PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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

$43,270,000
FAIRPORT CENTRAL SCHOOL DISTRICT

MONROE COUNTY, NEW YORK
GENERAL OBLIGATIONS
$43,270,000 Bond Anticipation Notes, 2022
(the "Notes")

Dated: July 21, 2022 **Due: July 21, 2023**

The Notes are general obligations of the Fairport Central School District, Monroe County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as "book-entry-only" or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as "book-entry-only", payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser, or about July 21, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 7, 2022 by no later than 10:45 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 28, 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 OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C - MATERIAL EVENT NOTICES" HEREIN.

FAIRPORT CENTRAL SCHOOL DISTRICT
MONROE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

PETER D. FORSGREN
President

ERICA BELOIS-PACER
Vice President

DAMON W. BUFFUM
MARGARET S. CARDONA
JANICE FORTUNA
JOYCE KOSTYK
DR. MARY CAITLIN WIGHT

* * * * * * * *

BRETT PROVENZANO
Superintendent

MATTHEW J. STEVENS
Assistant Superintendent for Business

CHRISTOPHER J. ECKHARDT
School District Treasurer

PAMELA ALEXANDER
School District Clerk

HARRIS BEACH PLLC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

FAIRPORT CENTRAL SCHOOL DISTRICT
MONROE COUNTY, NEW YORK

Relating To

$43,270,000 Bond Anticipation Notes, 2022

This Official Statement, which includes the cover page and appendices, has been prepared by the Fairport Central School District, Monroe County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $43,270,000 principal amount of Bond Anticipation Notes, 2022 (the "Notes").

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

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

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

NATURE OF OBLIGATION

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

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

The 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 as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

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

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

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

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

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes are to be dated July 21, 2022 and will mature, without option of prior redemption, on July 21, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) the name of the purchaser(s), as may be determined by the successful bidder(s) with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) at the option of the purchaser(s), registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on February 25, 2020 and a proposition approved by the qualified voters on December 10, 2019 authorizing the issuance of $49,750,000 serial bonds and notes, along with $7,000,000 capital reserve monies, to finance the reconstruction and renovations of various School District buildings and facilities.

The proceeds of the Notes, with $230,000 available funds of the District, will partially redeem and renew the $20,000,000 bond anticipation notes maturing July 22, 2022 and provide $23,500,000 new monies for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities 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 note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC 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, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com and www.dtc.org**.

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

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

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

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, centralized in 1951, covers approximately 25 square miles in the Town of Perinton, Monroe County, and is located approximately ten miles southeast of the City of Rochester. The Village of Fairport is wholly located within the District.

The District provides public education for grades K-12. An elementary-level parochial school and the Board of Cooperative Educational Services (BOCES) also serve the District. Higher educational opportunities are available at the many colleges and universities in and around the City of Rochester.

District residents are employed at such industries as Xerox Corporation, Eastman Kodak Company, Bausch and Lomb, Sybron Corporation and Mobil Chemical Corporation.

Water and sewer services are provided to District residents by the Village of Fairport and the Town of Perinton. The Village of Fairport provides police protection within its boundaries and, through its municipal electric system, provides low-cost electricity to nearly all of the District. Rochester Gas & Electric Corporation provides natural gas service to the entire District and electric service to the small portion not served by the Village of Fairport. Telephone service is provided by Frontier Corporation. Police protection is provided by the Monroe County Sheriff's Department and the New York State Police. Fire protection and ambulance service is provided by various volunteer groups.

The District is served by New York State Routes 31, 31F and 250, and by Interstate Route 490, which provides easy access to the State Thruway and downtown Rochester. Bus service is provided by the Rochester Genesee Regional Transportation Authority, while air service is available at the Greater Rochester International Airport. The New York State Barge Canal also passes through the District.

Residents are afforded all of the usual commercial services, with several banking institutions and two large shopping plazas located within its borders. Recreational facilities include Lake Ontario to the north, and the Finger Lakes Region to the south. The Town of Perinton also sponsors a year-round recreation program and maintains several Town parks.

Source: District officials.

Population

The current estimated population of the District is 40,819. (Source: 2020 U.S. Census Bureau estimate)

Larger Employers

Name	Type	Employees
Monroe #1 BOCES	Education	1,400
Fairport Central School District	Education	1,160
Wegmans	Retail Grocery	560
Fairport Baptist Homes	Nursing Home Facility	450
LiDestri Foods	Food Manufacturing	400
Town of Perinton	Municipality	392
Bosch Security Systems	Manufacturing	250
Qualitrol Company LLC	Manufacturing	175
Sandec	Manufacturing	163
Parlec Inc.	Manufacturing	127

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Perinton	$ 31,948	$ 38,306	$ 47,728	$ 80,606	$ 94,209	$ 112,527
County of:						
Monroe	22,821	26,999	35,339	55,900	65,240	82,439
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau 2000 census, and 2006-2010 and 2016-2020 5-Year American Community Survey data.

Unemployment Rate Statistics

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

Annual Average

	2014	2015	2016	2017	2018	2019	2020	2021
Monroe County	5.8%	5.1%	4.7%	5.0%	4.3%	4.0%	8.2%	5.2%
New York State	6.3%	5.3%	4.8%	4.7%	4.1%	3.8%	9.9%	6.9%

2022 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Monroe County	3.9%	4.1%	3.9%	3.3%	3.3%	N/A
New York State	5.3%	5.1%	4.7%	4.2%	4.1%	N/A

Note: Unemployment rates for June 2022 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

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

Budgetary Procedures

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

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

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

Recent Budget Vote Results

The budget for the 2021-22 fiscal year was approved by the qualified voters on May 18, 2021 by a vote of 3,655 to 1,190. The District's adopted budget for the 2021-22 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.05%, which was equal to the District tax levy limit of 2.05%.

The budget for the 2022-23 fiscal year was approved by the qualified voters on May 17, 2022 by a vote of 2,361 to 813. The District's adopted budget for the 2022-23 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.11%, which is equal to the District tax levy limit of 2.11%.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and bond anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 34.06% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Federal Aid Received by the State

President Biden has signed into law the American Rescue Plan, a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. The District expects to receive a total of approximately $9.6 million in funds from the American Rescue Plan and Coronavirus Response and Relief Supplemental Appropriations Act.

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

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 80.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School District Fiscal Year (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

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

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

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

School District Fiscal Year (2020-2021): The 2020-21 Enacted Budget includes a year-to-year funding increase for State aid of $95.0 million of .035%. Foundation Aid to school districts is frozen at the same level as the 2019-2020 fiscal year; while other aids, calculated according to formulas in current law, are responsible for the increase. The State's 2020-2021 Enacted Budget includes $10 million in new funding for grants to school districts for student mental health services. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation form the 2019-2020 fiscal year. The reduction is being referred to as a "Pandemic Adjustment." However, the decrease in State aid id expected to be fully offset by an allocation received by the State of funds from the recently approved federal stimulus bill. Absent the federal stimulus funds, there would have been a $1.127 billion decrease in State aid from the 2019-2020 fiscal year. In addition, the State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or If actual disbursements exceed 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the 2020-2021 Enacted Budget.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

State Aid Litigation

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

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

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

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

On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 118,171,206	$ 38,674,932	32.73%
2017-2018	123,717,950	40,855,440	33.02
2018-2019	126,477,038	41,376,669	32.71
2019-2020	129,771,308	42,027,261	32.39
2020-2021	132,724,151	42,767,736	32.22
2021-2022 (Budgeted)	132,290,811 (1)	44,106,261	33.34
2022-2023 (Budgeted)	137,522,109 (2)	46,845,927	34.06

(1) Does not include $6,376,645 of appropriated fund balance and reserves.
(2) Does not include $6,376,645 of appropriated fund balance and reserves.

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

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Dudley School	K-2	974	1971, '00
Brooks Hill School	K-5	892	1961, '00
Jefferson Avenue School	K-5	950	1966, '00
Northside School	3-5	902	1970, '00
Johanna Perrin School	6-8	1,023	1954, '00
Martha Brown Junior High School	6-8	1,416	1965, '00
Minerva Deland School	9	675	1959, '00
Fairport High School	10-12	1,847	1970, '00

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2017-2018	5,802	2022-2023	5,389
2018-2019	5,703	2023-2024	5,334
2019-2020	5,682	2024-2025	5,314
2020-2021	5,467	2025-2026	5,301
2021-2022	5,408	2026-2027	5,285

Source: District officials.

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Employees

The District currently employs approximately 1,159 persons. The collective bargaining agents that represent them and the dates of expiration of the various collective bargaining agreements are as follow:

Number of Employees	Union Representation	Contract Expiration Date
585	Fairport Educators' Association	June 30, 2027
120	Fairport District Paraprofessional	June 30, 2022 (1)
92	Transportation Employees' Association of Fairport	June 30, 2024
83	Fairport Central Association of Support Service Personnel	June 30, 2022 (1)
53	Fairport School Office Professional Association	June 30, 2026
30	Fairport Administrators' Association	June 30, 2023

(1) Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created 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 at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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 for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the 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 contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, the budgeted figures for the 2021-2022 and 2022-2023 fiscal years are as follows:

Fiscal Year	ERS	TRS
2016-2017	$ 1,944,050	$ 5,444,688
2017-2018	1,648,391	4,312,238
2018-2019	1,679,811	4,618,732
2019-2020	1,588,275	3,992,975
2020-2021	1,659,782	4,217,278
2021-2022 (Budgeted)	2,386,604	4,794,541
2022-2023 (Budgeted)	1,946,521	5,256,440

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently offer any early retirement incentive programs.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2023) is shown below:

Year	ERS	TRS
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated.

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

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

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

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

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

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of June 2019, the District established a reserve fund for the purpose of funding the cost of its TRS contributions.

Other Post Employee Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2017, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance at:	July 1, 2019	July 1, 2020
	$ 254,598,691	$ 287,892,378
Changes for the year:		
Service cost	6,527,659	7,486,776
Interest	8,775,034	7,164,235
Changes in benefit terms	-	-
Differences between expected and actual experience	(24,447,292)	(475,715)
Changes in assumptions or other inputs	48,476,433	5,584,801
Benefit payments	(6,038,147)	(6,498,701)
Net Changes	$ 33,293,687	$ 13,261,396
Balance at:	**June 30, 2020**	**June 30, 2021**
	$ 287,892,378	**$ 301,153,774**

Note: The above table is not audited. For additional information see "APPENDIX – D" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2021 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

The District expects to end fiscal year ending June 30, 2022 with an unassigned fund balance of approximately $5,762,670.

New York State Comptroller Report of Examination

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

There are no recent State Comptrollers audits of the District nor any that are currently in progress or pending release.

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

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 Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2021	No Designation	0.0%
2020	No Designation	0.0%
2019	No Designation	0.0%

Source: Website of the Office of the New York State Comptroller.

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Assessed Value					
Town of Perinton	$ 3,167,919,839	$ 3,417,314,295	$ 3,437,053,612	$ 3,466,119,969	$ 3,481,079,051
State Equalization Rates	100.00%	100.00%	100.00%	93.00%	93.00%
Total Taxable Full Valuation	$ 3,167,919,839	$ 3,417,314,295	$ 3,437,053,612	$ 3,727,010,719	$ 3,743,095,754

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Town of Perinton	$ 23.03	$ 22.05	$ 22.64	$ 22.93	$ 23.29

Tax Collection Procedure

Taxes are due September 1st and are payable to the District Tax Collector on or before October 1st without penalty. Payments received by the Tax Collector from October 2nd through October 31st carry a penalty of 2%. Payments from November 1st through November 18th are made to the County, with an interest penalty of 5%. No payments are accepted after November 18th. District Taxes which remain unpaid after November 18th are re-levied on the following year's Town and County tax bills. The District is reimbursed by the County for all unpaid taxes in April of the year following the year of levy, and is thus assured of 100% collection of its annual tax levy.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 66,335,734	$ 68,978,785	$ 69,627,436	$ 71,742,319	$ 73,909,738
Amount Uncollected (1)	1,207,310	1,427,313	1,569,311	1,072,740	1,095,130
% Uncollected	1.82%	2.07%	2.25%	1.50%	1.48%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Items	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 118,171,206	$ 71,667,325	60.65%
2017-2018	123,717,950	73,668,616	59.55
2018-2019	126,477,038	75,934,782	60.04
2019-2020	129,771,308	78,573,948	60.55
2020-2021	132,724,151	80,311,485	60.51
2021-2022 (Budgeted)	132,290,811 (1)	81,910,300	61.92
2022-2023 (Budgeted)	137,522,109 (2)	83,721,932	60.88

(1) Does not include $6,376,645 of appropriated fund balance and reserves.
(2) Does not include $6,376,645 of appropriated fund balance and reserves.

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

Ten Largest Taxpayers – 2021 Assessment Roll for 2021-22 School District Tax Roll

Name	Type	Taxable Assessed Valuation
Rochester Gas & Electric	Utility	110,043,922
Fairport Municipal Commission	Utility	20,921,435
DiMarco Perinton Square LLC	Retail	16,500,000
Frontier Telephone of Rochester	Telecommunications	16,062,027
PM Development, LLC	Apartments	13,450,000
Interwest Holdings I LLC	Office	13,100,000
BRW of Perinton, LLC	Apartments	11,168,000
Perinton Ventures, LLC	Apartments	10,655,100
Perinton Manor LLC	Apartments	8,900,000
Knollwood Associates LLC	Apartments	8,900,000

The ten larger taxpayers listed above have a total taxable assessed valuation of $229,700,484, which represents 5.71% of the tax base of the District for the 2021-22 fiscal year.

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

Source: District Tax Rolls.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $88,050 or less in 2020-21 and $90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2020-21 school year and $70,700 for the 2021-22 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2020-21 Enacted State Budget requires that STAR benefits be withheld from taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

Town of	Enhanced Exemption	Basic Exemption	Date Certified
Perinton	$ 69,660	$ 27,900	4/7/2022

$7,162,788 of the District's $81,141,047 school tax levy for 2021-2022 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2022.

Approximately $7,100,000 of the District's $82,855,681 school tax levy for 2022-2023 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January, 2023.

Additional Tax Information

Real property located in the District is assessed by the towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-14%, Residential-80% and Commercial-6%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $4,000 including County, Town or Village, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). 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 and school districts in New York City, Buffalo, Rochester, Syracuse, and 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").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 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 was set to expire on June 15, 2020; recent legislation has made it permanent. 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 are 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 can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy 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. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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 Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

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

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

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

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

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

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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 has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State 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. No down payment is required in connection with the issuance of District obligations.

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

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

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30th:	2017	2018	2019	2020	2021
Bonds [1]	$ 54,470,000	$ 45,020,000	$ 40,595,000	$ 44,215,000	$ 40,145,000
Bond Anticipation Notes	17,000,000	0	7,924,000	0	0
Other Debt [2]	2,557,981	2,391,008	2,219,544	2,043,468	1,862,655
Total Debt Outstanding	$ 74,190,579	$ 47,411,008	$ 50,738,544	$ 46,258,468	$ 42,007,655

(1) Does not include refunded bonds outstanding at the end of the respective fiscal year, where applicable.
(2) Represents an Energy Performance Contract (EPC). See "Lease Agreements" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 28, 2022.

Type of Indebtedness	Maturity		Amount
Bonds	2022-2048		$ 35,860,000
Bond Anticipation Notes			
Capital Project	July 22, 2022		20,000,000 [1]
		Total Indebtedness	$ 55,860,000

(1) To be partially redeemed and renewed at maturity with the proceeds of the Notes and $230,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 28, 2022:

Full Valuation of Taxable Real Property			$ 3,743,095,754
Debt Limit 10% thereof			374,309,575
Inclusions:			
Bonds	$ 35,860,000		
Bond Anticipation Notes	230,000		
Principal of this Issue	43,270,000		
Total Inclusions		$ 79,360,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 79,360,000
Net Debt-Contracting Margin			$ 294,949,575
The percent of debt contracting power exhausted is			21.20%

(1) Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 80.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Capital Project Plans

On December 10, 2019, the voters of the District approved an additional capital project (the "2019 Project") consisting of construction, reconstruction, improvement, rehabilitation and repair to all of the District's facilities and related campuses, including Brooks Hill Elementary School, Jefferson Avenue Elementary School, Dudley Elementary School, Northside Elementary School, Johanna Perrin Middle School, Martha Brown Middle School, Minerva DeLand School and Fairport High School, at a total maximum estimated cost of $56,750,000 and to pay for the 2019 Project by spending $7,000,000 from a capital reserve fund and the issuance of up to $49,750,000 of obligations of the School District. The 2019 Project is intended to serve as phase 1 of a multi-phased, long-term capital project plan. On July 22, 2021, the District issued $20,000,000 bond anticipation notes which was the first borrowing for this project. The Notes are being issued, along with $230,000 available funds of the District to partially redeem and renew the bond anticipation notes maturing July 22, 2022 and provide $23,500,000 new money for this project. Future borrowings will be pursuant to construction cash flow.

The District is in the preliminary stages of planning its next capital project and expects to vote some time in late 2022 or early 2023. The scope and amount of such project have not been finalized as of the date of this Official Statement.

Cash Flow Borrowings

The District has not issued tax and/or revenue anticipation notes in the past five fiscal years, and does not plan on issuing any in the foreseeable future.

Lease Agreements

On September 26, 2014, the District entered into a lease to finance an Energy Performance Contract ("EPC") in the amount of $2,889,642 at an interest rate of 2.69%. The last principal payment is expected to be made on August 1, 2029. EPCs are not counted against the District's debt limit. The energy savings along with the anticipated building aid are expected to offset the lease payments. The following is a summary of the remaining lease payments:

Fiscal Year	Principal	Interest
2022	$ 185,677	$ 50,105
2023	190,672	45,111
2024	195,801	39,982
2025-29	1,060,900	118,011
2030-33	229,605	6,176
TOTAL	$ 2,043,467	$ 314,355

Source: Audited Financial Statements attached hereto as "APPENDIX – D".

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the respective fiscal year of the municipalities.

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Monroe	12/31/2020	$ 732,037,873	$ 59,293,370	$ 672,744,503	7.46%	$ 50,165,361
Town of:						
Perinton	12/31/2020	19,905,000	19,905,000	-	79.36%	-
Village of:						
Fairport	5/31/2021	9,959,768	-	9,959,768	100.00%	9,959,768
					Total:	$ 60,125,129

(1) Bonds and bond anticipation notes not adjusted to include subsequent bond sales, if any.

(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: State Comptroller's reports for fiscal year ending 2020 for counties and towns and fiscal year ending 2021 for village.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 28, 2022:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 79,360,000	$ 1,944.19	2.12%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	139,485,129	3,417.16	3.73

[a] The current estimated population of the District is 40,819. (See "THE SCHOOL DISTRICT - Population" herein.)
[b] The District's full value of taxable real estate for the 2021-2022 fiscal year is $3,743,095,754. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
[d] Estimated net overlapping indebtedness is $60,125,129. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept For School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, 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 issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

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

Constitutional Non-Appropriation Provision. 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 any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

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

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

No Past Due Debt. No principal of or interest on School District indebtedness is past due.

MARKET AND RISK FACTORS

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

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

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

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

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

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

COVID-19. An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak of the disease affected travel, commerce and financial markets globally and was widely affected economic growth worldwide. The outbreak caused the federal government to declare a national state of emergency. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and non-essential businesses reopened under guidelines issues by the State. 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 intends to take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid", "State Aid History" herein).

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. 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 of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as "APPENDIX – E".

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the financial information in this Official Statement.

LITIGATION

On March 19, 2019, Nardozzi Paving & Construction, LLC ("Nardozzi") filed a Notice of Claim under New York State Education Law alleging that it is owed an additional $9,696,977.45 for certain excavation and disposal of petroleum contaminated soil and water encountered during its work under its January 23, 2019 Contract with the District for the construction project identified as Fairport Central School District Transportation Center – SED #01-06-039-001. Nardozzi claims that it removed 7,147 gallons of contaminated water and 272.34 cubic yards of contaminated soil. Nardozzi claims that these services should compensated at a Unit Price of $1,350.00 per gallon for water disposal; $18.00 per ton for soil disposal; $29.50 per cubic yard for excavation, and; $33.00 cubic yard for soil backfill. Nardozzi claims that its Contract with the District allows the additional $9,696,977.45 and was agreed to as part of the bid award for the project. The District denies Nardozzi's claim and believes that Nardozzi should only be compensated for the actual cost of the excavation and disposal of petroleum contaminated soil and water estimated to be $50,000.00. On August 28, 2019, Nardozzi filed a Complaint in the New York State Supreme Court for the amount sought in the Notice of Claim. The parties are presently engaging in discovery and the Court has ordered that a non-binding mediation of the claim be conducted. The mediation is expected to completed by the end of August 2022. If the lawsuit is no resolved by a mediation, the parties will likely make summary judgment motion and the lawsuit will then be placed on the court's trial calendar.

The District has completed on construction of a new transportation center/bus garage as part of a capital improvement project approved by District voters in May 2016. The new two-story transportation center was constructed on the same property as the single-story facility that has been in use for more than 40 years. The District has also installed new fuel pumps on the property and a red canopy over the pumps. On January 2, 2019, a group of residents who live near the transportation center served a Notice of Claim alleging that increased noises, lights, and odors resulting from the construction project have created a nuisance; that the project has caused harm to the residents' psychological and physical wellbeing, as well as a diminution in their property values; that the taller transportation center and the red canopy over the fuel pumps are not consistent with the character of the residential community; and that the District made certain representations to the residents concerning the project which have not been fulfilled.

The group of residents served three additional Notices of Claim on January 15, 2019, for the purpose of including more signatories. The total number of residents who signed a Notice of Claim is approximately 130. The largest concern for many of the claimants is the removal of trees along the northern and eastern boundaries of the District's property, which they claim is contrary to the District's representations that these trees would be preserved. The District did state in its negative SEQRA declaration adopted in March 2016 that the landscaped buffer along the northern boundary would be retained. The realities of the construction project necessitated the removal of some of those trees, but the District intends to mitigate the removal of the trees once construction is complete by planting new trees or through other landscaping efforts. The District maintains that the ongoing construction project has been entirely consistent with the plan approved by voters. We are not aware of any evidence at this time to support the allegations that the project has negatively affected residents' property values. We have conducted 50-h hearings of three claimants (we served 50-h demands on 13 additional claimants, who declined or failed to appear for their hearings). Broadly speaking, the claimants do not appear eager to litigate this case and support for a lawsuit will likely decrease even further once construction and the District's mitigation efforts are complete.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, the form of which is attached hereto as "APPENDIX – C".

Historical Compliance

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

The Annual Financial Information and Operating Data for the fiscal year ended June 30, 2021 was filed with the MSRB in a timely manner however, the District's Taxable Valuation was overstated. The District filed an event notice and corrected such filing on April 5, 2022.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "AA" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. 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. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. 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. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Mr. Matthew J. Stevens, Assistant Superintendent for Business, 38 West Church Street, Fairport, New York 14450 telephone (585) 421-2005 x 228, fax (585) 421-2195, email mstevens@fairport.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

FAIRPORT CENTRAL SCHOOL DISTRICT

Dated: June 28, 2022

PETER D. FORSGREN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Cash and Cash Equivalents	$ 31,839,953	$ 35,118,162	$ 40,364,909	$ 46,183,308	$ 49,491,817
Receivables	4,429,165	4,408,270	4,234,535	3,768,718	5,304,352
Inventories	-	-	-	-	-
Due from Other Funds	1,197,264	992,264	1,242,264	1,742,264	1,442,264
Deferred Expenditures	-	-	-	-	-
Prepaid Items	1,709,622	1,751,825	1,701,835	1,887,643	1,947,389
TOTAL ASSETS	$ 39,176,004	$ 42,270,521	$ 47,543,543	$ 53,581,933	$ 58,185,822
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 7,225	$ 35,784	$ 29,272	$ 80,525	$ 92,223
Accrued Liabilities	436,199	315,579	294,652	328,687	387,361
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	735,288	1,066,228
Due to Teachers' Retirement System	5,444,688	4,494,823	4,744,919	4,134,375	4,508,175
Due to Employees' Retirement System	519,490	490,651	496,426	461,971	477,314
Other Liabilities	-	-	-	-	1,153,441
Compensated Absences	773,056	773,056	773,056	773,056	773,056
Deferred Revenues	26,400	60,874	61,350	28,011	39,438
TOTAL LIABILITIES	7,207,058	6,170,767	6,399,675	6,541,913	8,497,236
FUND EQUITY					
Nonspendable:	$ 1,804,758	$ 1,804,758	$ 1,804,758	$ 1,804,758	$ 1,947,389
Restricted:	19,889,775	22,888,105	27,213,707	35,004,324	36,877,136
Assigned:	5,192,934	6,246,254	6,837,412	4,824,308	5,317,363
Unassigned:	5,081,479	5,160,637	4,287,991	5,406,630	5,546,698
TOTAL FUND EQUITY	31,968,946	36,099,754	40,143,868	47,040,020	49,688,586
TOTAL LIABILITIES and FUND EQUITY	$ 39,176,004	$ 42,270,521	$ 46,543,543	$ 53,581,933	$ 58,185,822

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 71,667,325	$ 73,668,616	$ 75,934,782	$ 78,573,948	$ 80,311,485
Non-Property Taxes	5,739,661	5,917,811	6,120,888	6,036,762	6,393,655
Charges for Services	157,755	179,921	123,541	263,644	164,072
Use of Money & Property	203,762	478,645	919,679	869,081	190,363
Sale of Property and Compensation for Loss	200,048	70,371	64,422	124,778	479,788
Miscellaneous	1,273,011	1,833,630	1,206,019	1,106,162	1,271,204
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	38,674,932	40,855,440	41,376,669	42,027,261	42,767,736
Revenue from Federal Sources	250,632	215,218	331,038	226,881	745,848
Total Revenues	$ 118,167,126	$ 123,219,652	$ 126,077,038	$ 129,228,517	$ 132,324,151
Other Sources:					
Interfund Transfers	4,080	498,298	400,000	542,791	400,000
Total Revenues and Other Sources	118,171,206	123,717,950	126,477,038	129,771,308	132,724,151
EXPENDITURES					
General Support	$ 11,624,192	$ 11,207,761	$ 13,383,166	$ 14,907,109	$ 12,210,778
Instruction	65,212,207	64,203,262	63,065,909	64,575,528	65,814,769
Pupil Transportation	5,565,478	5,743,778	6,508,666	6,071,212	5,745,491
Community Services	292	700	427	403	-
Employee Benefits	30,993,386	31,287,667	31,425,979	31,757,502	32,925,427
Debt Service	-	2,029,969	-	544,004	-
Total Expenditures	$ 113,395,555	$ 114,473,137	$ 114,384,147	$ 117,855,758	$ 116,696,465
Other Uses:					
Interfund Transfers	8,486,236	5,114,005	7,048,777	6,019,398	13,379,120
Total Expenditures and Other Uses	121,881,791	119,587,142	121,432,924	123,875,156	130,075,585
Excess (Deficit) Revenues Over Expenditures	(3,710,585)	4,130,808	5,044,114	5,896,152	2,648,566
FUND BALANCE					
Fund Balance - Beginning of Year	35,679,531	31,968,946	36,099,754	41,143,868	47,040,020
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 31,968,946	$ 36,099,754	$ 41,143,868	$ 47,040,020	$ 49,688,586

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2021 Adopted Budget	2021 Modified Budget	2021 Audited Actual	2022 Adopted Budget	2023 Adopted Budget
REVENUES					
Real Property Taxes & Items	$ 80,216,016	$ 80,216,016	$ 80,311,485	$ 81,910,300	$ 83,721,932
Non-Property Taxes	-	4,710,000	6,393,655	-	5,800,000
Charges for Services	-	85,000	164,072	-	-
Use of Money & Property	-	319,250	190,363	-	-
Sale of Property and Compensation for Loss	-	35,000	479,788	-	-
Miscellaneous	5,909,250	760,000	1,271,204	5,999,250	1,079,250
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	42,003,926	42,003,926	42,767,736	44,106,261	46,845,927
Revenues from Federal Sources	75,000	75,000	745,848	75,000	75,000
Total Revenues	$ 128,204,192	$ 128,204,192	$ 132,324,151	$ 132,090,811	$ 137,522,109
Other Sources:					
Interfund Transfers	400,000	400,000	400,000	200,000	168,000
Total Revenues and Other Sources	128,604,192	128,604,192	132,724,151	132,290,811	137,690,109
EXPENDITURES					
General Support	$ 14,072,805	$ 15,276,738	$ 12,210,778	$ 15,463,016	$ 16,312,493
Instruction	70,325,209	71,261,481	65,814,769	71,477,155	73,808,011
Pupil Transportation	7,821,068	7,831,268	5,745,491	7,886,724	8,808,164
Community Services	2,500	2,500	-	2,500	2,500
Employee Benefits	36,398,369	35,217,869	32,925,427	37,333,916	39,084,191
Debt Service	-	-	-	-	430,000
Total Expenditures	$ 128,619,951	$ 129,589,856	$ 116,696,465	$ 132,163,311	$ 138,445,359
Other Uses:					
Interfund Transfers	6,545,770	13,545,770	13,379,120	6,504,145	5,621,395
Total Expenditures and Other Uses	135,165,721	143,135,626	130,075,585	138,667,456	144,066,754
Excess (Deficit) Revenues Over Expenditures	(6,561,529)	(14,531,434)	2,648,566	(6,376,645)	(6,376,645)
FUND BALANCE					
Fund Balance - Beginning of Year	6,561,529	14,531,434	47,040,020	6,376,645	6,376,645
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 49,688,586	$ -	$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	$ 4,285,000	$ 1,633,362.50	$ 5,918,362.50
2023	3,560,000	1,475,612.50	5,035,612.50
2024	3,700,000	1,340,462.50	5,040,462.50
2025	3,730,000	1,179,162.50	4,909,162.50
2026	2,940,000	1,016,275.00	3,956,275.00
2027	3,085,000	883,350.00	3,968,350.00
2028	3,210,000	751,350.00	3,961,350.00
2029	2,950,000	611,050.00	3,561,050.00
2030	2,545,000	474,450.00	3,019,450.00
2031	2,060,000	376,050.00	2,436,050.00
2032	2,140,000	291,400.00	2,431,400.00
2033	895,000	203,450.00	1,098,450.00
2034	260,000	165,150.00	425,150.00
2035	275,000	152,150.00	427,150.00
2036	285,000	141,150.00	426,150.00
2037	300,000	129,750.00	429,750.00
2038	310,000	117,750.00	427,750.00
2039	315,000	108,450.00	423,450.00
2040	325,000	99,000.00	424,000.00
2041	335,000	89,250.00	424,250.00
2042	345,000	79,200.00	424,200.00
2043	355,000	68,850.00	423,850.00
2044	365,000	58,200.00	423,200.00
2045	380,000	47,250.00	427,250.00
2046	390,000	35,850.00	425,850.00
2047	400,000	24,150.00	424,150.00
2048	405,000	12,150.00	417,150.00
TOTALS	$ 40,145,000	$ 11,564,275.00	$ 51,709,275.00

Note: Does not include Energy Performance Contract.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Reconstruction			2014 Library Renovations		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 495,000	$ 14,850.00	$ 509,850.00	$ 335,000	$ 56,387.50	$ 391,387.50
2023	-	-	-	340,000	49,687.50	389,687.50
2024	-	-	-	345,000	42,887.50	387,887.50
2025	-	-	-	355,000	35,987.50	390,987.50
2026	-	-	-	365,000	28,000.00	393,000.00
2027	-	-	-	375,000	18,875.00	393,875.00
2028	-	-	-	380,000	9,500.00	389,500.00
TOTALS	$ 495,000	$ 14,850.00	$ 509,850.00	$ 2,495,000	$ 241,325.00	$ 2,736,325.00

Fiscal Year Ending June 30th	2015 Refunding of 2007 and 2010 Serial Bonds			2017 Refunding of 2009 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 1,580,000	$ 305,075.00	$ 1,885,075.00	$ 510,000	$ 183,900.00	$ 693,900.00
2023	1,280,000	241,875.00	1,521,875.00	525,000	167,000.00	692,000.00
2024	1,335,000	190,675.00	1,525,675.00	545,000	148,000.00	693,000.00
2025	1,385,000	137,275.00	1,522,275.00	440,000	120,750.00	560,750.00
2026	495,000	81,875.00	576,875.00	460,000	98,750.00	558,750.00
2027	515,000	62,075.00	577,075.00	485,000	75,750.00	560,750.00
2028	535,000	49,200.00	584,200.00	505,000	51,500.00	556,500.00
2029	545,000	33,150.00	578,150.00	525,000	26,250.00	551,250.00
2030	560,000	16,800.00	576,800.00	-	-	-
TOTALS	$ 8,230,000	$ 1,118,000.00	$ 9,348,000.00	$ 3,995,000	$ 871,900.00	$ 4,866,900.00

Fiscal Year Ending June 30th	2018C DASNY - Capital Project			2020A DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 1,215,000	$ 791,500.00	$ 2,006,500.00	$ 150,000	$ 281,650.00	$ 431,650.00
2023	1,260,000	742,900.00	2,002,900.00	155,000	274,150.00	429,150.00
2024	1,315,000	692,500.00	2,007,500.00	160,000	266,400.00	426,400.00
2025	1,380,000	626,750.00	2,006,750.00	170,000	258,400.00	428,400.00
2026	1,445,000	557,750.00	2,002,750.00	175,000	249,900.00	424,900.00
2027	1,520,000	485,500.00	2,005,500.00	190,000	241,150.00	431,150.00
2028	1,595,000	409,500.00	2,004,500.00	195,000	231,650.00	426,650.00
2029	1,675,000	329,750.00	2,004,750.00	205,000	221,900.00	426,900.00
2030	1,765,000	246,000.00	2,011,000.00	220,000	211,650.00	431,650.00
2031	1,835,000	175,400.00	2,010,400.00	225,000	200,650.00	425,650.00
2032	1,905,000	102,000.00	2,007,000.00	235,000	189,400.00	424,400.00
2033	645,000	25,800.00	670,800.00	250,000	177,650.00	427,650.00
2034	-	-	-	260,000	165,150.00	425,150.00
2035	-	-	-	275,000	152,150.00	427,150.00
2036	-	-	-	285,000	141,150.00	426,150.00
2037	-	-	-	300,000	129,750.00	429,750.00
2038	-	-	-	310,000	117,750.00	427,750.00
2039	-	-	-	315,000	108,450.00	423,450.00
2040	-	-	-	325,000	99,000.00	424,000.00
2041	-	-	-	335,000	89,250.00	424,250.00
2042	-	-	-	345,000	79,200.00	424,200.00
2043	-	-	-	355,000	68,850.00	423,850.00
2044	-	-	-	365,000	58,200.00	423,200.00
2045	-	-	-	380,000	47,250.00	427,250.00
2046	-	-	-	390,000	35,850.00	425,850.00
2047	-	-	-	400,000	24,150.00	424,150.00
2048	-	-	-	405,000	12,150.00	417,150.00
TOTALS	$ 17,555,000	$ 5,185,350.00	$ 22,740,350.00	$ 7,375,000	$ 4,132,850.00	$ 11,507,850.00

MATERIAL EVENT NOTICES

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 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 are outstanding, to the 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 securities, 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 securities, or other material events affecting the tax status of the Notes

(g) modifications to rights of security holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the securities

(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 School 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) 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 Notes.

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

With respect to event (l) 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), 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 Notes; 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.

The School District has agreed to provide, or course to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes 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 material event notices undertaking 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.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

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FAIRPORT CENTRAL SCHOOL DISTRICT
MONROE COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2021

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

FAIRPORT CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2021

MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

TABLE OF CONTENTS

MMB
MENGEL METZGER BARR & CO. LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Fairport Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairport Central School District, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairport Central School District, New York, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–12 and 53–57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

As described in Note II to the financial statements, the District adopted GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fairport Central School District, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 on our consideration of the Fairport Central School District, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fairport Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York
October 7, 2021

Mengel, Metzger, Barr & Co. LLP

Fairport Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total net position of the District was ($160,810,143) a decrease of ($8,147,670) from the prior year.

General revenues which include Federal and State Aid and Real Property Taxes accounted for $134,860,519 or 96% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions, accounted for $5,237,705 or 4% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of $60,387,436, an increase of $7,074,021 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

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

> The *statement of net position* presents information on all of the School District's position and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
>
> The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

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

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

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

The School District maintains seven individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Library Fund, Miscellaneous Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the special aid fund which are reported as major funds. Data for the capital projects fund, the school lunch fund, the library fund, the miscellaneous special revenue fund, and the debt service fund are aggregated into a single column reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for position held by the School District in an agency capacity which accounts for position held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

Major Feature of the District-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All position and liabilities, both financial and capital, short-term and long-term	Generally, position expected to be used up and liabilities that come due during the year or soon thereafter; no capital position or long-term liabilities included	All position and liabilities, both short-term and long-term; funds do not currently contain capital position, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the School District's position and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's position and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As A Whole

Net Position

The District's combined deficit net position was smaller on June 30, 2021, than they were the year before, decreasing to $160,810,143 as shown in table below.

	Governmental Activities				Total Percentage
ASSETS:		**2021**		**2020**	**Change**
Current and Other Assets	$	69,029,980	$	68,766,302	0.38%
Capital Assets		96,571,317		97,788,110	-1.24%
Total Assets	**$**	**165,601,297**	**$**	**166,554,412**	**-0.57%**
DEFERRED OUTFLOW OF RESOURCES:					
Deferred Outflow of Resources	$	85,194,257	$	93,550,115	-8.93%
LIABILITIES:					
Long-Term Debt Obligations	$	357,201,328	$	351,441,258	1.64%
Other Liabilities		7,984,751		7,268,522	9.85%
Total Liabilities	**$**	**365,186,079**	**$**	**358,709,780**	**1.81%**
DEFERRED INFLOW OF RESOURCES:					
Deferred Inflow of Resources	$	46,419,618	$	54,057,220	-14.13%
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	$	53,216,041	$	50,984,979	4.38%
Restricted For,					
Capital Projects		5,093,427		-	
Capital Reserve		16,320,441		15,454,945	5.60%
ERS Reserve		9,124,964		9,124,964	0.00%
Other Purposes		13,834,199		13,309,045	3.95%
Unrestricted		(258,399,215)		(241,536,406)	6.98%
Total Net Position	**$**	**(160,810,143)**	**$**	**(152,662,473)**	**5.34%**

The District's financial position is the product of many factors.

A large component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those position that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these position are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

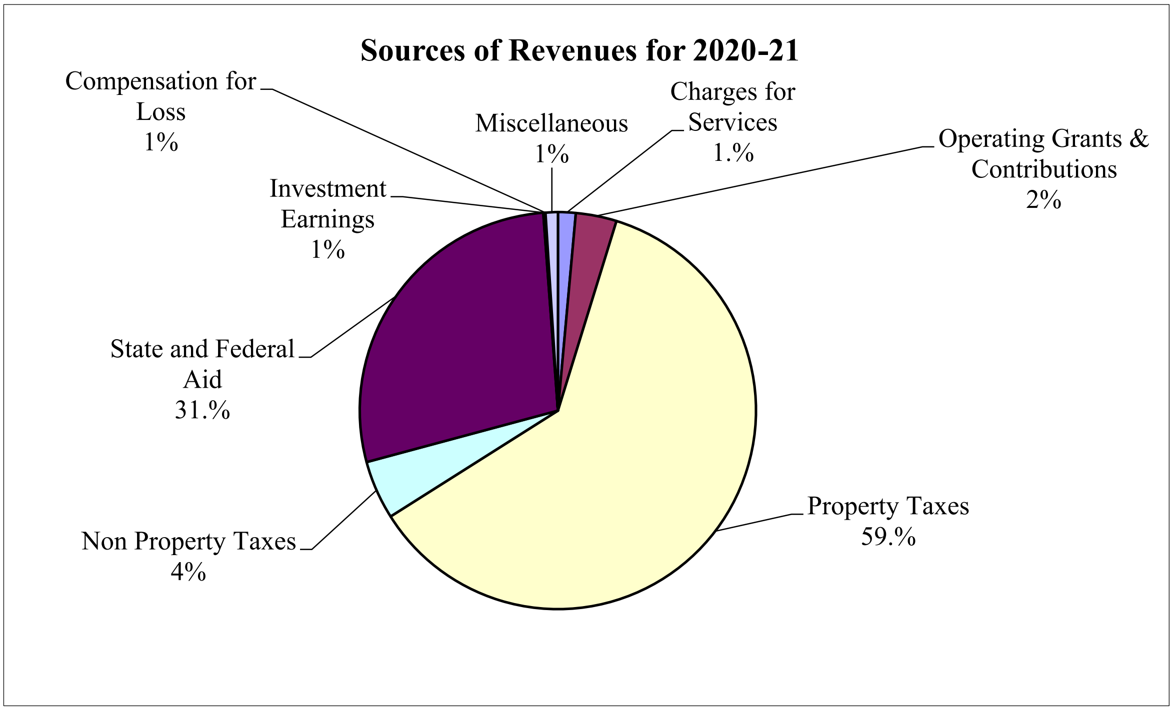
There were three restricted net asset balances, Retirement for employee retirement system, Capital Reserves, Capital Projects, and Other Purposes. The remaining balance of unrestricted net position, is ($258,399,215).

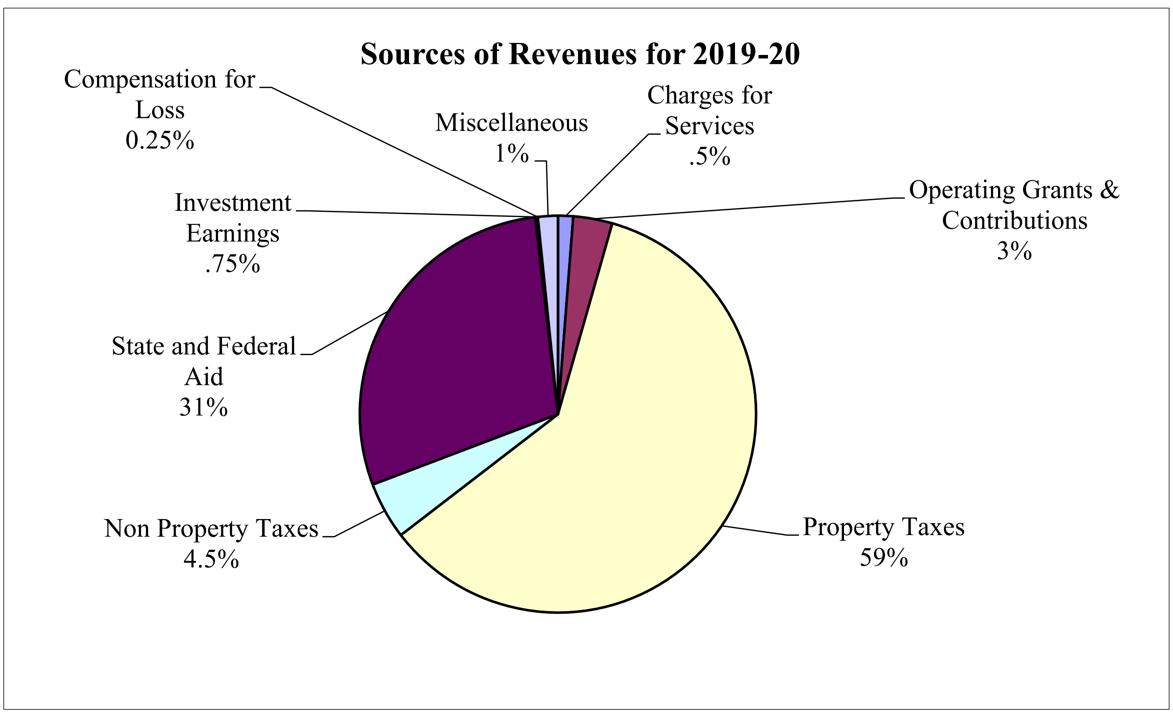
Changes in Net Position

The District's total revenue increased 2% to $140,098,224. Approximately 31% of the revenue was from State and Federal Aid sources while 59% came from property taxes. The remaining 10% of the revenue came from non property taxes, operating grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues.

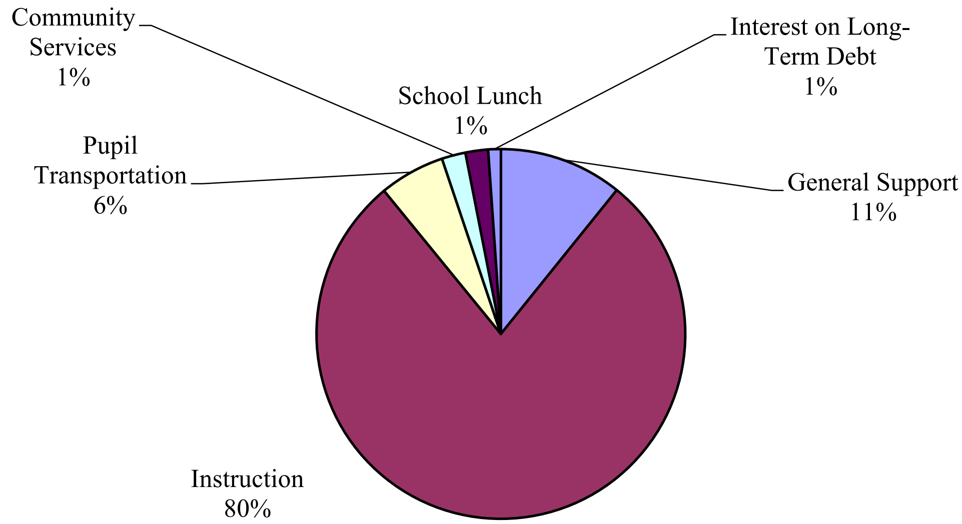
The total cost of all the programs and services decreased 10% to $148,245,894. The District's expenses were predominately related to education and caring for the students. In total approximately 80% of all expenses were for educational services. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 11% of the total costs. See the table below for further details:

	Governmental Activities		Percentage
	2021	2020	Change
REVENUES:			
Program -			
Charges for Services	$ 289,259	$ 1,085,112	-73.34%
Operating Grants & Contributions	4,948,446	4,063,561	21.78%
Total Program	$ 5,237,705	$ 5,148,673	1.73%
General -			
Property Taxes	$ 82,981,475	$ 81,190,061	2.21%
Non Property Taxes	6,393,655	6,036,762	5.91%
State and Federal Aid	43,513,584	42,254,142	2.98%
Investment Earnings	200,088	901,254	-77.80%
Compensation for Loss	483,585	130,345	271.00%
Miscellaneous	1,288,132	1,650,802	-21.97%
Total General	$ 134,860,519	$ 132,163,366	2.04%
TOTAL REVENUES	**$ 140,098,224**	**$ 137,312,039**	**2.03%**
EXPENSES:			
General Support	$ 16,258,465	$ 20,758,960	-21.68%
Instruction	118,027,187	126,909,250	-7.00%
Pupil Transportation	7,525,572	9,470,186	-20.53%
Community Services	2,556,546	2,828,762	-9.62%
School Lunch	2,134,314	2,647,570	-19.39%
Interest on Long-Term Debt	1,743,810	1,689,308	3.23%
TOTAL EXPENSES	**$ 148,245,894**	**$ 164,304,036**	**-9.77%**
INCREASE IN NET POSITION	**$ (8,147,670)**	**$ (26,991,997)**	

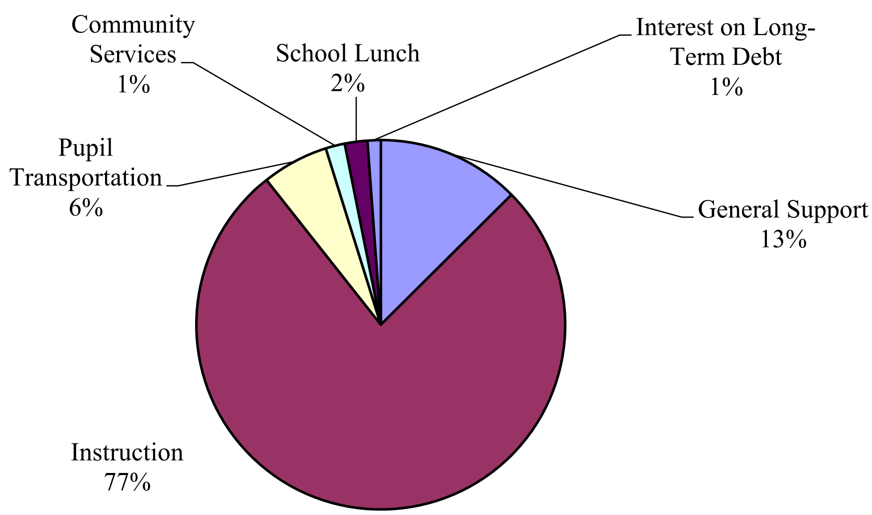

Sources of Revenues for 2020-21
Compensation for Loss 1%
Miscellaneous 1%
Charges for Services 1.%
Operating Grants & Contributions 2%
Investment Earnings 1%
State and Federal Aid 31.%
Non Property Taxes 4%
Property Taxes 59.%


Sources of Revenues for 2019-20
Compensation for Loss 0.25%
Miscellaneous 1%
Charges for Services .5%
Operating Grants & Contributions 3%
Investment Earnings .75%
State and Federal Aid 31%
Non Property Taxes 4.5%
Property Taxes 59%

Sources of Expenditures for 2020-21



Sources of Expenditures for 2019-20



Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of $60,387,436 which is greater than last year's ending fund balance of $53,313,415. A summary of the General Fund balance classifications is shown below:

General Fund Balances:	2021	2020	Variance
Nonspendable	$ 1,947,389	$ 1,804,758	$ 142,631
Restricted	36,877,136	35,004,324	1,872,812
Assigned	5,317,363	4,824,308	493,055
Unassigned	5,546,698	5,406,630	140,068
Total General Fund Balances	**$ 49,688,586**	**$ 47,040,020**	**$ 2,648,566**

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $7,387,126. This change is attributable to $387,126 for the voter approved Capital Technology reserve appropriation, and $7,000,000 for voter approved Capital Project Reserve transfer.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Employee Benefits	2,292,442	Conservative budgeting with the continued fluctuation of rate increases for pension costs and health insurance.
Special Education	2,145,578	Conservative budgeting with the continued fluctuation of number of special education children to be serviced by District.
Pupil Transportation	2,083,352	The variance is the result of reduced transportation as a result of COVID – 19.

Capital Asset and Debt Administration

Capital Position

By the end of the 2020-21 fiscal year, the District had invested $96,571,317 in a broad range of capital position, including land, buildings and improvements, and machinery and equipment. The change in capital position, net of accumulated depreciation, is reflected below:

	2021	2020
Land	$ 416,827	$ 786,827
WIP	41,953,087	39,782,291
Buildings and Improvements	47,381,743	51,195,833
Machinery and Equipment	6,819,660	6,809,986
Total	**$ 96,571,317**	**$ 98,574,937**

Long-Term Debt

At year end, the District had $357,201,328 in general obligation bonds and other long-term debt as follows:

Type	2021	2020
Serial Bonds	$ 41,946,108	$ 46,166,200
EPC	1,862,655	2,043,468
Net Pension Liability	7,386,510	10,370,242
Compensated Absences	2,844,281	2,926,970
Retirement increments	2,008,000	2,042,000
OPEB	301,153,774	287,892,378
Total Long-Term Obligations	**$ 357,201,328**	**$ 351,441,258**

Factors Bearing on the District's Future

The Fairport Central School District, along with other districts statewide, face a precarious financial future due to the COVID-19 pandemic and divisive politics at both the state and federal levels. The pandemic has caused significant financial concerns for the District. Fairport is benefiting from the federal stimulus packages enacted to support schools, and these funds will have to be carefully managed to maximize results. The District is closely monitoring this situation and is committed to maintaining a short and long range plan to maintain fiscal stability.

The Fairport Central School District will continue to face significant fiscal challenges that mirror the unsettled economic times. Fiscal constraints of the New York State property tax cap and unpredictable state aid place a significant burden on local communities to maintain instructional programs. Facing these constraints along with the continued increase in basic operational costs, rising health care costs, and escalating pension costs provide a difficult budgeting environment. The District is prepared, in the short term, to continue to achieve its mission with the use of fund balance and certain restricted funds to preserve quality instructional programs. There is also a steadfast commitment to managing resources in a way that will benefit the school community over the long term. Long term planning for technology and capital improvements will continue with a focus on maintaining facilities for a high quality learning environment.

The District has always embraced change and handled challenges while maintaining its core values. The goal remains the same, be conscious of the fiscal constraints, focus on providing a quality student learning environment, and be mindful of the community's expectations to balance costs and provide a quality education.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Fairport Central School District
38 West Church Street
Fairport, New York 14450

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2021

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	60,202,879
Accounts receivable		6,843,866
Inventories		35,846
Prepaid items		1,947,389
Capital Assets:		
Land		416,827
Work in progress		41,953,087
Other capital assets (net of depreciation)		54,201,403
TOTAL ASSETS	**$**	**165,601,297**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	**$**	**85,194,257**
LIABILITIES		
Accounts payable	$	92,223
Accrued liabilities		536,420
Unearned revenues		150,782
Due to other governments		1,066,396
Due to teachers' retirement system		4,508,175
Due to employees' retirement system		477,314
Other liabilities		1,153,441
Long-Term Obligations:		
Due in one year		5,393,825
Due in more than one year		351,807,503
TOTAL LIABILITIES	**$**	**365,186,079**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	**$**	**46,419,618**
NET POSITION		
Net investment in capital assets	$	53,216,041
Restricted For:		
Capital projects		5,093,427
Reserve for employee retirement system		9,124,964
Capital reserves		16,320,441
Other purposes		13,834,199
Unrestricted		(258,399,215)
TOTAL NET POSITION	**$**	**(160,810,143)**

(See accompanying notes to financial statements)

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government -				
General support	$ 16,258,465	$ -	$ -	$ (16,258,465)
Instruction	118,027,187	164,072	3,285,216	(114,577,899)
Pupil transportation	7,525,572	-	-	(7,525,572)
Community services	2,556,546	17,489	11,477	(2,527,580)
School lunch	2,134,314	107,698	1,651,753	(374,863)
Interest	1,743,810	-	-	(1,743,810)
Total Primary Government	**$ 148,245,894**	**$ 289,259**	**$ 4,948,446**	**$ (143,008,189)**

General Revenues:	
Property taxes	$ 82,981,475
Non property taxes	6,393,655
State and federal aid	43,513,584
Investment earnings	200,088
Compensation for loss	483,585
Miscellaneous	1,288,132
Total General Revenues	**$ 134,860,519**
Changes in Net Position	$ (8,147,670)
Net Position, Beginning of Year (Restated)	(152,662,473)
Net Position, End of Year	**$ (160,810,143)**

(See accompanying notes to financial statements)

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2021

		General Fund		Special Aid Fund		Nonmajor Governmental Funds		Total Governmental Funds
ASSETS								
Cash and cash equivalents	$	49,491,817	$	186,457	$	10,524,605	$	60,202,879
Receivables		5,304,352		1,120,317		419,197		6,843,866
Inventories		-		-		35,846		35,846
Due from other funds		1,442,264		-		-		1,442,264
Prepaid items		1,947,389		-		-		1,947,389
TOTAL ASSETS	**$**	**58,185,822**	**$**	**1,306,774**	**$**	**10,979,648**	**$**	**70,472,244**
LIABILITIES AND FUND BALANCES								
Liabilities -								
Accounts payable	$	92,223	$	-	$	-	$	92,223
Accrued liabilities		387,361		-		33,796		421,157
Due to other funds		-		1,292,264		150,000		1,442,264
Due to other governments		1,066,228		-		168		1,066,396
Due to TRS		4,508,175		-		-		4,508,175
Due to ERS		477,314		-		-		477,314
Other liabilities		1,153,441		-		-		1,153,441
Compensated absences		773,056		-		-		773,056
Unearned revenue		39,438		14,510		96,834		150,782
TOTAL LIABILITIES	**$**	**8,497,236**	**$**	**1,306,774**	**$**	**280,798**	**$**	**10,084,808**
Fund Balances -								
Nonspendable	$	1,947,389	$	-	$	35,846	$	1,983,235
Restricted		36,877,136		-		7,949,382		44,826,518
Assigned		5,317,363		-		2,713,622		8,030,985
Unassigned		5,546,698		-		-		5,546,698
TOTAL FUND BALANCE	**$**	**49,688,586**	**$**	**-**	**$**	**10,698,850**	**$**	**60,387,436**
TOTAL LIABILITIES AND FUND BALANCES	**$**	**58,185,822**	**$**	**1,306,774**	**$**	**10,979,648**		

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	96,571,317
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(115,263)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(40,145,000)
OPEB	(301,153,774)
Compensated absences	(2,071,225)
Unamortized Bond Premium	(1,801,108)
Energy Performance Contract	(1,862,655)
Retirement Incentive	(2,008,000)
Deferred outflow - pension	34,421,738
Deferred outflow - OPEB	50,772,519
Net pension liability	(7,386,510)
Deferred inflow - pension	(15,219,973)
Deferred inflow - OPEB	(31,199,645)
Net Position of Governmental Activities	**$ (160,810,143)**

(See accompanying notes to financial statements)

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2021

	General Fund	Special Aid Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and tax items	$ 80,311,485	$ -	$ 2,669,990	$ 82,981,475
Non-property taxes	6,393,655	-	-	6,393,655
Charges for services	164,072	-	17,489	181,561
Use of money and property	190,363	-	9,725	200,088
Sale of property and compensation for loss	479,788	-	3,797	483,585
Miscellaneous	1,271,204	-	16,928	1,288,132
State sources	42,767,736	780,730	65,665	43,614,131
Federal sources	745,848	2,377,186	1,597,565	4,720,599
Sales	-	-	107,698	107,698
TOTAL REVENUES	**$ 132,324,151**	**$ 3,157,916**	**$ 4,488,857**	**$ 139,970,924**
EXPENDITURES				
General support	$ 12,210,778	$ -	$ -	$ 12,210,778
Instruction	65,814,769	2,683,077	-	68,497,846
Pupil transportation	5,745,491	-	-	5,745,491
Community services	-	-	2,044,542	2,044,542
Employee benefits	32,925,427	580,021	993,177	34,498,625
Debt service - principal	-	-	4,250,813	4,250,813
Debt service - interest	-	-	1,923,125	1,923,125
Cost of sales	-	-	647,930	647,930
Other expenses	-	-	806,957	806,957
Capital outlay	-	-	2,270,796	2,270,796
TOTAL EXPENDITURES	**$ 116,696,465**	**$ 3,263,098**	**$ 12,937,340**	**$ 132,896,903**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 15,627,686	$ (105,182)	$ (8,448,483)	$ 7,074,021
OTHER FINANCING SOURCES (USES)				
Transfers - in	$ 400,000	$ 105,182	$ 13,273,938	$ 13,779,120
Transfers - out	(13,379,120)	-	(400,000)	(13,779,120)
TOTAL OTHER FINANCING SOURCES (USES)	**$ (12,979,120)**	**$ 105,182**	**$ 12,873,938**	**$ -**
NET CHANGE IN FUND BALANCE	**$ 2,648,566**	**$ -**	**$ 4,425,455**	**$ 7,074,021**
FUND BALANCE, BEGINNING OF YEAR (restated)	47,040,020	-	6,273,395	53,313,415
FUND BALANCE, END OF YEAR	**$ 49,688,586**	**$ -**	**$ 10,698,850**	**$ 60,387,436**

(See accompanying notes to financial statements)

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

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

For The Year Ended June 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS			$ 7,074,021
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:			
	Capital Outlay	$ 2,270,796	
	Additions to Assets, Net	925,778	
	Depreciation	(5,200,194)	
			(2,003,620)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:			
	Debt Repayments	$ 4,250,813	
	Unamortized Bond Premium	150,092	
			4,400,905
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			29,223
The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.			(12,768,332)
(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds			
	Teachers' Retirement System		(5,748,167)
	Employees' Retirement System		751,611
In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:			
	Compensated Absences	$ 82,689	
	Retiree Incentives	34,000	
			116,689
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			**$ (8,147,670)**

(See accompanying notes to financial statements)

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2021

		Custodial Funds
ASSETS		
Cash and cash equivalents	$	207,858
TOTAL ASSETS	**$**	**207,858**
NET POSITION		
Restricted for individuals, organizations and other governments	$	207,858
TOTAL NET POSITION	**$**	**207,858**

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2021

		Custodial Funds
ADDITIONS		
Student activity	$	131,379
TOTAL ADDITIONS	**$**	**131,379**
DEDUCTIONS		
Student activity	$	172,859
TOTAL DEDUCTIONS	**$**	**172,859**
CHANGE IN NET POSITION	$	(41,480)
NET POSITION, BEGINNING OF YEAR (restated)		249,338
NET POSITION, END OF YEAR	**$**	**207,858**

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2021

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Fairport Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB No 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office**.** The District accounts for assets held as an agency for various student organizations in an agency fund.

2. Public Library

The District acts as a custodian of funds for the Public Library. The Public Library appoints trustees for library purposes, and has title to real property used by the Library.

(I.) (Continued)

B. Joint Venture

The District is a component of the Board of Cooperative Educational Services First Supervisory District of Monroe County (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $14,516,022 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $4,095,492.

Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

1. Districtwide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital specific grants.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(I.) (Continued)

2. Fund Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following governmental funds:

a. Major Governmental Funds

General Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

b. Nonmajor Governmental - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

Capital Projects Fund - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

Miscellaneous Special Revenue Fund – Used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Public Library Fund – Used to account for transactions of a library governed by a library Board of Trustees and supported by the general tax levy.

c. Fiduciary - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

Custodial Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

D. Measurement Focus and Basis of Accounting

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

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measureable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September, 1, and become a lien on August 10, 2020. Taxes are collected during the period September 1, 2020 to October 31, 2020.

Uncollected real property taxes are subsequently enforced by the County(ies) in which the District is located. The County(ies) pay an amount representing uncollected real property taxes transmitted to the County(ies) for enforcement to the District no later than the following April 1.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note VII for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of $5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

Class	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 20,000	SL	15-50 Years
Machinery and Equipment	$ 5,000	SL	5-20 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

(I.) (Continued)

M. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

O. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

Certain District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

P. Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that a BAN issued for capital purposes be converted to long-term financing within five years after the original issue date.

R. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

S. Equity Classifications

1. District-Wide Statements

In the District-wide statements there are three classes of net position:

a. Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

b. Restricted Net Position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

(I.) (Continued)

On the Statement of Net Position the following balances represent the restricted for other purposes:

		Total
Workers' Compensation	$	1,501,195
Unemployment Costs		1,077,348
Retirement Contribution - TRS		2,652,927
Insurance		877,313
Tax Certiorari		348,559
Repair		1,677,908
Debt		2,368,650
Liability		1,749,475
Scholarships		33,818
Employee Benefit Accrued Liability		1,547,006
Total Net Position - Restricted for Other Purposes	**$**	**13,834,199**

c. **Unrestricted Net Position** **-** reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of $258,399,215 at year end is the result of full implantation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

In the fund basis statements there are five classifications of fund balance:

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

		Total
Inventory in School Lunch	$	35,846
Prepaid Items		1,947,389
Total Nonspendable Fund Balance	**$**	**1,983,235**

b. **Restricted Fund Balances** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

(I.) (Continued)

Capital Reserve - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for repquired legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

Name of Reserve	Maximum Funding	Total Funding Provided	Total Year to Date Balance
Capital Reserve 2018	$ 10,000,000	$ 9,995,112	$ 3,155,032
Capital Reserve 2020	$ 15,000,000	$ 10,562,209	$ 10,579,697
Bus Reserve	$ 8,000,000	$ 7,917,608	$ 665,956
Technology Reserve	$ 10,000,000	$ 8,885,859	$ 1,919,756

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Teachers' Retirement Reserve – General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous years TRS salary.

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater.

Insurance Reserve - According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriation, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

Repair Reserve - According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

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

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

Unemployment Insurance Reserve - According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

(I.) (Continued)

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

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and the School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balances include the following:

	Total
General Fund -	
Workers' Compensation	$ 1,501,195
Unemployment Costs	1,077,348
Retirement Contribution - ERS	9,124,964
Retirement Contribution - TRS	2,652,927
Insurance	877,313
Tax Certiorari	348,559
Repair	1,677,908
Liability	1,749,475
Capital Reserves	16,320,441
Employee Benefit Accrued Liability	1,547,006
Capital Fund -	
Transportation Project	194,894
Capital Improvement Project	258,593
Johanna Perrin Nurses Office	98,000
Fairport Forward Project	4,995,427
Miscellaneous Special Revenue Fund -	
Scholarships	33,818
Debt Service Fund -	
Debt Service	2,368,650
Total Restricted Fund Balance	**$ 44,826,518**

(I.) (Continued)

The District appropriated and/or budgeted funds from the following reserves for the 2021-22 budget:

	Total
Unemployment Costs	$ 60,000
Retirement Contribution	2,240,000
Tax Certiorari	20,000
Total	**$ 2,320,000**

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2021.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be $160,000 and the capital projects fund to be $6,000.

General Fund -	
Central services	$ 1,047,304
Capital Projects Fund -	
Capital Improvements	$ 53,107

Assigned fund balances include the following:

	Total
General Fund - Encumbrances	$ 1,260,718
General Fund - Appropriated for Taxes	4,056,645
Library Fund - Year End Equity	2,428,883
School Lunch Fund - Year End Equity	284,739
Total Assigned Fund Balance	**$ 8,030,985**

e. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

Unassigned Fund Balance - NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

3. Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

T. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District implemented the following new standards issued by GASB:

GASB has issued Statement 84, *Fiduciary Activities*.

GASB has issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, which will be effective for reporting periods beginning after December 15, 2019.

U. Future Changes in Accounting Standards

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after June 15, 2021.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2020.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 92, *Omnibus 2020, Paragraphs 6, 7, 8, 9, 10, 12*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 1-11a, and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraphs 11b*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement No. 94, *Public-Privatee and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 96, *Subscription Based Information Technology*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, which will be effective for reporting periods beginning after June 15, 2021.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

II. Restatement of Net Position

For the year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The District's net position has been restated as follows:

	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Net position beginning of year, as previously stated	$ (152,697,039)	$ 53,278,849	$ 34,566
Adjustments for activities previously recorded in Agency Fund:			
Student Activities	-	-	249,338
Adjustments for activities previously recorded in Private Purpose Trust Fund:			
Scholarships	34,566	34,566	(34,566)
Net position beginning of year, as restated	$ (152,662,473)	$ 53,313,415	$ 249,338

III. Changes in Accounting Principles

For the year ended June 30, 2021, the District implemented GASB Statement No. 84, Fiduciary Activity. The implementation of the statement changes the reporting for certain activity previously reported in the Fiduciary Fund. The District is now required to report some or all of that activity in the Governmental funds. See Note II for the financial statement impact of implementation of the Statement.

IV. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2020-21 fiscal year, the budget was increased by $582,779 for the carryover of prior year encumbrances, $309,000 for voter approved technology equipment and supplies, $7,000,000 for voter approved capital project, and $78,126 for technology supplies and expenses related to the COVID-19 pandemic.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital projects fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

C. Deficit Net Position

The District-wide net position had a deficit at June 30, 2021 of $160,810,143. The deficit is a result of the prior year implementation of GASB 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", which required the recognition of an unfunded liability of $301,153,774 at June 30, 2021. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

V. Cash and Cash Equivalents

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the Unites States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	$ -
Collateralized with Securities held by the Pledging Financial Institution	44,469,569
Total	**$ 44,469,569**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $44,826,518 within the governmental funds and $207,858 in the fiduciary funds.

VI. Receivables

Receivables at June 30, 2021 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
Description	**General Fund**	**Special Aid Fund**	**Non-Major Funds**	**Total**
Accounts Receivable	$ 233,349	$ -	$ 578	$ 233,927
Due From State and Federal	1,540,332	1,120,317	422,908	3,083,557
Due From Other Governments	3,530,671	-	-	3,530,671
Allowance for Uncollectible Acounts	-	-	(4,289)	(4,289)
Total Receivables	**$ 5,304,352**	**$ 1,120,317**	**$ 419,197**	**$ 6,843,866**

VII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2021 were as follows:

	Interfund			
	Receivables	**Payables**	**Revenues**	**Expenditures**
General Fund	$ 1,442,264	$ -	$ 400,000	$ 13,379,120
Special Aid Fund	-	1,292,264	105,182	-
Nonmajor Funds	-	150,000	13,273,938	400,000
Total	**$ 1,442,264**	**$ 1,442,264**	**$ 13,779,120**	**$ 13,779,120**

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures and debt service expenditures.

VIII. Capital Assets

Capital asset balances and activity were as follows:

Type	**Balance 7/1/2020**	**Additions**	**Deletions**	**Balance 6/30/2021**
Governmental Activities:				
Capital Assets that are not Depreciated -				
Land	$ 786,827	$ -	$ 370,000	$ 416,827
Work in progress	39,782,291	2,270,796	100,000	41,953,087
Total Nondepreciable	$ 40,569,118	$ 2,270,796	$ 470,000	$ 42,369,914
Capital Assets that are Depreciated -				
Buildings and Improvements	$ 121,137,449	$ 100,000	$ -	$ 121,237,449
Machinery and equipment	15,171,513	1,295,778	1,010,528	15,456,763
Total Depreciated Assets	$ 136,308,962	$ 1,395,778	$ 1,010,528	$ 136,694,212
Less Accumulated Depreciation -				
Buildings and Improvements	$ 69,941,616	$ 3,914,090	$ -	$ 73,855,706
Machinery and equipment	8,361,527	1,286,104	1,010,528	8,637,103
Total Accumulated Depreciation	$ 78,303,143	$ 5,200,194	$ 1,010,528	$ 82,492,809
Total Capital Assets Depreciated, Net of Accumulated Depreciation	$ 58,005,819	$ (3,804,416)	$ -	$ 54,201,403
Total Capital Assets	**$ 98,574,937**	**$ (1,533,620)**	**$ 470,000**	**$ 96,571,317**

Depreciation expense for the period was charged to functions/programs as follows:

Governmental Activities:	
General Government Support	$ 59,623
Instruction	3,803,681
Pupil Transportation	1,186,660
School Lunch	150,230
Total Depreciation Expense	**$ 5,200,194**

X. Long-Term Debt Obligations

Long-term liability balances and activity for the year are summarized below:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable -					
Serial Bonds	$ 44,215,000	$ -	$ 4,070,000	$ 40,145,000	$ 4,285,000
Unamortized Bond Premium	1,951,200	-	150,092	1,801,108	150,092
Energy Performance Contracts	2,043,468	-	180,813	1,862,655	185,677
Total Bonds and Notes Payable	$ 48,209,668	$ -	$ 4,400,905	$ 43,808,763	$ 4,620,769
Other Liabilities -					
Net Pension Liability	$ 10,370,242	$ -	$ 2,983,732	$ 7,386,510	$ -
OPEB	287,892,378	13,261,396	-	301,153,774	-
Retirement Increments	2,042,000	-	34,000	2,008,000	-
Compensated Absences	2,926,970	-	82,689	2,844,281	773,056
Total Other Liabilities	$ 303,231,590	$ 13,261,396	$ 3,100,421	$ 313,392,565	$ 773,056
Total Long-Term Obligations	**$ 351,441,258**	**$ 13,261,396**	**$ 7,501,326**	**$ 357,201,328**	**$ 5,393,825**

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Existing serial and statutory bond obligations:

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2021
Serial Bonds -					
Construction	$ 4,345,000	2004	2022	2.0%-4.0%	$ 495,000
Construction	$ 4,314,000	2015	2028	2.0%-2.5%	2,495,000
Refunding	$ 14,205,000	2016	2030	1.0%-4.0%	8,230,000
Refunding	$ 5,510,000	2017	2029	1.0%-5.0%	3,995,000
Construction	$ 20,650,000	2018	2033	4.0%-5.0%	17,555,000
Construction	$ 7,460,000	2020	2048	3.0%-5.0%	7,375,000
Total Serial Bonds					**$ 40,145,000**
Unamortized Bond Premium					1,801,108
Total Serial Bonds, Net					**$ 41,946,108**
Energy Performance Contracts -					
Energy Performance Contract	$ 2,889,642	2009	2030	2.69%	**$ 1,862,655**

(X.) (Continued)

The following is a summary of debt service requirements:

	Serial Bonds		Energy Performance Contract	
Year	**Principal**	**Interest**	**Principal**	**Interest**
2022	$ 4,285,000	$ 1,633,362	$ 185,676	$ 50,105
2023	3,560,000	1,475,613	190,672	45,111
2024	3,700,000	1,340,463	195,801	39,982
2025	3,730,000	1,179,162	201,068	34,714
2026	2,940,000	1,016,275	206,476	29,306
2027-31	13,850,000	3,096,250	882,962	60,167
2032-36	3,855,000	953,300	-	-
2037-41	1,585,000	544,200	-	-
2042-46	1,835,000	289,350	-	-
2047-48	805,000	36,300	-	-
Total	**$ 40,145,000**	**$ 11,564,275**	**$ 1,862,655**	**$ 259,385**

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $9,400,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2021 was composed of:

Interest Paid	$ 1,923,125
Less: Interest Accrued in the Prior Year	(144,486)
Less: Bond premium amortization	(150,092)
Plus: Interest Accrued in the Current Year	115,263
Total Long-Term Interest Expense	**$ 1,743,810**

XI. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	Deferred Outflows	**Deferred Inflows**
Pension	$ 34,421,738	$ 15,219,973
OPEB	50,772,519	31,199,645
Total	**$ 85,194,257**	**$ 46,419,618**

XII. Pension Plans

A. General Information

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2021:

Contributions	ERS	TRS
2021	$ 1,853,082	$ 4,508,175

D. **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At June 30, 2021, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Net pension assets/(liability)	$ (37,655)	$ (7,348,855)
District's portion of the Plan's total net pension asset/(liability)	0.038%	0.266%

For the year ended June 30, 2021, the District recognized pension expenses of $1,116,828 for ERS and $10,073,514 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 459,874	$ 6,439,067	$ -	$ 376,615
Changes of assumptions	6,923,612	9,294,591	130,581	3,313,035
Net difference between projected and actual earnings on pension plan investments	-	4,799,446	10,816,847	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	641,820	1,062,967	192,085	390,810
Subtotal	$ 8,025,306	$ 21,596,071	$ 11,139,513	$ 4,080,460
District's contributions subsequent to the measurement date	477,314	4,323,047	-	-
Grand Total	**$ 8,502,620**	**$ 25,919,118**	**$ 11,139,513**	**$ 4,080,460**

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

Year	ERS	TRS
2021	$ -	$ 3,042,153
2022	(452,684)	5,958,360
2023	(95,566)	4,928,349
2024	(511,428)	3,091,840
2025	(2,054,529)	193,072
Thereafter	-	301,837
Total	**$ (3,114,207)**	**$ 17,515,611**

E. Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	4.72%-1.90%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.70%	2.20%
COLA's	1.40%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2019. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized as follows:

(XII.) (Continued)

Long Term Expected Rate of Return		
	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Asset Type -		
Domestic equity	4.05%	7.10%
International equity	6.30%	7.70%
Global equity	0.00%	7.40%
Private equity	6.75%	10.40%
Real estate	4.95%	6.80%
Absolute return strategies *	4.50%	0.00%
Opportunistic portfolios	4.50%	0.00%
Real assets	5.95%	0.00%
Bonds and mortgages	0.00%	0.00%
Cash	0.50%	0.00%
Inflation-indexed bonds	0.50%	0.00%
Private debt	0.00%	5.20%
Real estate debt	0.00%	3.60%
High-yield fixed income securities	0.00%	3.90%
Domestic fixed income securities	0.00%	1.80%
Global fixed income securities	0.00%	1.00%
Short-term	0.00%	0.70%
Credit	3.63%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.0% for ERS and 2.2% for TRS.

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(XII.) (Continued)

G. Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 6.10% for TRS) or 1-percentage-point higher (6.90% for ERS and 8.10% for TRS) than the current assumption :

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	$ (10,451,681)	$ (37,655)	$ 9,566,513

TRS	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension asset (liability)	$ (46,420,182)	$ (7,348,855)	$ 25,441,890

H. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(In Thousands)	
	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension liability	$ 220,680,157	$ 123,242,776
Plan net position	220,580,583	120,479,505
Employers' net pension asset/(liability)	$ (99,574)	$ (2,763,271)
Ratio of plan net position to the employers' total pension asset/(liability)	99.95%	97.80%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $477,314.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $4,508,175.

XIII. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At March 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1208
Active Employees	870
Total	**2078**

B. Total OPEB Liability

The District's total OPEB liability of $301,153,774 was measured as of March 31, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.11 percent
Salary Increases	3.11 percent, average, including inflation
Discount Rate	2.27 percent
Healthcare Cost Trend Rates	Initial rate of 4.00% increasing to an ultimate rate of 4.08%
Retirees' Share of Benefit-Related Costs	0-25 percent of projected health insurance premiumsfor retirees

The discount rate was based on the Fidelity Municipal Go AA 20-Year Bond rate.

Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2020.

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	$ 287,892,378
Changes for the Year -	
Service cost	$ 7,486,776
Interest	7,164,235
Differences between expected and actual experience	(475,715)
Changes in assumptions or other inputs	5,584,801
Benefit payments	(6,498,701)
Net Changes	$ 13,261,396
Balance at June 30, 2021	**$ 301,153,774**

History of Changes –

- Managerial Administrative Staff – The District's contribution rate of medical premiums decreased to 85% from 90%
- Fairport Administrators Association (FAA) – The District's 90% contribution rate of any medical plan available changed to 88% of base plan Blue Point 2 Value
- Fairport School Office Professional Association(FSOPA) – The District's contribution rate of plan Blue Point 2 Value decreased to 88% from 90%
- Paraprofessionals – Employees retiring after December 31, 2016, the District's 90% contribution rate of base plan Blue Point 2 Select changed to 88% of base plan Blue Point 2 Value
- Non-Collectively Bargained Employees –
    - All employees, the District's contribution rate of base plan Blue Point 2 Value decreased to 88% from 90%
    - Budget Directors & Treasurer, the minimum years of service eligibility requirement decreased to 10 years from 15
- Food Service Department – The District's 90% contribution rate of any medical plan available changed to 88% of base plan Blue Point 2 Value

- <u>Buildings & Grounds</u> – Employees hired prior to July 1, 2001, the District's contribution rate of base plan Blue Point 2 Value decreased to 88% from 90%
- <u>Transportation Employees Association</u> – Employees hired on or after July 1, 2001, the District's contribution rate of base plan Blue Point 2 Value increased to 60% from 50%
- <u>Fairport Educators Association (FEA)</u> –
    - Employees hired after July 2, 2002, are eligible to elect Classic Blue coverage, previously the Classic Blue medical plan was closed to this subgroup
    - Plan provision clarification –
        - For current retirees where both the retiree and their dependent spouse turned sixty-five (65) years old before February 27, 2015 – The retiree's contribution amount is fixed at retirement and is not impacted by future increases in medical premiums or change in coverage to over 65 medical plans.
        - For current and future retirees where both the retiree and their dependent spouse turned sixty-five (65) years old on or after February 27, 2015 – The District and the retiree's contribution towards over 65 coverage shall be as follows:
            - For a single retiree – The relative proportions the District and the retiree paid the day prior to the retiree's change in coverage to the over 65 plan
            - For a retiree with a dependent spouse – The relative proportions the District and the retiree paid the day prior to both the retiree and their spouse's change in coverage to the over 65 plan
            - The retiree's post 65 contribution amount is fixed and is not impacted by future increases in the medical premium.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.48 percent in 2020 to 2.27 percent in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.27 percent) or 1-percentage-point higher (3.27 percent) than the current discount rate:

	1% Decrease (1.27%)	Discount Rate (2.27%)	1% Increase 3.27%)
Total OPEB Liability	$ 361,444,785	$ 301,153,774	$ 254,358,907

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (3.00% Decreasing to 3.08%)	Healthcare Cost Trend Rates (4.00% Decreasing to 4.08%)	1% Increase (5.00% Decreasing to 5.08%)
Total OPEB Liability	$ 248,882,730	$ 301,153,774	$ 370,147,800

D. <u>OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

For the year ended June 30, 2021, the District recognized OPEB expense of $19,382,171. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,045,589	$ 21,443,288
Changes of assumptions	31,102,255	9,756,357
Contributions after measurement date	1,624,675	-
Total	**$ 50,772,519**	**$ 31,199,645**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year	
2022	$ 3,746,758
2023	6,399,327
2024	3,591,989
2025	1,326,235
2026	1,201,625
Thereafter	1,682,265
Total	**$ 17,948,199**

XIV. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

B. Health Plan

The District incurs costs related to the Rochester Area School Health Plan (Plan I and Plan II) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts.

1. Plan I

The Plans objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plans year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than thirty days prior to the end of the Plans year. Plan members bear an equal proportionate share of the Plan's assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement the Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors. This Plan's members include seventeen districts and two BOCES with the District bearing an equal proportionate share of the Plan's assets and claim liabilities.

This Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

This Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in a exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling $1,862,747.

This Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended December 31, 2020, revealed that the Plan was fully funded.

2. Plan II

The District incurs costs related to the Rochester Area School Health Plan II sponsored by the Board of Cooperative Educational services, Second Supervisory District of Monroe and Orleans Counties (Monroe 2-Orleans BOCES). The Plan was established as a Municipal Cooperative Agreement under the authorization of Article 5-G of the General Municipal Law in 2004. The plan received a Certificate of Authority to operate as a self-funded plan under Article 47 of the New York State Insurance Law, effective January 1, 2020.

Membership in the Plan may be offered to any component school district of the Monroe 1 BOCES and Monroe 2-Orleans BOCES within the geographical boundaries of Monroe County, New York provided that the applicant provides proof of its financial responsibility that is satisfactory to the Board of Directors in its sole discretion, and the applicant is the same type of municipal corporation as the initial Participants. The Plan has full participation from all eligible participants including the two BOCES and seventeen component school districts.

A participant has the right to withdraw from the Plan, but such withdrawal shall be effective only on January 1 of the next Plan Year following the Plan Year in which the participant provides notice. Any withdrawing participant shall be responsible for its pro rata share of any Plan deficit, and shall satisfy any other obligation relating to the Participant's membership in the Plan. The withdrawing participant shall not be entitled to share in any Plan surplus.

The Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. The annual premium equivalent for each coverage option under the Plan is established and approved by a majority of the entire Board of Directors. Each participant is required to contribute to the Plan an amount equal to the Premium Equivalent applicable to the coverage options, under which the participants Enrollees are covered. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. Such claims estimates are based on the ultimate cost of claims that have been reported but not settled, and claims that have been incurred but not reported.

The Plan is audited on an annual basis and is available at the Monroe 2-Orleans BOCES administrative offices. The most recent audit available for the year ended December 31, 2020 revealed that the Plan was fully funded.

During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling $22,506,827.

C. Dental Fund

The District has a self insured plan for dental coverage. The plan is administered by a third party administrator who pays the claims directly to the dentists. The District then reimburses the third party administrator for the exact amount of the claims paid. The total cost to the District for dental claims during 2020-21 was $659,356.

D. <u>Workers' Compensation</u>

The District incurs costs related to the Rochester Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Director. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of two BOCES and seventeen districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported.

Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2021, the District incurred premiums or contribution expenditures totaling $703,002.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2020, revealed that the Plan was underfunded.

(XIV.) (Continued)

E. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2020-21 fiscal year totaled $15,979. The balance of the fund at June 30, 2021 was $1,077,348 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2021, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XV. Commitments and Contingencies

A. Litigation

There are three notices of claim pending and one impartial due process hearing pending as of the balance sheet date for which the financial outcome cannot be determined.

B. Grants

The District has received grants, which are subject to audit by agencies of the State and Federal Governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

XVI. Lease Commitments and Leased Assets

A. The BOCES leases rooms under operating leases. Total revenues on such leases for the fiscal year ended June 30, 2021 were $67,520

B. The Fairport Pubic Library executed a lease agreement on June 25, 1976 with Airy Development Corporation for library facilities to be constructed in the Fairport Landing Urban Development Complex. The building was completed in May 1978 at which time the lease commenced.

XVII. Tax Abatement

The County of Monroe IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced $1,565,206. The District received payment in lieu of tax (PILOT) payment totaling $802,610 to help offset the property tax reduction.

XVIII. <u>COVID-19</u>

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, voter approved budgets, and future results of operations. Management is actively monitoring the global situation on its financial condition, budgets, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The School District was awarded three different stimulus packages known as Coronavirus Aid, Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). New York State Required the CARES funds to be reported in the General fund, as an offset to state aid reductions, referred to as the Pandemic Adjustment, while the CRRSA and ARPA funds are required to be reported in the special aid fund.

The District reported $613,498 in CARES revenues and expenditures during the 2021 fiscal year and has submitted the CRRSA and ARPA funding applications to the New York State Education Department for approval. All three stimulus funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. The District also provided free breakfast and lunches to all students (except those who opted out) through the Federal Summer Food Service Program.

Required Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

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

For The Year Ended June 30, 2021

TOTAL OPEB LIABILITY

	2021	2020	2019	2018
Service cost	$ 7,486,776	$ 6,527,659	$ 7,208,792	$ 6,895,139
Interest	7,164,235	8,775,034	9,809,716	9,488,730
Changes in benefit terms	-	-	(1,583,416)	-
Differences between expected and actual experiences	(475,715)	(24,447,292)	(27,380,674)	4,591,110
Changes of assumptions or other inputs	5,584,801	48,476,433	2,015,785	6,729,508
Benefit payments	(6,498,701)	(6,038,147)	(5,984,285)	(5,657,361)
Net Change in Total OPEB Liability	**$ 13,261,396**	**$ 33,293,687**	**$ (15,914,082)**	**$ 22,047,126**
Total OPEB Liability - Beginning	**$ 287,892,378**	**$ 254,598,691**	**$ 270,512,773**	**$ 248,465,647**
Total OPEB Liability - Ending	**$ 301,153,774**	**$ 287,892,378**	**$ 254,598,691**	**$ 270,512,773**
Covered Employee Payroll	$ 49,331,468	$ 57,718,295	$ 57,718,691	$ 62,748,955
Total OPEB Liability as a Percentage of Covered Employee Payroll	610.47%	498.79%	441.10%	431.10%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability

For The Year Ended June 30, 2021

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.0378%	0.0391617%	0.0403383%	0.0414045%	0.0417418%	0.0429902%	0.0427275%
Proportionate share of the net pension liability (assets)	$ 37,655	$ 10,370,242	$ 2,858,091	$ 1,336,309	$ 3,922,148	$ 6,900,048	$ 1,443,441
Covered-employee payroll	$ 13,363,018	$ 13,348,689	$ 13,433,012	$ 13,272,740	$ 13,083,484	$ 12,480,643	$ 12,921,458
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	0.282%	77.687%	21.277%	10.068%	29.978%	55.286%	11.171%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.2659%	0.260545%	0.270231%	0.280862%	0.285005%	0.2837090%	0.2775650%
Proportionate share of the net pension liability (assets)	$ 7,348,855	$ (6,768,968)	$ (4,886,482)	$ (2,134,827)	$ 5,831,639	$(29,468,356)	$(30,918,958)
Covered-employee payroll	$ 46,735,267	$ 45,139,752	$ 43,489,142	$ 44,017,530	$ 46,422,590	$ 45,375,423	$ 43,810,016
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	15.724%	-14.996%	-11.236%	-4.850%	12.562%	-64.943%	-70.575%
Plan fiduciary net position as a percentage of the total pension liability	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of District Contributions

For The Year Ended June 30, 2021

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 1,853,082	$ 1,858,522	$ 1,911,159	$ 1,921,753	$ 1,944,050	$ 2,187,905	$ 2,427,099
Contributions in relation to the contractually required contribution	(1,853,082)	(1,858,522)	(1,911,159)	(1,921,753)	(1,944,050)	(2,187,905)	(2,427,099)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 13,363,018	$ 13,348,689	$ 13,433,012	$ 13,272,740	$ 13,083,484	$ 12,480,643	$ 12,921,458
Contributions as a percentage of covered-employee payroll	13.87%	13.92%	14.23%	14.48%	14.86%	17.53%	18.78%

NYSTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 4,508,175	$ 4,134,375	$ 4,744,919	$ 4,494,823	$ 5,444,688	$ 6,096,785	$ 7,737,369
Contributions in relation to the contractually required contribution	(4,508,175)	(4,134,375)	(4,744,919)	(4,494,823)	(5,444,688)	(6,096,785)	(7,737,369)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 46,735,267	$ 45,139,752	$ 43,489,142	$ 44,017,530	$ 46,422,590	$ 45,375,423	$ 43,810,016
Contributions as a percentage of covered-employee payroll	9.65%	9.16%	10.91%	10.21%	11.73%	13.44%	17.66%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2021

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	$ 71,742,319	$ 71,742,319	$ 71,737,189	$ (5,130)
Real property tax items	8,473,697	8,473,697	8,574,296	100,599
Non-property taxes	4,710,000	4,710,000	6,393,655	1,683,655
Charges for services	85,000	85,000	164,072	79,072
Use of money and property	319,250	319,250	190,363	(128,887)
Sale of property and compensation for loss	35,000	35,000	479,788	444,788
Miscellaneous	760,000	760,000	1,271,204	511,204
State Sources -				
Basic formula	29,903,890	29,903,890	29,180,576	(723,314)
Lottery aid	7,500,000	7,500,000	8,082,686	582,686
BOCES	3,352,329	3,352,329	4,095,492	743,163
Textbooks	352,445	352,445	352,704	259
All Other Aid -				
Computer software	183,962	183,962	183,941	(21)
Library loan	36,300	36,300	36,318	18
Handicapped students	675,000	675,000	826,419	151,419
Other aid	-	-	9,600	9,600
Federal Sources	75,000	75,000	745,848	670,848
TOTAL REVENUES	$ 128,204,192	$ 128,204,192	$ 132,324,151	$ 4,119,959
Other Sources -				
Transfer - in	$ 400,000	$ 400,000	$ 400,000	$ -
TOTAL REVENUES AND OTHER SOURCES	$ 128,604,192	$ 128,604,192	$ 132,724,151	$ 4,119,959
Appropriated reserves	$ 2,320,000	$ 9,707,126		
Appropriated fund balance	$ 4,241,529	$ 4,241,529		
Prior year encumbrances	$ 582,779	$ 582,779		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	**$ 135,748,500**	**$ 143,135,626**		

Required Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Basis) and Actual - General Fund

For The Year Ended June 30, 2021

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support -					
Board of education	$ 78,157	$ 82,157	$ 59,544	$ 1,000	$ 21,613
Central administration	325,094	322,434	298,221	-	24,213
Finance	833,541	825,751	749,393	919	75,439
Staff	757,955	774,365	612,806	1,850	159,709
Central services	10,150,330	11,183,504	8,487,866	1,047,304	1,648,334
Special items	2,049,727	2,088,527	2,002,948	-	85,579
Instructional -					
Instruction, administration and improvement	5,315,160	5,252,606	4,780,618	6,300	465,688
Teaching - regular school	33,266,743	33,211,520	31,569,382	153,894	1,488,244
Programs for children with handicapping conditions	19,488,601	19,495,089	17,347,550	1,961	2,145,578
Occupational education	2,536,394	2,543,494	2,227,762	-	315,732
Teaching - special schools	224,000	220,750	196,733	-	24,017
Instructional media	3,272,103	3,864,171	3,795,511	289	68,371
Pupil services	6,673,950	6,673,851	5,897,213	44,776	731,862
Pupil Transportation	7,830,106	7,831,268	5,745,491	2,425	2,083,352
Community Services	2,500	2,500	-	-	2,500
Employee Benefits	36,398,369	35,217,869	32,925,427	-	2,292,442
TOTAL EXPENDITURES	$ 129,202,730	$ 129,589,856	$ 116,696,465	$ 1,260,718	$ 11,632,673
Other Uses -					
Transfers - out	$ 6,545,770	$ 13,545,770	$ 13,379,120	$ -	$ 166,650
TOTAL EXPENDITURES AND OTHER USES	$ 135,748,500	$ 143,135,626	$ 130,075,585	$ 1,260,718	$ 11,799,323
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**$ 2,648,566**		
FUND BALANCE, BEGINNING OF YEAR	47,040,020	47,040,020	47,040,020		
FUND BALANCE, END OF YEAR	**$ 47,040,020**	**$ 47,040,020**	**$ 49,688,586**		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Change From Adopted Budget To Final Budget And The Real Property Tax Limit For The Year Ended June 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	$ 135,165,721
Prior year's encumbrances	582,779
Original Budget	$ 135,748,500
Budget revisions -	
Technology equipment	387,126
Capital project	7,000,000
FINAL BUDGET	**$ 143,135,626**

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2021-22 voter approved expenditure budget		$ 138,667,456
Unrestricted fund balance:		
Assigned fund balance	$ 5,317,363	
Unassigned fund balance	5,546,698	
Total Unrestricted fund balance	$ 10,864,061	
Less adjustments:		
Appropriated fund balance	$ 4,056,645	
Encumbrances included in assigned fund balance	1,260,718	
Total adjustments	$ 5,317,363	
General fund fund balance subject to Section 1318 of Real Property Tax Law		5,546,698
ACTUAL PERCENTAGE		**4.00%**

Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

Schedule of Project Expenditures

For The Year Ended June 30, 2021

			Expenditures				Methods of Financing			
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Obligations	Local Sources	Total	Fund Balance
Fairport Forward Capital Project	$ 56,750,000	$ 56,750,000	$ -	$ 2,004,573	$ 2,004,573	$ 54,745,427	$ -	$ 7,000,000	$ 7,000,000	$ 4,995,427
Capital Improvement Project	29,200,000	29,200,000	28,941,407	-	28,941,407	258,593	20,650,000	8,550,000	29,200,000	258,593
Transportation Project	11,200,000	11,200,000	10,838,883	166,223	11,005,106	194,894	7,460,000	3,740,000	11,200,000	194,894
Johanna Perrin Nurses Office	100,000	100,000	-	2,000	2,000	98,000	-	100,000	100,000	98,000
FHS Door Project	100,000	100,000	2,000	98,000	100,000	-	-	100,000	100,000	-
TOTAL	**$ 97,350,000**	**$ 97,350,000**	**$ 39,782,290**	**$ 2,270,796**	**$ 42,053,086**	**$ 55,296,914**	**$ 28,110,000**	**$ 19,490,000**	**$ 47,600,000**	**$ 5,546,914**

Supplementary Information
FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					
	School Lunch Fund	Library Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 125,515	$ 2,449,708	$ 33,818	$ 2,368,650	$ 5,546,914	$ 10,524,605
Receivables	419,197	-	-	-	-	419,197
Inventories	35,846	-	-	-	-	35,846
TOTAL ASSETS	**$ 580,558**	**$ 2,449,708**	**$ 33,818**	**$ 2,368,650**	**$ 5,546,914**	**$ 10,979,648**
LIABILITIES AND FUND BALANCES						
Liabilities -						
Accrued liabilities	$ 12,971	$ 20,825	$ -	$ -	$ -	$ 33,796
Due to other funds	150,000	-	-	-	-	150,000
Due to other governments	168	-	-	-	-	168
Unearned revenue	96,834	-	-	-	-	96,834
TOTAL LIABILITIES	**$ 259,973**	**$ 20,825**	**$ -**	**$ -**	**$ -**	**$ 280,798**
Fund Balances -						
Nonspendable	$ 35,846	$ -	$ -	$ -	$ -	$ 35,846
Restricted	-	-	33,818	2,368,650	5,546,914	7,949,382
Assigned	284,739	2,428,883	-	-	-	2,713,622
TOTAL FUND BALANCE	**$ 320,585**	**$ 2,428,883**	**$ 33,818**	**$ 2,368,650**	**$ 5,546,914**	**$ 10,698,850**
TOTAL LIABILITIES AND FUND BALANCES	**$ 580,558**	**$ 2,449,708**	**$ 33,818**	**$ 2,368,650**	**$ 5,546,914**	**$ 10,979,648**

Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Combined Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For The Year Ended June 30, 2021

	Special Revenue Funds					
	School Lunch Fund	**Library Fund**	**Miscellaneous Special Revenue Fund**	**Debt Service Fund**	**Capital Projects Fund**	**Total Nonmajor Governmental Funds**
REVENUES						
Real property taxes and tax items	$ -	$ 2,669,990	$ -	$ -	$ -	$ 2,669,990
Charges for services	-	17,489	-	-	-	17,489
Use of money and property	3,972	1,045	2	4,706	-	9,725
Sale of property and compensation for loss	-	3,797	-	-	-	3,797
Miscellaneous	1,876	3,172	-	11,880	-	16,928
State sources	54,188	11,477	-	-	-	65,665
Federal sources	1,597,565	-	-	-	-	1,597,565
Sales	107,698	-	-	-	-	107,698
TOTAL REVENUES	**$ 1,765,299**	**$ 2,706,970**	**$ 2**	**$ 16,586**	**$ -**	**$ 4,488,857**
EXPENDITURES						
Community services	$ -	$ 2,044,542	$ -	$ -	$ -	$ 2,044,542
Employee benefits	414,979	578,198	-	-	-	993,177
Debt service - principal	-	-	-	4,250,813	-	4,250,813
Debt service - interest	-	-	-	1,923,125	-	1,923,125
Cost of sales	647,930	-	-	-	-	647,930
Other expenses	806,207	-	750	-	-	806,957
Capital outlay	-	-	-	-	2,270,796	2,270,796
TOTAL EXPENDITURES	**$ 1,869,116**	**$ 2,622,740**	**$ 750**	**$ 6,173,938**	**$ 2,270,796**	**$ 12,937,340**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (103,817)	$ 84,230	$ (748)	$ (6,157,352)	$ (2,270,796)	$ (8,448,483)
OTHER FINANCING SOURCES (USES)						
Transfers - in	$ -	$ -	$ -	$ 6,173,938	$ 7,100,000	$ 13,273,938
Transfers - out	-	-	-	(400,000)	-	(400,000)
TOTAL OTHER FINANCING SOURCES (USES)	**$ -**	**$ -**	**$ -**	**$ 5,773,938**	**$ 7,100,000**	**$ 12,873,938**
NET CHANGE IN FUND BALANCE	**$ (103,817)**	**$ 84,230**	**$ (748)**	**$ (383,414)**	**$ 4,829,204**	**$ 4,425,455**
FUND BALANCE, BEGINNING OF YEAR (restated)	424,402	2,344,653	34,566	2,752,064	717,710	6,273,395
FUND BALANCE, END OF YEAR	**$ 320,585**	**$ 2,428,883**	**$ 33,818**	**$ 2,368,650**	**$ 5,546,914**	**$ 10,698,850**

Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

Net Investment in Capital Assets

For The Year Ended June 30, 2021

Capital assets, net		$ 96,571,317
Add:		
Unspent bond proceeds	$ 453,487	
		453,487
Deduct:		
Bond payable	$ 40,145,000	
Energy performance contract	1,862,655	
Unamortized bond premium	1,801,108	
		43,808,763
Net Investment in Capital Assets		**$ 53,216,041**

Supplementary Information

FAIRPORT CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2021

Grantor / Pass - Through Agency Federal Award Cluster / Program	Assistance Listing Number	Grantor Number	Pass-Through Agency Number	Total Expenditures
U.S. Department of Education:				
Indirect Programs:				
Passed Through NYS Education Department -				
Special Education Cluster IDEA -				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-21-0366	$ 1,234,665
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-21-0366	37,715
Total Special Education Cluster IDEA				$ 1,272,380
Education Stabilization Funds -				
CARES Act - ESSER	84.425D	N/A	5890-21-1375	$ 524,589
CARES Act - GEER	84.425C	N/A	5895-21-1375	88,909
Total Education Stabilization Funds				$ 613,498
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-20-1375	84,618
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-21-1375	119,108
Title III - Language Instruction	84.365	N/A	0293-20-1375	17,813
Title III - Language Instruction	84.365	N/A	0293-21-1375	5,871
Title III - Immigant	84.365	N/A	0149-21-1375	3,186
Title IV - Student Support and Enrichment Program	84.424	N/A	0204-20-1375	33,109
Title IV - Student Support and Enrichment Program	84.424	N/A	0204-21-1375	4,205
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-20-1375	139,010
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-21-1375	697,886
Total U.S. Department of Education				**$ 2,990,684**
U.S. Department of Agriculture:				
Indirect Programs:				
Passed Through NYS Education Department -				
Child Nutrition Cluster -				
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	261301060000	$ 176,417
Summer Food Service program - COVID	10.559	N/A	261301060000	1,421,148
Total Child Nutrition Cluster				$ 1,597,565
Total U.S. Department of Agriculture				**$ 1,597,565**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 4,588,249**

MMB
MENGEL METZGER BARR & CO. LLP
Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

<u>Independent Auditors' Report</u>

To the Board of Education
Fairport Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairport Central School District, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Fairport Central School District, New York's basic financial statements, and have issued our report thereon dated October 7, 2021.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Rochester, New York
October 7, 2021

Mengel, Metzger, Barr & Co. LLP

FORM OF OPINION OF BOND COUNSEL

July 21, 2022

Fairport Central School District
38 West Church Street
Fairport, New York

Re: Fairport Central School District
$43,270,000 Bond Anticipation Notes, 2022, CUSIP No.: ____________

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $43,270,000 Bond Anticipation Notes, 2022 (the "Notes") of the Fairport Central School District, County of Monroe, State of New York (the "District"). The Notes are dated July 21, 2022 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District and a Certificate of Determination dated on or before July 21, 2022 of the President of the Board of Education relative to the form and terms of the Notes.

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

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz & Marquardt, LLP