years, the District may be affected by a delay, until sufficient State taxes have been received by the State to make State aid payments to the District.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Further, the availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "FINANCIAL FACTORS - State Aid" and "FINANCIAL FACTORS - Recent Events Affecting New York School Districts" in APPENDIX A hereto).

An outbreak of disease or similar public health threat, such as COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "FINANCIAL FACTORS - State Aid" and "FINANCIAL FACTORS - Recent Events Affecting New York School Districts" in APPENDIX A hereto).

Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

CYBERSECURITY

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

TAX MATTERS

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions, and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on each of the Bonds and Notes is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposes of its Federal alternative minimum tax imposed on individuals.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Bonds and Notes in order that interest on the Bonds and Notes, as applicable, will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds and Notes, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Bonds and Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Bonds and Notes. In the arbitrage and use of proceeds certificate to be delivered by the District in connection with the issuance of the Bonds and Notes, the District will covenant to comply with certain procedures, and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Bonds and Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

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

The Bonds and Notes will be designated or deemed designated as "qualified tax-exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Bonds and Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Bonds and Notes may affect the tax status of interest on the Bonds and Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds and Notes to be subject to federal, State or local income taxation, or otherwise prevent holders of the Bonds and Notes from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or

ruling, or the selection of the Bonds and Notes for audit examination or the course or result of an audit examination of the Bonds and Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding the foregoing matters.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Bonds and Notes.

Interest on the Bonds and Notes may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion, however, as to the tax treatment of the Bonds and Notes under other state or local jurisdictions. Each purchaser of the Bonds and Notes should consult his or her own tax advisor regarding the taxable status of the Bonds and Notes in a particular state or local jurisdiction other than the State of New York.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS AND NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS AND NOTES.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and Notes will be subject to the final approving opinion of Harris Beach PLLC, New York, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds and 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, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, without limitation as to rate or amount (See " APPENDIX A – TAX INFORMATION - Tax Levy Limitation Law" herein); provided, however, that the enforceability (but not the validity) of such Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights.

Such legal opinions will also state that in the opinion of Bond Counsel (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds and Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed 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 and Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Bonds and 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.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

This Official Statement is in a form “deemed final” by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of each of the Bonds, the District will provide an executed copy of its “Undertaking to Provide Notice of Events” (each, a “Bond Undertaking”). Each such Bond Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, as applicable, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, as applicable; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District]; (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of the name of a trustee, if material; (xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if any; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (iii) described in the above paragraph is included pursuant to a letter from the SEC staff to the National Association of Bond Counsel, dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) described in the above paragraph, the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to events (xv) and (xvi) listed above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not

include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

Each Bond Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any and interest on the Bonds, as applicable, shall have been paid in full. The sole and exclusive remedy for breach or default under each Bond Undertaking is an action to compel specific performance of the undertakings of the District, and no person or entity, including a holder of the Bonds, as applicable, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the District to comply with each Bond Undertaking will not constitute a default with respect to the Bonds, as applicable.

The District reserves the right to amend or modify each Bond Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with the Rule as then in effect.

Disclosure Undertaking for the Notes

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes is outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Note, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 Note, or other material events affecting the tax status of the Note;
- (g) modifications to rights of Note holders, if material;
- (h) note calls, if material and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Note;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the District;
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) described above is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Note.

With respect to event (d) described above the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the securities.

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

With respect to events (o) and (p) described above, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

The District's obligations pursuant to provide the aforementioned notices of certain events as set forth above, shall remain in full force and effect until such time as the principal of, and interest on the Notes shall have been paid in full; provided, however, that District reserves the right to terminate its obligation to provide the aforescribed notices of certain events, as set forth above, if and when the District no longer remains an obligated person with respect to the Note within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its Undertaking (as hereinafter defined) and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

An "Undertaking to Provide Notice of Certain Events" (the "Undertaking") to this effect shall be provided to the purchaser(s) at closing.

The District may amend the Undertaking without the consent of the holders of the Notes, provided that (a) the Undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) that no such amendment shall adversely affect the interests of the holders of the Notes (including holders of beneficial interests in the Notes) in any material respect. In making such determination, the District shall rely upon an opinion of nationally recognized bond counsel.

Prior Disclosure History

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

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Orchard Park, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the District in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the District. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds and Notes.

RATING

Moody's currently assigns the uninsured outstanding bonded indebtedness of the District a rating of "A1", including the Bonds and a "MIG 1" Rating on the Notes.

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

ADDITIONAL INFORMATION

Additional information may be obtained from Ms. Charity Mucha, Interim School Business Official and Paying Agent Contact: Phone (716) 926-2221; Email: charity.mucha@lscsd.org ; Address: 959 Beach Road, Angola, NY 14006 or from the District's Financial Advisor, Capital Markets Advisors, LLC, (716) 662-3910.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or holders of any of the Bonds and Notes. Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

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

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

Harris Beach PLLC, 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 or sale of the Bonds and Notes, including this Official Statement.

This Official Statement has been duly executed and delivered by the President of the Board of Education.

EVANS-BRANT (LAKE SHORE) CENTRAL SCHOOL DISTRICT

By: /s/ Jennifer Michalec
Ms. Jennifer Michalec
President of the Board of Education

DATED: March 14, 2022

APPENDIX A

THE DISTRICT

General Information

The District, which comprises an area of approximately 75 square miles, and has a current estimated population of 18,400, is located in the southwest portion of Erie County, approximately 15 miles from the City of Buffalo and is comprised of the Towns of Brant, Eden and Evans. The Village of Angola lies wholly within the District.

The District is rural in character with numerous resort facilities along Lake Erie. Various retail and commercial centers in the Village of Angola and around the City of Buffalo accommodate residents with their shopping requirements.

The majority of the District's residents receive fire protection from local volunteer fire companies. Police protection is provided by the Town of Evans Police Department, the Erie County Sheriff Department and the New York State Police. Electric and Gas is supplied throughout the District by Niagara Mohawk Power Corp. and National Fuel Gas. Water and sewer services are provided to residents by local municipalities.

The following banks have offices within the District: Evans National Bank, Key Bank, and M&T Bank.

District Organization

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

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members of the Board. The Board consists of seven members serving overlapping five year terms.

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

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the Superintendent of Schools, District Treasurer and District Clerk.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Interim School Business Official.

Budgetary Procedure

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

On May 18, 2021 the qualified voters of the District approved the budget for the 2021-2022 fiscal year.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and financial statements prepared in accordance with generally accepted accounting principles are available for public inspection upon request. A copy of the District's most recent audited financial statement is contained in Appendix C.

School Enrollment Trends

The following table presents actual and projected school enrollment trends for the District.

TABLE 1
School Enrollment Trends

<u>Fiscal Year</u>	<u>Actual Enrollment</u>	<u>Fiscal Year</u>	<u>Projected Enrollment</u>
2019-20	2,331	2022-23	2,100
2020-21	2,262	2023-24	2,100
2021-22	2,093	2024-25	2,100

Source: District Officials.

District Facilities

The District operates the following facilities; statistics relating to each are shown below.

TABLE 2
District Facilities

<u>Names</u>	<u>Grades</u>	<u>Pupil Capacity</u>	<u>Insurable Value**</u>
Anthony J. Schmidt Elementary	K-5	600	\$ 11,687,285
Highland Elementary	K-5	700	14,975,316
William T. Hoag Educational Center*		600	10,455,688
John T. Waugh Elementary	K-5	750	19,471,334
Lake Shore Middle	6-8	1,300	43,261,865
Lake Shore High	9-12	1,441	86,110,155
Bus Garage	N/A		<u>3,464,612</u>
	Total:		<u>\$189,426,255</u>

* The District is using this space for Special Education and Community Education offices as well as being rented to Erie 2 Chautauqua-Cattaraugus BOCES, Buffalo Hearing & Speech, and The Boys and Girls Club of Lake Shore.

**Includes the values of both the buildings and contents.

Employees

The District provides services through both full-time and part-time employees, all of whom are represented by the following units of organized labor.

TABLE 3
Employees

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
262	Lake Shore Central Teachers Association	6/30/25
16	Lake Shore Administrative and Supervisors Association	6/30/23
190	Teamsters Local #264	6/30/23
4	Lake Shore Confidential / Exempt Employees	N/A

Source: District Officials.

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the School 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 the TRS are deducted from the School District's State aid payments.

Both the New York State and Local Employees' Retirement System and the New York State Teachers Retirement System are non-contributing with respect to members hired prior to July 27, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years. All members working less than ten years must contribute 3% of gross annual salary toward the cost of retirement programs.

The following table details the actual contributions to ERS and TRS for the past four audited fiscal years and the amount budgeted for the District's year ending June 30, 2020:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2022 Budgeted	\$1,537,335	\$2,152,575
2021	1,112,860	1,974,846
2020	1,158,251	1,878,835
2019	1,147,878	2,164,111

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 the 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 will be based on the valuation of the pension fund on the prior April 1 of the calendar year proceeding 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 .

On December 10, 2009, the Governor signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than \$35 billion in long-term savings to State taxpayers over the next thirty years. The legislation creates a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age of which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38 percent for any civilian who retires prior to age 62.
- Requiring employees to continue contributing three percent 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 five 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 percent of non-overtime wages.

Members of the NYS Teachers Retirement System will 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 percent of their annual wages to pension costs rather than 3.0 percent and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the two percent multiplier threshold for final pension calculations from 20 to 25 years.

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

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. Under the previous method, the District was unsure of how much it paid to the system until after its budget was implemented. Under the current method the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1 instead of the following April 1 so that the District will be able to more accurately include the cost of the contribution into its budget. The reform legislation also (i) required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible and (ii) moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004.

The New York State ERS rate for the 2020-21 fiscal year was 14.6%. The 2021-22 ERS rate is 16.2%. The 2022-23 ERS rate is expected to decrease to 11.6%. The 2021-22 TRS rate is 9.8%. The 2022-23 TRS rate is estimated to be between 10% and 10.5%.

Due to poor performance of the investment portfolio of the State Retirement System in the wake of the 2008-2009 financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially, although have stabilized and actually reduced in recent years. To help mitigate the impact of such increases, legislation was enacted that permitted a school district to amortize a portion of its annual employer pension payment to the ERS only. Under such legislation, school districts that chose to amortize were required to set aside and reserve funds with the ERS for certain future rate increases. The District has not amortized any of its employer pension payments pursuant to this legislation, and expects to continue to pay all payments in full when due.

In Spring 2013, the State and TRS approved a Stable Contribution Option (“SCO”) that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan, which was approved in Governor Cuomo’s 2014-15 budget would let districts contribute 14.13% of employee costs toward pensions. The District has not opted into the pension smoothing plan.

The TRS SCO deferral plan is available to school districts for the next 7 years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not and does not plan to participate in the ERS or TRS SCO program.

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 Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local

units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

Effective July 1, 2016, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This statement requires the District to recognize the total OPEB liability and related deferred outflows and deferred inflows of resources. The cumulative effect of implementing this required change in accounting principle resulted in a restatement of beginning net position as detailed in Note 2 to the financial statements. This statement addresses accounting and financial reporting for other postemployment benefits offered by the District and requires various note disclosures and required supplementary information.

The District is in compliance with the requirements of GASB 75, and a summary of the actuarial valuation is included in the District’s June 30, 2021 Financial Audit attached herein. The following table summarizes the District’s annual OPEB statements for the year ended June 30, 2021:

Balances at 6/30/20, as restated:	\$18,013,857
Changes for the year:	
Service cost	577,152
Interest	441,388
Changes of assumptions	384,929
Differences between expected and actual inputs	595,870
Benefit payments	<u>(793,088)</u>
Net changes	<u>1,206,251</u>
Balance at 6/30/2021	<u>\$19,220,108</u>

Investment Policy/Permitted Investments

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

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

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

The Board of Education had 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.

FINANCIAL FACTORS

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 Revenues and Expenditures for the five-year period ending June 30th is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from State Aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund” in Appendix B, herein). Property taxes accounted for 26.54% of total general fund revenues for the fiscal year ended June 30, 2021, while State aid accounted for 54.71%.

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the amount budgeted for the current and ensuing fiscal years.

TABLE 4
Property Taxes

<u>Fiscal Year</u> <u>Ending June 30:</u>	<u>Total</u> <u>Revenues⁽¹⁾</u>	<u>Real Property</u> <u>Taxes⁽²⁾</u>	<u>Real Property</u> <u>Tax Revenues to</u> <u>Revenues</u>
2017	\$55,940,518	\$14,050,586	25.12%
2018	55,598,828	14,300,168	25.72%
2019	56,689,701	14,802,162	26.11%
2020	56,697,505	15,208,278	26.82%
2021	58,607,148	15,555,570	26.54%
<i>2022 Adopted Budget</i>	60,665,973	18,455,000	30.42%

(1) General Fund only.

(2) 2021 Budgeted amounts inclusive of other Real Property Tax Items which represent Star Tax Payments made to the District by the State.

Source: 2017-2021 Audited Financial Statements and 2022 Adopted Budgets of the District.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth total general fund revenues and State aid revenues during the last five audited fiscal years and the amount budgeted for the current and ensuing fiscal year.

TABLE 5
State Aid

<u>Fiscal Year</u> <u>Ending June 30:</u>	<u>Total</u> <u>Revenues⁽¹⁾</u>	<u>Total</u> <u>State Aid</u>	<u>Percentage of Total Revenues</u> <u>Consisting of State Aid</u>
2017	\$55,940,518	\$30,572,323	54.65%
2018	55,598,828	31,443,316	56.55%
2019	56,689,701	31,221,138	55.07%
2020	56,697,505	31,449,502	55.47%
2021	58,607,148	32,063,206	54.71%
<i>2022 Adopted Budget</i>	60,665,973	33,303,668	54.90%

(1) General Fund only.

(2) Source: 2017-2021 Audited Financial Statements and 2022 Adopted Budgets of the District.

In addition to the amount of State Aid budgeted by the District in its 2020-21 fiscal year, the State is expected to make payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see

“STAR-School Tax Exemption”) Program. The District expects to receive timely receipt of STAR aid for the remainder of the current fiscal year.

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

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

While the increases in State aid following this case have been targeted to high needs schools and other schools did share in the overall increase of State aid. The District is unable to predict whether this pattern of distribution will continue beyond that which is included in later legislation dealing with foundation aid. Increased State aid for New York City schools and other high needs schools may result in reductions in the future of State aid to certain school districts, including the District.

In any event, the outcome of this matter will not affect the validity of any obligations issued by the District, including the Notes, nor the ability of the District to levy taxes on the taxable real property in the District to pay the Notes and the interest thereon as the same shall become due and payable.

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

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to financed improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District’s allocation of funds is \$2,715,167.

No delay in payment of State aid for the District’s 2020-21 fiscal year is presently anticipated, although no assurance can be given that there will not be a delay in payment thereof. Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

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

difficult to raise new revenues via tax increases, since the deduction thereof, for taxpayers who itemize deductions, is now limited.

Recent Events Affecting New York School Districts

School district fiscal year (2016-17): The State Legislature adopted the State budget on March 31, 2016. The budget includes an increase of \$991 million in State aid for school districts over the 2015-16 budget, \$863 million of which consists of traditional operating aid. In addition to the \$408 million of expense based aid, the budget includes a \$266 million increase in Foundation Aid and a \$189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase includes \$100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The budget includes School Aid spending of \$24.8 billion, a \$1.5 billion increase (6.5% increase) from the prior fiscal year.

School district fiscal year (2017-18): The State budget included an increase of \$1.1 billion in State Aid to school districts, including a \$700 million increase in Foundation Aid. The budget included School Aid spending of \$25.8 billion, an increase of 4.4% from the prior fiscal year.

School district fiscal year (2018-19): The State budget increased Education Aid by \$1 billion, including a \$619 million increase in Foundation Aid, without revision to the formula, bringing the new Education Aid total to \$26.7 billion or an increase of 3.9 percent.

School district fiscal year (2020-21): Due to the below-described decrease in State revenues as a result of the COVID-19 pandemic, the State budget included an increase of only \$95 million in State Aid (0.035% increase from the prior budget year), and Foundation Aid remained at essentially the same level as it was during the 2019-2020 fiscal year. While the budget actually included a decrease in State Aid (referred to as a “Pandemic Adjustment”), the decrease in State aid be fully offset by the State’s allocation of federal stimulus funds. Absent the federal stimulus funds, there would have been a \$1.127 billion decrease in State Aid from the 2019-2020 year.

School district fiscal year (2021-22): The State budget included large-scale increases in State aid to school districts, including a \$105 million expansion of full-day prekindergarten provided funding to 200 school districts that didn’t previously receive State funding for such full-day prekindergarten programs. In contrast to the 2020-21 budget, this budget provided that additional federal aid would supplement, not supplant, State funding. Most notably, Foundation Aid was increased by \$1.4 billion (7.6%), and the State has committed to a three-year phase-in of the restoration of the full Foundation Aid formula to finally fulfill the State’s commitments from the *Campaign for Fiscal Equity* case from the early 2000s.

School district fiscal year (2022-23): The Governor’s State budget proposal proposes \$31.2 billion in School Aid for the 2022-23 fiscal year, an increase of \$2.1 billion (7.1 percent) from \$29.1 billion 2021-22. Foundation Aid is increased by \$1.6 billion (8.1%), This is the second year of the Foundation Aid Formulation, a three-year phase-in of the restoration of the full Foundation Aid formula to finally fulfill the State’s commitments from the *Campaign for Fiscal Equity* case from the early 2000s. The budget continues the expansion of full-day prekindergarten that will provide funding to 200 school districts with an increase of \$6.62 million form the 2021-22 fiscal year. The total fuding for the Universal Pre-Kindergarden includes \$103.36 million in expansion grants supported by the American Rescue Plan Act.

The School District presently anticipates a increase in its State Aid related to foundation aid for its 2022-23 fiscal year in an amount of \$664,023.

The Proposed State Budget for the 2022-23 fiscal year provides \$31.69 million of State Aid to the District, a 4.6% increase from the District's 2021-22 school year.

It should also be noted that the School District receives federal aid for certain programs. In its last audited fiscal year, the School District received \$1,481,107 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the District’s 2021-22 fiscal year. The District believes that it would mitigate the impact of any delays or the

reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

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

The most current applicable report of the State Comptroller designates the District as "No Designation". (see <https://www.osc.state.ny.us/files/local-government/fiscal-monitoring/pdf/2021-school-summary-list.pdf>).

New York State Comptroller's Audit

All school districts throughout the state can be subject to an audit of the New York State Office of the Comptroller ("OSC") pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

On October 4, 2019 OSC, Division of Local Government and School Accountability released an audit of the District to determine whether information technology (IT) assets are properly safeguarded, secured and accessed for appropriate District purposes. The audit found that District officials did not provide IT security awareness training for individuals who used District IT assets, and personal internet use was found on computers assigned to four employees who routinely accessed personal, private and sensitive information (PPSI). The audit recommended the District provide periodic IT security awareness training, and provide adequate oversight of employee Internet use to ensure it complies with Board policies and regulations. The District officials agreed with OSC findings and recommendations and indicated they planned to initiate corrective action.

The link to the most recent OSC report is as follows:
<https://osc.state.ny.us/localgov/audits/schools/2019/evans-brant-2019-121.pdf>

The OSC has not conducted any additional audits of the District in the past three years.

Independent Audit

The District retains Drescher & Malecki, LLP as independent certified public accountants to audit its financial statements. Appendix C to the Official Statement presents a copy of the District's most recent audited financial report. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Other Revenues

In addition to property taxes and State aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

TAX INFORMATION

Real Property Tax Assessments and Rates

TABLE 6
Real Property Tax Assessments and Rates
(Fiscal Years Ending June 30:)

Roll Year	2017	2018	2019	2020	2021
Tax Year	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town of Brant					
Assessed Value	\$94,855,687	\$95,369,580	\$95,707,723	\$95,522,357	\$96,119,988
Equalization Rate (2)	79.00%	78.00%	76.00%	73.00%	68.00%
Full Value	\$120,070,490	\$122,268,692	\$125,931,214	\$130,852,544	\$141,352,924
Tax Rate ⁽¹⁾	\$19.82	\$20.24	\$19.89	\$19.70	\$20.39
Town of Eden					
Assessed Value	2,521,697	2,522,021	2,532,246	2,666,958	\$2,802,750
Equalization Rate (2)	63.00%	59.00%	57.00%	53.00%	51.00%
Full Value	4,002,694	4,274,612	4,442,537	\$5,031,996	\$5,495,588
Tax Rate ⁽¹⁾	24.84	26.75	26.524579	27.129615	\$27.18
Town of Evans					
Assessed Value	851,144,739	855,561,560	861,098,363	864,789,354	\$864,717,288
Equalization Rate (2)	87.00%	87.00%	82.00%	77.00%	73.00%
Full Value	978,327,286	983,404,092	1,050,119,955	\$1,123,103,057	\$1,184,544,230
Tax Rate ⁽¹⁾	17.99	18.14	18.437817	18.673631	\$18.99
Assessed Value	\$948,522,123	\$953,453,161	\$959,338,332	\$962,978,669	\$963,640,026
Full Value	\$1,102,400,470	\$1,109,947,396	\$1,180,493,706	\$1,258,987,597	\$1,331,392,742
Tax Levy	\$17,259,821	\$17,518,718	\$17,847,896	\$18,102,600	\$18,455,600

(1) Per \$1,000

(2) The equalization rates shown here were used to apportion the school tax levies and may not be the same as those required for debt limit purposes.

Source: School Officials

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. The District is not subject to constitutional real property taxing limitations. See, however, the discussion below — “Tax Levy Limitation Law,” herein.

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 Limitation Law”). On April 12, 2019, the enacted State budget legislation made the Tax levy Limitation Law permanent. The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

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

The Tax Levy Limitation Law now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year. The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It expires on June 16, 2020, unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in the Tax Levy Limitation 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 this is an exclusion from the tax levy limitation.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This 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 that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

"So, too, although the Legislature is given the duty to restrict school districts 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 of 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* 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 municipal corporations.

Therefore, while the Tax Levy Limitation Law may constrict a school district’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit a school district’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit a school district’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a school district authority to treat debt service payments as a constitutional exception to any such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

Tax Collection Procedure

The real property taxes of the District are collected by the Towns of Evans and Brant (the “Towns”). Such taxes are due on September 15, and may be paid without penalty through October 15. The Towns pay to the District the amounts collected on a periodic basis. The penalty on unpaid taxes is 7.5% from October 16 to October 31 and 9% if paid between November 1 to November 30. On or about December 1, the Town files a report of any uncollected District taxes with the County. The County thereafter on or before April pays to the District the full amount of its uncollected taxes. Thus, the full amount of the District’s real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes to fund the reimbursement of uncollected taxes due to the District.

The District is not responsible for the collection of taxes of any other unit of government.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemption for school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR program.

For the 2021-22 school levy year, homeowners subject to certain household income limitations are eligible for an enhanced exemption and basic exemption as follows:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>
Brant	\$51,610	\$21,900
Eden	37,470	15,900
Evans	54,440	23,100

Updated 4/09/21

The enhanced or basic STAR exemption is the amount that an assessment will be reduced prior to the levy of school taxes. For example, if a home is assessed at \$150,000 and the enhanced STAR exemption for a municipality is \$50,000, the school taxes on the property would be paid on a taxable assessment of \$100,000 ($\$150,000 - \$50,000 = \$100,000$).

Since the 2011-12 school tax bills, there has been a 2% limit on STAR savings increases, the savings results from the Basic or Enhanced STAR exemptions are limited to a 2% increase over the prior year. When school district initially calculates their tax bills, for each municipal segment they will compare the amount of STAR savings to the maximum. If the STAR savings exceeded the maximum, the school district will use the maximum when calculating tax bills for the segment.

The maximum savings for each of the municipalities for the 2021-22 fiscal year are as follows:

<u>Municipality:</u>	<u>Enhanced Maximum Savings</u>	<u>Basic Maximum Savings</u>
Brant	\$449	\$1,045
Eden	464	1,063
Evans	459	1,054

Updated: 3/26/21

The District expects to receive full reimbursement of such exempt taxes from the State for the current fiscal year.

Ten of the Largest Taxpayers

The following table presents the taxable valuations of the District’s ten largest taxpayers on the 2021 Assessment Roll of the Town of Evans used to levy 2021-22 taxes.

TABLE 7
Taxable Assessments

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Valuation</u>	<u>% of Total Taxable Valuation</u> ⁽¹⁾
Niagara Mohawk Power Corp.	Utility	\$17,034,288	1.77%
National Fuel Gas Dist. Corp.	Utility	13,033,885	1.35%
Testamentary Credit Shelter	Mobile Homes	6,718,700	0.70%
CSX Transportation Inc.	Railroad	6,348,888	0.66%
MPDNY LLC	Retail	5,600,000	0.58%
Goya Foods Inc.	Manufacturing	3,942,500	0.41%
CT Properties Acquisition LLC	Mobile Home	3,277,700	0.34%
ARC WGANGNY001 LLC	Retail	3,200,000	0.33%
Main Evans Associates	Retail	2,984,000	0.31%
7008 Erie Road Associates, LLC	Retail	<u>2,581,000</u>	<u>0.27%</u>
		<u>\$64,720,961</u>	<u>6.72%</u>

(1) The Top Ten Highest Taxpayers represent 6.72% of the District’s 2021 Assessed Valuation of \$963,640,026 used to levy 2021-22 taxes.

Source: District Officials

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

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

The Local Finance Law also provides a 20-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the bond resolution under which the Bonds and Notes are being issued.

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

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

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

Debt Limit and Net Indebtedness

The debt limit of the District is \$133,139,274. This is calculated by taking 10% of the current full value of the taxable real property of the District.

TABLE 8
Statutory Debt Limit and Net Indebtedness

(As of March 14, 2022)

<u>Town</u>	<u>Assessed Valuation</u>	<u>Equalization Rate</u>	<u>Full Valuation</u>
Town of Brant	\$96,119,988	68.00%	\$141,352,924
Town of Eden	2,802,750	51.00%	5,495,588
Town of Evans	864,717,288	73.00%	1,184,544,230
Total Full Valuation of Taxable Real Property			\$1,331,392,742
Debt Limit (10% of Full Valuation)			\$133,139,274
Outstanding Indebtedness (Principal Only):			
Serial Bonds			6,645,000
Bond Anticipation Notes			<u>42,475,000</u>
Gross Indebtedness Outstanding			49,120,000
Exclusions:			
Estimated Building Aid ⁽¹⁾			<u>0</u>
Total Exclusions			<u>0</u>
Total Net Indebtedness			<u>\$49,120,000</u>
Net Debt-Contracting Margin			<u>\$84,019,274</u>
Percentage of Debt-Contracting Margin Exhausted			<u>36.89%</u>

⁽¹⁾ prior years the District received State debt service building aid in a calculated amount of approximately 82.2% of its outstanding bonded indebtedness. Given the new “assumed amortization” of State building aid as provided in Chapter 383 of the Laws of 2001, no assurance can be given regarding the direct or indirect effect that “assumed amortization” will have on the net indebtedness of the District, or the timing or amount of such building aid in connection with school facilities financed with the proceeds of the issuance of bonds or notes. See also “State Aid” herein.

Source: District Officials

Remedies Upon Default

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

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district’s contribution to the State Teachers’ Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State

Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section SFL.

Under current law, provision is made for contract creditors (including the Noteholders) 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 servicing the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

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

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

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for such indebtedness."

The constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes, or bond anticipation notes.

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

Short-Term Note Indebtedness

Following the issuance of the Notes, the District will have \$40,900,000 and \$1,595,000 of outstanding bond anticipation notes that will mature on June 24, 2022 and April 6, 2023 respectively.

Outstanding Long-Term Bond Indebtedness

The following table provides information relating to long-term bond indebtedness outstanding at year-end for the last six fiscal years.

TABLE 9
Outstanding Long-Term Bond Indebtedness

Fiscal Year	
<u>Ending June 30:</u>	<u>Total Bonded Debt</u>
2016	\$21,365,000
2017	18,060,000
2018	14,680,000
2019	12,125,000
2020	9,500,000
2021	6,645,000

Source: Audited Financial Statements

Overlapping and Underlying Debt

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total values. The following table presents the amount of overlapping and underlying debt and the District's share of this debt. Authorized but unissued debt has not been included.

TABLE 10
Statement of Direct and Overlapping Indebtedness

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of</u>	<u>District Share</u>	<u>Amount Applicable To District</u>
Erie County	\$305,245,000	09/30/21	1.82%	\$5,555,459
Town of Brant	211,150	12/31/21	77.79%	164,254
Town of Eden	515,000	05/05/21	0.72%	3,708
Town of Evans	1,753,000	07/26/21	94.03%	1,648,346
Village of Angola	1,230,800	05/31/20	100.00%	<u>1,230,800</u>
Total Net Overlapping Debt				\$8,602,567
Total Net Direct Debt				<u>\$49,120,000</u>
Net Direct and Overlapping Debt				<u>\$57,722,567</u>

Sources: Annual Reports of the last fiscal year on file with the State of New York Office of the State Comptroller.

Debt Ratios

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness.

TABLE 11
Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita</u> ⁽¹⁾	<u>Debt to Full Value</u> ⁽²⁾
Net Direct Debt	\$49,120,000	\$2,670	3.69%
Net Direct and Overlapping Debt	\$57,722,567	\$3,137	4.34%

⁽¹⁾ The population of the District is currently estimated by District Officials to be 18,400.

⁽²⁾ The District's full value of taxable real property for fiscal year 2021-22 is \$1,331,392,742.

Authorized but Unissued Indebtedness

On May 23, 2017 the Board of Education of the District approved two bond resolutions authorizing the issuance of bonds and bond anticipation notes in an aggregate amount not to exceed \$59,846,825 to financial two Capital Improvement Projects. The District has \$13,781,825 of authorized but unissued indebtedness under those resolutions. The District expects to issue debt for such purposes over the next three years.

On May 28, 2019 the Board of Education of the District approved a bond resolution authorizing the issuance of \$570,048 in serial bonds to finance the purchase of school transportation vehicles. This District has \$11,730 in authorized but unissued indebtedness under the resolution. [The Issuer does not expect to issue any further debt under this resolution.

On June 8, 2021 the Board of Education of the District approved a bond resolution authorizing the issuance of \$575,675 in serial bonds to finance the purchase of school transportation vehicles. This District has \$54,574 in authorized but unissued indebtedness under the resolution.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District’s outstanding bonded indebtedness, excluding refunded debt.

TABLE 12
Bond Principal and Interest Maturity Table

(as of March 14, 2022)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u> ⁽¹⁾	<u>Total</u> <u>Debt Service</u>
2022	\$1,260,000	\$126,213	\$ 1,386,213
2023	1,295,000	189,425	1,484,425
2024	1,335,000	133,875	1,468,875
2025	1,375,000	115,875	1,490,875
2026	1,000,000	41,400	1,041,400
2027	<u>380,000</u>	<u>11,400</u>	<u>391,400</u>
Totals:	<u>\$6,645,000</u>	<u>\$618,188</u>	<u>\$7,263,188</u>

(1) Column may vary slightly due to rounding.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The District estimates its population to be approximately 18,400. The following table presents population trends for the County and State, based upon recent census data. Data provided in the following table is not necessarily representative of the District.

TABLE 13
Population Trend

	<u>2010</u>	<u>2020</u>	<u>Percentage</u> <u>Change</u>
County	919,040	954,236	3.8%
State	19,378,102	20,201,249	4.3%

Source: U.S. Census

Income

The following table presents median per capita income for the County and State. Data provided in the following table is not necessarily representative of the District.

TABLE 14
Median per Capita Income

	<u>2010</u>	<u>2020</u>
County	26,378	33,598
State	31,796	39,326

Source: New York State Department of Commerce; New York State Department of Economic Development.

Employment and Unemployment

Employment and unemployment data are not compiled for the District or the Town. The following tables provide information concerning employment and unemployment in the County and State. Data provided in the following tables is not necessarily representative of the District.

TABLE 15
Civilian Labor Force
(Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County	445.4	443.7	441.6	440.8	439.3
State	9,527.0	9,549.0	9,521.1	9,507.1	9,289.2

2

Source: New York State Department Labor, Bureau of Labor Statistics

TABLE 16
Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2016	5.0%	4.9%
2017	5.1%	4.6%
2018	4.4%	4.1%
2019	4.1%	3.8%
2020	9.5%	10.0%

Source: New York State Department Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

TABLE 17
Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
January 2021	7.8%	9.4%
February	8.0%	9.7%
March	7.1%	8.4%
April	6.0%	7.7%
May	5.4%	7.0%
June	5.7%	7.2%
July	5.8%	7.4%
August	5.6%	7.1%
September	4.7%	6.3%
October	4.6%	5.9%
November	4.3%	5.5%
December	3.3%	5.0%

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Note: Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. See "MARKETFACTORS AFFECTING FINANCINGS OF THE STATE AND SCHOOL DISTRICTS OF THE STATE" *herein*.

TABLE 18
Ten Largest Employers

<u>Name</u>	<u>Type of Product or Service</u>	<u>Approximate Number of Employees</u>
Evans-Brant Central School District	Public Education	574
Tops Markets	Retail	255
Claddagh Commission Inc.	Human Resources	251
Flexovit	Manufacturing	164
Bird Technology	Manufacturing	100
Town of Evans	Government	98
Goya Foods	Production / Distribution	75
ENB Agency	Insurance	50
Shop n' Save	Retail	40

Source: School District Officials.

LITIGATION

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

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

END OF APPENDIX A

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

Evans-Brant (Lake Shore) Central School District
Statement of Budgeted Appropriations and Estimated Revenues
General Fund
Fiscal Year Ending June 30:

	<u>Adopted</u> <u>2020-21</u>	<u>Adopted</u> <u>2021-22</u>
<u>Revenues:</u>		
Real Property Taxes	\$18,102,600	\$18,455,600
Real Property Tax Items	74,170	74,560
Non-Property Taxes	2,260,000	2,500,000
Charges For Services	3,374,295	3,374,295
Use of Money & Property	186,600	161,600
Sale of Property & Compensation for Loss	41,750	41,750
Miscellaneous	239,500	179,500
State Aid	32,953,310	33,303,668
Federal Aid	1,075,000	1,075,000
Appropriation of Fund Balance	<u>1,750,000</u>	<u>1,500,000</u>
Total Est. Revenue and Fund Balance	<u><u>\$60,057,225</u></u>	<u><u>\$60,665,973</u></u>
<u>Appropriations:</u>		
General Support	\$7,006,558	\$6,598,756
Instruction	29,519,478	29,506,993
Pupil Transportation	3,008,951	3,090,156
Employee Benefits	15,523,448	15,812,190
Debt Service	4,753,790	5,412,878
Interfund Transfers	<u>245,000</u>	<u>245,000</u>
Total Appropriations	<u><u>\$60,057,225</u></u>	<u><u>\$60,665,973</u></u>

Source: Adopted Budgets of the District

**Evans-Brant (Lake Shore) Central School District
Comparative Balance Sheet
General Fund
Fiscal Year Ending June 30:**

	<u>2020</u>	<u>2021</u>
<u>Assets:</u>		
Unrestricted Cash and Cash Equivalents	\$3,704,305	\$4,150,614
Restricted Cash and Cash Equivalents	6,793,825	11,256,860
Other Receivables	208,388	82,200
Due from other Funds	1,302,073	1,362,623
Short-Term notes receivable	108,029	0
State and Federal Aid	4,440,575	4,846,443
Prepaid items	<u>41,783</u>	<u>34,844</u>
Total Assets	<u><u>\$16,598,978</u></u>	<u><u>\$21,733,584</u></u>
<u>Liabilities:</u>		
Accounts Payable	\$735,202	\$53,651
Accrued Liabilities	513,545	1,286,916
Unearned revenue	0	2,596,436
Due to other funds	2,010,134	2,289,379
Due to Retirement Systems	<u>2,168,401</u>	<u>53,855</u>
Total Liabilities	<u>5,427,282</u>	<u>6,280,237</u>
<u>Fund Balances:</u>		
Non-Spendable	41,783	34,844
Restricted	6,901,854	11,203,005
Assigned	1,825,806	1,788,860
Unassigned	<u>2,402,253</u>	<u>2,426,638</u>
Total fund balances	<u>11,171,696</u>	<u>15,453,347</u>
Total Liabilities, Deferred Inflows and Fund Equity	<u><u>\$16,598,978</u></u>	<u><u>\$21,733,584</u></u>

Source: Audited Financial Statements (although this summary table itself has not been audited)

Evans-Brant (Lake Shore) Central School District
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ending June 30:

Revenues:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real Property Taxes	\$14,050,586	\$14,300,168	\$14,802,162	\$15,208,278	\$15,555,570
Other Tax Items	3,131,516	3,042,549	2,872,381	2,742,049	2,641,267
Non-Property Tax Items	2,645,669	2,861,472	2,781,058	2,558,337	2,788,660
Charges for Services	4,157,706	2,744,606	3,355,101	3,302,126	3,709,940
Use of Money and Property	149,254	161,156	192,855	196,940	135,202
Sale of Property	41,035	73,696	78,604	64,892	41,585
Miscellaneous	329,447	236,610	288,219	237,089	190,611
State Sources	30,572,323	31,443,316	31,221,138	31,449,502	32,063,206
Federal Sources	862,982	735,255	1,098,183	938,292	1,481,107
	<u>55,940,518</u>	<u>55,598,828</u>	<u>56,689,701</u>	<u>56,697,505</u>	<u>58,607,148</u>
Total Revenues					
Expenditures:					
General Support	6,427,036	7,298,544	6,638,910	6,082,889	6,232,191
Instruction	26,542,862	26,344,010	27,008,512	27,455,979	26,037,015
Pupil Transportation	2,792,257	2,883,301	2,944,954	2,605,168	2,479,806
Employee Benefits	13,543,526	14,142,654	14,694,270	14,387,560	13,566,687
Debt Service	4,104,074	4,081,223	3,358,489	3,525,251	3,411,401
	<u>53,409,755</u>	<u>54,749,732</u>	<u>54,645,135</u>	<u>54,056,847</u>	<u>51,727,100</u>
Total Expenditures					
Excess Revenues (Expenditures)	2,530,763	849,096	2,044,566	2,640,658	6,880,048
Other Sources and (Uses)					
Operating Transfers In	350,951	0	0	0	0
Operating Transfers Out	(640,001)	(781,972)	(2,299,136)	(2,281,453)	(2,598,397)
Total Other Sources and (Uses)	<u>(289,050)</u>	<u>(781,972)</u>	<u>(2,299,136)</u>	<u>(2,281,453)</u>	<u>(2,598,397)</u>
Excess Revenues (Expenditures) and other sources (uses)	2,241,713	67,124	(254,570)	359,205	4,281,651
Fund Balance - Beg. of Fiscal Year, as Restated	<u>8,658,224</u>	<u>10,899,937</u>	<u>11,067,061</u>	<u>10,812,491</u>	<u>11,171,696</u>
Fund Balance - End of Fiscal Year	<u>\$10,899,937</u>	<u>\$10,967,061</u>	<u>\$10,812,491</u>	<u>\$11,171,696</u>	<u>\$15,453,347</u>

Source: Audited Financial Statements (although this summary table itself has not been audited)

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<https://emma.msrb.org/P11545493-P11193833-P11611498.pdf>

**The audited financial statements referenced above are hereby incorporated into the
attached Official Statement.**

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof.
Drescher & Malecki LLP has not been requested by the District to further review and/or update such
Financial Statements or opinion in connection with the preparation and dissemination of this Official
Statement.**