PRELIMINARY OFFICIAL STATEMENT DATED MAY 22, 2019

OFFICIAL STATEMENT

SERIAL BONDS **Rating: See "Rating" herein**

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

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

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

(the "District")

$43,266,228
SCHOOL DISTRICT SERIAL BONDS, 2019
(the "Bonds")

Date of Issue: June 12, 2019 **Maturity Date: June 1, 2020-2032**

The Bonds will be general obligations of the District, and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds are payable from *ad valorem* taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York [the "Tax Levy Limitation Law"]; see "TAX INFORMATION-Tax Levy Limitation Law," herein).

The Bonds will be issued as registered bonds to the Depository Trust Company ("DTC" or the "Securities Depository").

The Bonds will be issued through DTC and registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof, except for one necessary odd denomination maturing in 2020. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

The Bonds are dated their date of delivery and will bear interest from that date at the annual rate or rates as specified by the purchaser of the Bonds, payable on June 1, 2020, December 1, 2020, and semi-annually thereafter on each June 1 and December 1 until maturity (or earlier redemption). The Bonds will mature on June 1 of each year until maturity, as shown on the inside cover page hereof. Certain of the Bonds are subject to optional redemption as described herein (See "THE BONDS – Optional Redemption") herein.

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

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery on or about June 12, 2019.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF RULE 15c2-12 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE BONDS. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE, UNDER CERTAIN CIRCUMSTANCES, CONTINUING DISCLOSURE PURSUANT TO THE RULE, SEE "DISCLOSURE UNDERTAKING' HEREIN.

Dated: May 22, 2019

The Bonds will mature on June 1 in each year, as set forth below.

Year	Amount***	Interest Rate	Yield	CUSIP*
2020	$ 3,926,228			279466
2021	3,960,000			279466
2022	3,455,000			279466
2023	3,185,000			279466
2024	3,055,000			279466
2025	2,955,000			279466
2026	3,015,000			279466
2027**	$ 3,085,000			279466
2028**	3,160,000			279466
2029**	3,235,000			279466
2030**	3,315,000			279466
2031**	3,415,000			279466
2032**	3,505,000			279466

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

** The Bonds maturing on or after June 1, 2027 are subject to optional redemption prior to maturity. (See "THE BONDS - Optional Redemption" herein.)

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

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

Board of Education

Dr. Jill O'Malley .... President

Mr. Andrew Gianni .... Vice President

Ms. Christine Cavarello .... Trustee

Dr. Thomas Reigstad .... Trustee

Ms. Michelle Tarbox .... Trustee

Mr. Stephen Bovino .... Superintendent of Schools

Mr. John Brucato .... Asst. Superintendent for Finance

Ms. Gina Santa Maria .... District Clerk

Ms. Margaret Jean Weglarski .... District Treasurer

BOND COUNSEL

HODGSON RUSS LLP
Buffalo, New York

MUNICAPAL ADVISOR

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

No dealer, broker, salesman or other person has been authorized by the District or the Municipal Advisor to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District from sources which are believed to be reliable, but it is not to be guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

TABLE OF CONTENTS

APPENDIX A

OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

$43,266,228
SCHOOL DISTRICT SERIAL BONDS, 2019
(the "Bonds")

This Official Statement (the "Official Statement"), which includes the cover page and appendices hereto, presents certain information relating to the Kenmore-Town of Tonawanda Union Free School District, Erie County, New York (the "District," "County" and "State," respectively), in connection with the sale of the District's $43,266,228 School District Serial Bonds, 2019 (the "Bonds").

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

THE BONDS

Description of the Bonds

The Bonds will be issued as registered bonds registered to the Depository Trust Company ("DTC" or the "Securities Depository").

The Bonds will be issued through DTC and registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof, except one necessary odd denomination maturing in 2020. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

The Bonds are dated their date of delivery and will bear interest from that date at the annual rate or rates as specified by the purchaser of the Bonds, payable on June 1, 2020, December 1, 2020, and semi-annually thereafter on each June 1 and December 1 until maturity (or earlier redemption). The Bonds will mature on June 1 of each year, as shown on the inside cover page hereof. Certain of the Bonds are subject to optional redemption as described herein (See "THE BONDS – Optional Redemption") herein.

The record date for payment of principal of and interest on the Bonds will be the fifteenth day of the calendar month preceding each respective interest payment date.

Authority for and Purposes of the Bonds

The Bonds are authorized to be issued pursuant to the Constitution and laws of the State, including the Education Law, the Local Finance Law, and various bond resolutions as presented in the following table. Proceeds of the Bonds in the amount of $41,511,288, along with $2,861,428 of budgetary appropriations, will be used to redeem and retire a $44,372,716 bond anticipation note of the District that is maturing on June 12, 2019. Proceeds of the Bonds in the amount of $1,754,940 will provide additional "new money" financing for two of the projects, as shown in the table below.

Date of Voter Approval	Date of Bond Resolution	Authorized Amount	Notes Outstanding	New Money	Principal Paydown	The Bonds	Proforma Amount Authorized but Unissued	Purpose
12/09/2014	03/10/2015	$23,840,000	$22,109,873	$0	$1,138,432	$20,971,441	0	Reconstruction and construction of various District buildings.
12/09/2014	03/10/2015	21,671,000	18,533,153	976,076	853,022	18,656,207	1,610,854	Development of arts and athletic venues for the District.
05/19/2015	07/07/2015	1,600,208	519,504	0	169,504	350,000	0	Purchase of various school buses and similar vehicles.
05/17/2016	05/19/2016	1,491,738	1,131,157	0	371,157	760,000	0	Purchase of various school buses and similar vehicles.
05/16/2017	05/17/2017	1,324,313	1,324,313	0	329,313	995,000	0	Purchase of various school buses and similar vehicles.
05/15/2018	05/15/2018	754,716	754,716	0	0	754,716	0	Purchase of various school buses and similar vehicles.
05/21/2018	05/22/2019	778,864	0	778,864	0	778,864	0	Purchase of various school buses and similar vehicles.
	Total:	$51,460,839	$44,372,716	$1,754,940	$2,861,428	$43,266,228	$1,610,854	

Optional Redemption

The Bonds maturing on or before June 1, 2026 will not be subject to redemption prior to maturity.

The Bonds maturing on or after June 1, 2027 will be subject to redemption prior to maturity, at the option of the District, on any date on or after June 1, 2026, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity, at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the District at random (by lot or in any other customary manner of selection as determined by the District). Notice of such call for redemption shall be given by mailing such notice to the registered owner(s) of the Bonds to be redeemed not more than sixty (60) days nor less than thirty (30) days prior to the designated redemption date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call notice, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

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

Nature of Obligation

The Bonds, when duly issued and paid for, will constitute a contract between the District and the holder(s) thereof.

The Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all taxable real property in the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); see "TAX INFORMATION-Tax Levy Limitation Law," herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limitation Law was adopted in the State. The Tax Levy Limitation Law established certain limitations on the power of local governments and school districts to increase the property tax levy beyond certain prescribed limits (without following certain prescribed procedures). The Tax Levy Limitation Law had its first application with respect to the District's budget for fiscal year 2012-13. The Tax Levy Limitation Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See "TAX INFORMATION-Tax Levy Limitation Law," herein. Also, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limitation Law. See "DISTRICT INDEBTEDNESS—Remedies Upon Default," herein.

Book-Entry-Only System

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial

Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

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

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

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

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

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

PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Source: The Depository Trust Company.

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

The District is dependent to a substantial degree on financial assistance from the State in the form of State aid. No delay in payment of State aid for the remainder of the District’s current fiscal year is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in this year or future years, the District may be affected by such a delay, until sufficient State taxes have been received by the State to make State aid payments to the District.

Should the District fail to receive moneys expected from the State in the amounts and at the times expected, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The market for the Bonds could also be affected if the Code were to be amended to reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the District. See the discussion in “TAX EXEMPTION” herein.

TAX EXEMPTION

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

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

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

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

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

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

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

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

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

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the District will furnish certificates, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. Additional certificates will state that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect the power of the District to levy, collect, and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Bond Counsel. Such opinion will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit, and all the real property within the District is subject to the levy of special *ad valorem* real property taxes to pay the Bonds and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of the State). Such opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which has been or may have been furnished or disclosed to purchasers of the Bonds, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Closing Certificates

Upon the delivery of the Bonds, the purchaser will be furnished with the following items: (i) a certificate of the President of the Board of Education of the District to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Bonds, this Official Statement did not and does 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, and further stating that there has been no adverse material change in the financial condition of the District since the date of this Official Statement to the date of issuance of the Bonds; and having attached thereto a copy of this Official Statement; (ii) a certificate signed by an officer of the District evidencing payment for the Bonds; (iii) a closing certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (iv) a tax certificate executed by the President of the Board of Education, as described under "TAX EXEMPTION" herein.

DISCLOSURE UNDERTAKING

Unless the Bonds are purchased for the buyer's own account as principal, for investment and not for resale, at the time of the delivery of the Bonds, the District will provide an executed copy of its Disclosure Undertaking (the "Undertaking") pursuant to Securities and Exchange Commission (the "Commission") Rule 15c2-12 (the "Rule"). The Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") system implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement in Appendix A under the headings: "THE DISTRICT", "FINANCIAL FACTORS", "TAX INFORMATION", "DISTRICT INDEBTEDNESS", "ECONOMIC AND DEMOGRAPHIC DATA" and "LITIGATION"; and in Appendix B and (ii) the audited financial statements, if any, of the District for each fiscal year; both of which will be provided on or prior to the end of the ninth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2019, unless such audited financial statements, if any, shall not then be available in which case the annual financial information and audited financial statements shall be provided within 60 days after the audited financial statements become available and in no event later than 360 days after the end of each fiscal year;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

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

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

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

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

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

(3) in a timely manner, notice of a failure to provide the annual financial information by the date specified.

The District's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the Undertaking, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the District to comply with the Undertaking will not constitute a default with respect to the Bonds.

The District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with the Rule. Under the scenario in which the Bonds are purchased for the purchaser's own account as principal, for investment and not for resale, the purchaser shall deliver a municipal securities disclosure certificate that documents such intent (in form satisfactory to the District's bond counsel) and establishes that an exemption from the Rule applies.

Prior Disclosure History

Over the past five years there have been a variety of ratings changes to the municipal bond insurers which insure the outstanding serial bonds of the District, and notices of these rating changes were not timely filed in accordance with the Rule. However, notices of these insurance ratings changes based on bond insurer rating changes were filed on August 1, 2014.

RATINGS

Moody's Investors Services, Inc. ("Moody's") has assigned the District an underlying uninsured rating of "Aa3" to the uninsured outstanding bonded indebtedness of the District, including the Bonds.

With respect to the rating, such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's, circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

MISCELLANEOUS

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management’s beliefs as well as assumptions made by, and information currently available to, the District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District 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.

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

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

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

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

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as registered Municipal Advisor to the District in connection with the offer and sale of the Bonds. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained from Mr. John Brucato, Assistant Superintendent for Finance, (716) 874-8400 ext. 20308; Email: jbrucato@ktufsd.org; Address: 1500 Colvin Boulevard, Buffalo, New York 14223 or from the District's Municipal Advisor, Capital Markets Advisors, LLC (716) 662-3910.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or holders of any of the Bonds.

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

Kenmore-Town of Tonawanda Union Free School District
Erie County, New York

By: /s/____________________________
Jill O'Malley
President of the Board of Education

DATED: May 22, 2019

APPENDIX A

THE DISTRICT

General Information

The District is located in the Town of Tonawanda, which has a population of 73,567 according to the 2010 U.S. Census. The District is estimated to have a population of 67,380, has a land area of approximately 18 square miles and is situated in the northwest portion of the County along the Niagara River and adjacent to the northern boundary of the City of Buffalo. The incorporated Village of Kenmore with an estimated population of 15,423 is located wholly within the District and the Town of Tonawanda.

The District is residential and suburban in character and is part of Western New York's metropolitan area where there are seven colleges and universities and five community and junior colleges.

With an average annual increase of approximately 5.4% over the last five years, the District's full valuation continues to grow. Located within the District are many shopping centers, parks, recreational facilities and the following businesses and industries continue to be located within the District: General Motors Corp., E.I. DuPont de Nemours & Co., Praxair, Inc., Sonoco Fibre Drum, Goodyear-Dunlop Tire and General Electric Company. The public utilities located within the District are National Grid, National Fuel Corp. and Verizon.

Recent Economic Developments. The Huntley Power Plant, a coal-burning electrical generation plant located in the District, was closed in 2016, which meant the loss of approximately $3.06 million in PILOT revenues to the District per year, representing approximately 1.95% of the District's total budgeted 2016-17 revenues

District administration has mitigated this loss of revenue with spending cuts and an increase in property taxes. Additionally, recent State legislation (which was established as part of the State fiscal year 2016 budget and then modified as part of the State fiscal year 2018 budget) created a pool of $45 million in aid set aside to provide financial assistance to municipalities and school districts impacted by the closure of such coal-burning facilities. The fund allows for up to 80% of lost revenue to be restored to school districts and municipalities in the first year of disbursement and declines by 10% each year over the course of seven years. The District was able to secure $2.2 million from this program in the 2016-17 fiscal year, $1.9 million for the 2017-18 fiscal year and $1.7 million for the 2018-19 fiscal year.

In 2010, General Motors awarded two new product lines to the Tonawanda Engine plant located in the District. In February of 2010, GM chose Tonawanda Engine for a $425 million investment tied to a next-generation Ecotec engine, which began production in 2012 and retained 470 jobs. On July 3, 2010, the Tonawanda Engine plant announced plans to add 415 jobs and retain 300 others as a result of winning a new V-8 engine line. Production of the "Generation V" engine - representing a $400 million investment by GM – began on June 22, 2012. The new V-8 is made of aluminum, rather than iron, with improved fuel efficiency and suited to meet stricter emissions standards. The $400 million investment included facility renovation, installation of highly flexible machining and assembly equipment and special tooling.

The Empire State Development Corp., the state's economic development arm, is providing a $6 million grant from its Upstate Blueprint Fund for the GM projects. The grant will reimburse a portion of eligible outlays for machinery and equipment acquisition, and renovation expenses. The Erie County Industrial Development Agency ("IDA") granted a new package of tax breaks for the project. The IDA approved $1.68 million in sales tax breaks for the project totaling nearly $815 million. The IDA also agreed to extend a payment-in-lieu-of-taxes agreement with GM that would allow the automaker to pay about half of the normal taxes on the building housing the new V-6 and V-8 engine line through 2032. The sales tax breaks also include incentives for a $425 million investment in the Tonawanda plant GM announced in February of 2010 to produce its new-generation, four-cylinder Ecotec engine. The sales tax incentives included $800,000 for the first phase of the project, which would bring the 2.2-liter and 2.5-liter Ecotec four-cylinder engines, and another $880,000 in sales tax breaks that would go toward the additional V-6 and V-8 engine line.

In December of 2016, GM announced a plan to invest an additional $296 million into Tonawanda Engine for a new engine line, which would retain 854 jobs and create 67 new jobs as part of the project. The new engine will be the next step for the "Generation V" engine line.

District Organization

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

The legislative power of the District is vested in the Board of Education (the "Board"), which consists of five members including the President and Vice President. Board members are elected for overlapping terms of three years. The administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by such Board, include the Superintendent of Schools, Assistant Superintendent for Finance, District Clerk, and District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the District Treasurer, and the Assistant Superintendent for Finance.

District Facilities

The District currently operates the following facilities:

TABLE 1
School Statistics

Name of School	Grades	Year of Construction	Year of Last Addition	State Rated Capacity
Edison Elementary	K-4	1954	1983	845
Franklin Elementary	K-4	1950	1997	745
Lindbergh Elementary	K-4	1928	1997	770
Holmes Elementary	K-4	1964	1984	620
Hoover Elementary	K-4	1951	1997	670
Franklin Middle School	5-7	1952	1997	1,600
Hoover Middle School	5-7	1956	1997	2,000
Kenmore East High School	8-12	1959	1998	2,200
Kenmore West High School	8-12	1940	1998	2,400
TOTAL				11,850

Intra-District Consolidation Study. The District has undergone a consolidation study which analyzed four separate scenarios to reorganize the District to enhance capacity, become more efficient and preserve and augment academic programming. The report was released on March 20, 2014 and is available on the District's website http://www.kenton.k12.ny.us/domain/1753.

On April 1, 2014, the Board voted to approve a redistricting plan, called Scenario I, in the consolidation study that was released on March 20, 2014. This is a non SES Study Group suggested scenario whereby each current high school was to be transformed into a grades 8-12 program, Kenmore Middle was to be converted for offices and facilities for special programs, grades 5-7 replace the current middle school grade configuration at Benjamin Franklin and Herbert Hoover middle schools, and grades PK-4 operate at five elementary buildings. Grade 8 being added to the High Schools and the grade reconfiguration at the middle school level coupled with the closing of Kenmore Middle decreases their underutilized space. Rezoning of all remaining elementary schools was to take place and the Kenmore Middle population was to be split between Benjamin Franklin and Herbert Hoover Middle Schools. There were to be two main transitions for all students in this scenario. This scenario resulted in the mothballing or sale of three (3) school buildings. This scenario decreased the likelihood of additional school closings being necessary over the next 5-10 years. This plan has saved the district $3 million in 2016-17, the first year of implementation, and the District has continued to recognize savings in the 2017-18 and 2018-19 fiscal years.

	Year of Construction	Year of Last Addition	State Rated Capacity
Buildings Leased or Rented			
Green Acres Elementary (Green Space)	1957	1997	605
Sheridan Elementary	1949	1988	515
			1,120
Outbuildings			
Central Office/Transportation Office	1956	1997	
Bus Garage			
Longfellow:			
Coaches Office and Field House	1956	1984	180
Parker Field House			
Crosby Field House			
Playground		1996	
Two Storage Facilities	1989	1989	

Source: School District Officials.

Employees

There are approximately 1,700 persons employed by the District including 40 personnel not represented by any bargaining group. The collective bargaining agents, which represent the other employees, and the dates of expirations of the various collective bargaining agreements, are as follows:

TABLE 2
Employees

Approximate No. of Employees	Union	Contract Expiration Date
727	Kenmore Teachers Association	06/30/18*
213	KTA for Per Diem Substitute Teachers	06/30/20
21	Kenmore Administrators Association	06/30/19
685	Ken-Ton School Employees Association	06/30/18*

**Currently under negotiations.*

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement System ("ERS").

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS" and, collectively with the "ERS", the "Retirement Systems"). Payments to the Retirement Systems are deducted from the School District's State aid payments.

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

The following table details the District's actual required contributions to the ERS for the preceding three audited fiscal years ending June 30 and the amount budgeted for the current fiscal year:

Fiscal Year End 6/30	ERS
2019 *Budget*	$3,196,772
2018	2,832,481
2017	3,018,242
2016	3,386,702

Source: Audited Financial Statements and District Officials.

The following table details the District's actual required contributions to the TRS for the preceding three audited fiscal years ending June 30 and the amount budgeted for the current fiscal year:

Fiscal Year End 6/30	**TRS**
2019 *Budget*	$6,152,188
2018	6,147,654
2017	7,265,256
2016	7,911,633

Source: Audited Financial Statements and District Officials.

On December 10, 2009, former Governor Paterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than $35 billion in long-term savings to State taxpayers over the next thirty years. The legislation 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 of which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38 percent for any civilian who retires prior to age 62.
- Requiring employees to continue contributing three percent of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from five years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15 percent of non-overtime wages.

Members of the NYS Teachers Retirement System have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5 percent of their annual wages to pension costs rather than 3.0 percent and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the two percent multiplier threshold for final pension calculations from 20 to 25 years.

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

In accordance with constitutional requirements, these new pension reforms would apply only to public employees hired in the future.

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

The New York State ERS rate for the 2017-18 fiscal year was 15.3%. The New York State TRS rate for the 2017-18 fiscal year was 9.80%. The 2018-19 TRS rate is 10.62%.

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

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan, which was approved in Governor Cuomo's 2016-17 budget would let districts contribute 14.13% of employee costs toward pensions. The District has not opted into the pension smoothing plan.

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

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in creating a stable and reliable fiscal plans.

The State's 2019-2020 enacted budget legislation, which was signed into law on April 12, 2019, will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School Districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

Effective July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which supersedes GASB Statement No. 45. GASB 75 requires the District to recognize the total OPEB liability and related deferred outflows and deferred inflows of resources. The cumulative effect of implementing this required change in accounting principle resulted in a restatement of beginning net position. This statement addresses accounting and financial reporting for other postemployment benefits offered by the District and requires various note disclosures and required supplementary information.

The District is in compliance with the requirements of GASB 75, and a summary of the actuarial valuation is included in the District's June 30, 2018 Financial Audit included herein. The following table summarizes the District's annual OPEB statements for the year ended June 30, 2018:

Information on beginning of year deferred outflows and deferred inflows of resources, and all information for the prior year, is not available and therefore such amounts have not been restated.

	2018
Total OPEB liability – beginning 6/30/17	$16,060,007
Changes for the year:	
Service cost	463,103
Interest	549,562
Changes of benefit terms	1,245
Differences between expected and actual inputs	(457,692)
Changes of assumptions or other inputs	218,651
Benefit payments	(2,060,949)
Net change in total OPEB liability	(1,286,080)
Total OPEB liability – ending 6/30/18	$14,773,927

Investment Policy/Permitted Investments

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

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

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

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

FINANCIAL FACTORS

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District, and State aid. Total general fund revenue during the last five audited fiscal years increased by 14.3%. During this same period real property taxes (including other property tax items) increased 5.6%, and State aid increased 32.0%.

Real Property Taxes

The following table sets forth total general fund revenues and real property tax revenues, including other property tax items, from the last five fiscal years for which audited financial statements are available, and the budgeted amounts for the current and next fiscal year.

TABLE 3
Property Taxes

Fiscal Year	Total Revenues	Real Property Taxes	Real Property Taxes to Revenues
2014	$139,661,854	$79,193,669	56.7%
2015	143,938,858	81,383,589	56.5%
2016	150,648,157	83,296,035	55.3%
2017	154,208,702	83,496,208	54.1%
2018	159,601,964	83,645,084	52.4%
2019 *Budgeted*	163,957,543	84,862,121	51.8%
2020 *Budgeted*	167,276,161	86,036,814	51.43%

Source: District's audited financial statements and budgets.

State Aid

The District also receives a substantial portion of its revenues in the form of State aid for operating purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

The following table sets forth total State aid revenues during the last five fiscal years ended June 30 and the budgeted revenues for the current and fiscal year.

TABLE 4
State Aid Revenue

Fiscal Year	Total Revenues	State Aid	State Aid to Revenues
2014	$139,661,854	$47,274,612	33.8%
2015	143,938,858	49,431,848	34.3%
2016	150,648,157	53,936,523	35.8%
2017	154,208,702	57,968,652	37.6%
2018	159,601,964	62,396,277	39.1%
2019 *Budgeted*	163,957,543	58,402,239	35.6%
2020 *Budgeted*	167,276,161	59,574,000	35.61%

Source: District's audited financial statements and budgets.

In addition to the amount of State Aid budgeted by the District in its 2018-19 fiscal year, the State has made payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see "STAR-School Tax Exemption") Program.

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity ("CFE") v. New York* mandating that the current 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.

The Court emphasized its previous ruling in the *CFE* case that absent "gross educational inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein.

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 ("NYSER") v. State of New York*. The *NYSER* lawsuit asserted that the State failed to comply with the original decision in the Court of Appeals in Campaign for Fiscal Equity, and asked the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the "foundation aid" formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiff's causes of action were properly dismissed except for two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" limited solely to the New York City and Syracuse school districts.

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

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

The Gap Elimination Adjustment ("GEA") law was first introduced for the State's 2010-11 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. Since the program began, the GEA and Deficit Reduction Assessment reduction in State aid for the District has amounted to approximately $7.53 million annually. As a result, the District has been forced to reduce programs, services, and staff accordingly. Beginning in the 2013-14 fiscal year, the State made modest restorations to the GEA. In the 2014-15 fiscal year, the GEA was reduced by $1.68 million, dropping the total GEA to $5.84 million. In the 2015-16 fiscal year, it was further reduced by $3.77 million, yielding a remaining GEA of $2.07 million. In the 2016-17 fiscal year, the GEA was eliminated.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is $4,951,929.

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

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

Recent Events Affecting New York State School Districts

School district fiscal year (2012-13): The budget included an increase of $751 million in State aid for school districts.

School district fiscal year (2013-14): The budget included an increase of $1.0 billion in State aid for school districts.

School district fiscal year (2014-15): The budget included an increase of $807 million in State aid for school districts totally $21.88 billion in State aid for school districts.

School district fiscal year (2015-16): The budget provided for school aid of approximately $23.5 billion, which represented an increase of approximately $1.3 billion, or 7.4%, in total school aid spending from the 2014-15 school year. The budget continued a three-year appropriation methodology established in the 2011-12 State fiscal year and limited future school aid increases to growth as measured by the total personal income of residents of the State.

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

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

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

The State's enacted budget for the 2019-20 fiscal year includes a more than $1 billion increase in aid to schools, which includes a $618 million dollar increase in Foundation Aid. The new Education Aid total is $27.9 billion — an increase of 3.8%. The budget directs a majority of such additional funding (over 70%) to the State's more economically disadvantaged school districts.

The State budget for the 2019-20 fiscal year provides $60.8 million of State Aid to the District, a 1.38% increase from the District's 2018-19 fiscal year.

The District presently anticipates an increase in its State Aid not related to building aid for its 2019-2020 fiscal year in an amount of $1,095,036.

It should also be noted that the District receives federal aid for certain programs. In its last audited fiscal year, the District received $104,874 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the District's 2018-19 or the 2019-20 fiscal years. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

Independent Audit

The District retains independent certified public accountants to audit its financial statements. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Fund Structure and Accounts

The General Fund is the general operating fund for the District which is used to account for substantially all financial resources except those accounted for in another fund. The General Fund accounts for substantially all revenues and expenditures of the District. Special Revenue Funds include: the Lunch Fund, the Special Aid Fund, the Public Library Fund, the School Store Fund and the Risk Retention Fund. A Capital Projects Fund is used to account for and report financial resources used to construct or acquire capital assets. The Debt Service Fund accounts for and reports on the resources used to redeem long-term indebtedness.

Expendable trust funds and funds held in an agency capacity are accounted for in the Trust and Agency Fund. The District also maintains account groups for its General Fixed Asset Accounts and General Long-Term Debt Accounts in order to maintain accountability for its fixed assets and long-term debt, respectively.

Basis of Accounting

The District's governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible ("measurable" and "available" to finance current operations) to accrual, are recorded when received in cash. Revenues susceptible to accrual include real property taxes and State aid. The District generally records expenditures on the accrual basis when fund liabilities are incurred, except as follows: Interest on general obligation debt which is recorded when it becomes due. Unfunded pension costs are recognized as expenditure when billed by the State. Accumulated vacation and sick leave are also accounted for in the general long-term debt account group. Inventories are generally not recorded but expensed at the time of purchase; food and supplies in school lunch are inventoried and carried at values which approximate market. Fixed assets are recorded at replacement cost as determined by appraisal; there is no provision for depreciation expense.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the District as "No Designation."

(See https://osc.state.ny.us/localgov/fiscalmonitoring/schools/pdf/2018/summary-list.pdf)

New York State Comptroller's Audit

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

On November 6, 2015, OSC, Division of Local Government and School Accountability released an audit of the District to review financial management practices from July 1, 2013 through May 12, 2015. The audit found that the District needed to ensure that estimates in the annual budget for the planned use of fund balance are accurate and reasonable and ensure that reserve fund balances are maintained at reasonable levels. The District is currently working to remedy these issues.
(See www.osc.state.ny.us/localgov/audits/schools/2015/kenmoretonawanda.pdf.)

OSC has not conducted any other financial audits of the District in the past five years.

Budgetary Procedure

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. Under current law, the budget is submitted to voter referendum on the third Tuesday in May each year. A summary of the District's budgets for 2017-18 and 2018-19 is shown in Appendix B.

On May 21, 2019 the qualified voters of the District approved the District's on the budget for the 2019-2020 fiscal year.

TAX INFORMATION

Real Property Tax Assessments and Rates

The District derives its power to levy an *ad valorem* real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the Town of Tonawanda. Assessment valuations are determined by the Town assessor and the State Office of Equalization and Assessment which is responsible for certain utility and railroad property. In addition, the State Office of Equalization and Assessment annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation or debt contracting and real property taxing limitations.

TABLE 5
Real Property Tax Assessments and Rates

Assessment Roll Fiscal Year of Levy	**2014** **2014-15**	**2015** **2015-16**	**2016** **2016-17**	**2017** **2017-18**	**2018** **2018-19**
Total Assessed Value	$1,671,079,092	$1,670,316,823	$1,673,147,141	$1,658,889,287	$1,660,473,467
Equalization Rate	46.00	43.50	40.50	39.00	37.00
Full Value	3,632,780,635	3,839,808,789	4,131,229,249	4,253,562,274	4,487,766,127
Total Tax Levy	77,321,512	79,236,785	82,390,409	82,390,409	84,862,121
Tax Rate (1)					
Single-Tier	$ 46.27	$ 47.44	$ 49.33	$ 49.67	$ 51.11

(1) Per $1,000 Assessed Value.

Source: District Officials

Tax Limit

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

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). On April 12, 2019, the enacted State budget legislation made the Tax levy Limitation Law permanent. The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York ("Chapter 20") amended the Tax Levy Limitation Law. Chapter 20 affects the calculation of tax base growth factor and exclusions available to school districts, and introduced a new real property tax rebate, as outlined below.

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

The Tax Levy Limitation Law now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-13 fiscal year.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax exempt real property. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

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

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

Real Property Tax Rebate (Chapter 20). Chapter 20 introduced a new real property tax rebate program that provides State-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption (see "STAR - School Tax Exemption," herein) in the years 2016-2019. Residents of New York City are not eligible for the Chapter 20 Real Property Tax Rebate. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 varied based on a taxpayer's personal income level and STAR tax savings.

The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. However, for many taxpayers only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limitation Law.

While the tax rebate provisions do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do 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.

Tax Collection Procedure

Real property taxes for school purposes are levied by the District but are collected by the Town of Tonawanda. Such taxes may be paid without penalty on or before October 15. Delinquent school tax payments are assessed penalties in accordance with an ascending scale which starts at 5% if paid between October 16 and October 31 and 6% if paid between November 1 and November 30.

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

The County has the power to enforce the collection of real property taxes and to issue and sell tax anticipation notes in order to finance any uncollected taxes returned to the District.

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 in the Town of Tonawanda over 65 years of age with household incomes of \$60,000 or less are eligible for an "enhanced" exemption of \$25,420 while other homeowners are eligible for a \$11,100 "basic" exemption on their primary residence (certified on 04/09/2019) for the 2019-20 fiscal year.

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

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

The maximum savings for the 2019-20 fiscal year for the Town of Tonawanda for a Basic Maximum Savings is $598 and the Enhanced Maximum Savings is $1,317.

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

Largest Taxpayers for the 2018-19 Fiscal Year

The following table presents the taxable assessments of the District's largest taxpayers from the 2018 tax roll for the 2018-19 fiscal year.

TABLE 6
Selected Listing of Large Taxable Properties

Name	Type	Assessed Valuation	% of Taxable Assessed Valuation
National Grid	Utility	$46,280,852	2.79%
National Fuel Gas Dist. & Supply Corp.	Utility	17,989,115	1.08%
Goodyear Dunlop Tire Corp.	Manufacturing	7,857,550	0.47%
Peroxychem LLC	Manufacturing	5,084,400	0.31%
Huntley Power LLC	Utility	5,070,000	0.31%
Praxair Inc.	Manufacturing	4,955,300	0.30%
M.J. Peterson Real Estate	Real Estate	4,455,000	0.27%
NOCO Express Properties	Land	4,016,400	0.24%
Embassy Square Apartments LLC	Apartments	3,536,000	0.21%
PSLT-ALS Properties IV LLC	Apartments	3,240,000	0.20%
		$102,484,617	6.17%

Represents 6.17% of the District’s 2018 Assessed Valuation of $1,660,473,467 used to levy 2018-19 taxes.
Source: Assessor’s Office

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge

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

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

Payment and Maturity

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

General

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "THE BONDS - Nature of Obligations", 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. See, however, the discussion under “TAX INFORMATION-Tax Levy Limitation Law,” herein.

Statutory Procedure

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

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

The Local Finance Law also provides a 20 day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, estops most legal challenges to the validity of obligations authorized by such bond resolution. This procedure has been followed by the District with respect to each of the bond resolutions under which the Bonds are being issued (with the exception of the bond resolution for the financing of the bus purchases that were approved by the voters of the District on May 21, 2019).

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

Debt Limit

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

Statutory Debt Limit and Net Indebtedness

The following table sets forth the computation of the debt limit of the District and its debt contracting margin as of May 22, 2019.

TABLE 7
Statutory Debt Limit and Net Indebtedness

Full Value	$4,487,766,127
Debt Limit: 10% of Full Valuation	448,776,612
Inclusions :	
BANs	44,372,716
Outstanding Bonds (1)	39,263,831
Gross Indebtedness	83,636,547
Exclusions:	
Estimated Building Aid (2)	0
Net Indebtedness of the District	$ 83,636,547
Debt Contracting Margin	$ 365,140,065
Percentage of Debt Contracting Margin Exhausted	18.63%

(1) Includes $26,451,391 of lease/purchase financing obligations that were structured as Qualified Zone Academy Bonds ("QZABs"). This does not represent general obligation debt of the District.

(2) In prior years the District received State debt service building aid in a calculated amount of approximately 75.0% of its outstanding bonded indebtedness. Under "assumed amortization" of State building aid as provided in Chapter 383 of the Laws of 2001 building aid is no longer directly linked to a school district's actual debt service obligations. Accordingly, no assurance can be given regarding the direct or indirect effect that "assumed amortization" will have on the net indebtedness of the District, or the timing or amount of such building aid in connection with school facilities financed with the proceeds of the Bonds. See also "State Aid" herein.

Remedies Upon Default

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

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

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

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

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

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

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

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

Trend of Outstanding Indebtedness

The following table provides information relating to direct capital outstanding indebtedness for the last five fiscal years as follows:

TABLE 8
Outstanding Long-Term Bond Indebtedness

Fiscal Year Ending June 30:	Bonds	Bond Anticipation Notes	Total Outstanding
2014	$60,811,404	$10,850,000	$71,661,404
2015	62,733,370	0	62,733,370
2016	57,027,761	24,176,845	81,204,606
2017	50,957,091	45,301,158	96,258,249
2018	43,864,770	44,372,716	88,237,486

(1) Beginning in 2012-13 bonds included $31,000,000 of lease/purchase financing obligations that were structured as Qualified Zone Academy Bonds (“QZABs”). In 2017-18 the amount of QZABs was $34,402,850. This does not represent general obligation debt of the District.

(2) *Source: District Officials.*

Overlapping and Underlying Debt

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

TABLE 9
Statement of Direct and Overlapping Indebtedness

Overlapping Units	Total Net Indebtedness	As of:	Percentage Applicable	Applicable Net Indebtedness
County of Erie	$432,811,921	09/30/18	7.52%	$32,547,456
Town of Tonawanda	55,534,214	08/14/18	91.66%	50,902,660
Village of Kenmore	16,760,000	05/14/18	100.00%	16,760,000
Total Net Overlapping Debt				$ 100,210,116
Net Direct Debt				$ 83,636,547
Total Net Direct and Overlapping Debt				$183,846,663

Source: State Comptroller's Special Report on Municipal Affairs or more recently published Official Statements.

Debt Ratios

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

TABLE 10
Debt Ratios

	Amount	Debt Per Capita (1)	Debt to Full Value (2)
Net Direct Debt	$ 83,636,547	$1,241	1.86%
Net Direct and Overlapping Debt	183,846,663	2,728	4.10%

(1) The population of the District is estimated by District officials to be approximately 67,380.
(2) The District's full value of taxable real property for fiscal year 2018-19 is $4,487,766,127.

Short-Term Note Indebtedness

Following the issuance of the Bonds, the District will not have any short term indebtedness outstanding.

Other Indebtedness

On May 22, 2008 the District refinanced an installment lease agreement, which originally financed energy improvements to many of the District buildings, in an amount of $15,064,078. Quarterly payments in the amount of $357,320 began on July 15, 2008 and will continue through April 15, 2019. Additionally, in December 2008 the District financed $1,520,992 for Phase II of its energy projects through an installment lease agreement.

Debt Service Schedule

The following table shows the debt service requirements on the District's outstanding bonded indebtedness as of May 22, 2019.

TABLE 11
Schedule of Principal and Interest on Long-Term Bond Indebtedness

Fiscal Year Ending June 30	Principal	Interest	Total
2019	$2,188,203	$96,527	$2,284,730
2020	5,327,887	327,514	5,655,402
2021	5,270,772	246,950	5,517,722
2022	4,303,725	182,421	4,486,146
2023	3,926,747	138,056	4,064,803
2024	3,954,838	106,350	4,061,189
2025	3,497,999	80,326	3,578,325
2026	3,516,229	60,694	3,576,923
2027	3,379,530	40,946	3,420,476
2028	3,392,901	21,147	3,414,048
2029	505,000	4,646	509,646
Total:	$39,263,831	$1,305,577	$40,569,410

Columns may be slightly off due to rounding.

Authorized but Unissued Indebtedness

The District has $1,610,854 of authorized but unissued debt related to a bond resolution adopted on March 10, 2015 following a vote by qualified voters of the District on December 9, 2014, authorizing the issuance of $21,671,000 for the development of arts and athletic venues for the District.

ECONOMIC AND DEMOGRAPHIC DATA

School Enrollment Trends

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

TABLE 12
School Enrollment Trends

Fiscal Year	Actual Enrollment	Fiscal Year	Projected Enrollment *
2016-17	6,738	2019-20	6,566
2017-18	6,699	2020-21	6,500
2018-19	6,652	2012-2022	6,450

Source: District Officials.
* Does not include special education students.

Population

The District estimates its population to be approximately 67,380. The following table presents population trends for the Village of Kenmore, Town of Tonawanda, County and State, based upon recent census data.

TABLE 13
Population Trend

	2000	2010	Percentage Change 2000/2010
Village	16,426	15,423	(6.5%)
Town	78,155	73,567	(6.2%)
County	950,265	914,040	(3.2%)
State	18,976,457	19,378,102	2.1%

Source: U.S. Census.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the County. Data provided for the County is not necessarily representative of the District.

TABLE 14
Civilian Labor Force
(Thousands)

	2014	2015	2016	2017	2018
Town	38.5	38.4	37.9	37.6	37.7
County	448.4	448.5	444.6	443.5	443.4
State	9,529.4	9,561.9	9,557.1	9,561.4	9,574.7

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

Unemployment rates are not compiled for the District, but are available for the County and State. The following table is not necessarily representative of the District.

TABLE 15
Yearly Average Unemployment Rates

Year	Town	County	State
2014	5.4%	6.1%	6.3%
2015	4.6%	5.3%	5.3%
2016	4.2%	4.9%	4.8%
2017	4.5%	5.1%	4.7%
2018	3.9%	4.4%	4.1%

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

TABLE 16
Monthly Unemployment Rates

Month	Town	County	State
March 2018	4.5%	5.1%	4.8%
April	3.9%	4.5%	4.4%
May	3.6%	4.0%	3.7%
June	3.8%	4.3%	4.2%
July	3.7%	4.3%	4.2%
August	3.5%	4.1%	4.1%
September	3.3%	3.7%	3.8%
October	3.2%	3.6%	3.6%
November	3.3%	3.7%	3.5%
December	3.8%	4.2%	3.8%
January 2019	4.2%	4.7%	4.6%
February	4.0%	4.5%	4.4%

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

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District after consultations with its attorneys, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

End of Appendix A

<u>APPENDIX B</u>

SUMMARY OF FINANCIAL

STATEMENTS AND BUDGETS

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT
Balance Sheet
General Fund
As of Fiscal Year Ended June 30:

	2017	2018
ASSETS:		
Unrestricted Cash	$46,060,523	$50,967,180
Other Receivables	232,699	240,547
Due From Other Governments	6,129,420	6,344,769
State & Federal Aid Receivable	2,036,895	2,100,156
Due From Other Funds	1,841,014	2,475,812
Cash Value of Life Insurance	2,005,000	2,005,000
Total Assets	58,305,551	64,133,464
Deferred Outflows of Resources	2,012,238	1,634,715
	$60,317,789	$65,768,179
LIABILITIES AND FUND EQUITY:		
Accounts Payable	$3,674,227	$3,812,918
Accrued Liabilities	10,942,383	10,467,107
Due to State Retirement System	8,250,382	7,137,008
Unearned Revenues	71,457	78,776
Total Liabilities	$22,938,449	$21,495,809
Deferred Inflows of Resources	2,012,238	1,634,715
FUND EQUITY:		
Nonspendable:		
Cash surrender value of Life Insurance	$2,005,000	$2,005,000
Restricted:		
Capital Projects	5,594,948	12,000,000
Debt Service	2,566,770	3,159,260
Employee benefit accrued liability	3,964,299	3,682,618
Workers' Compensation	965,786	824,328
Retirement Contribution	2,896,934	3,378,126
Unemployment Insurance	383,063	388,434
Repair	1,474,601	1,495,277
Tax certiorari	1,701,658	1,209,530
Assigned:		
Designated for Subsequent Year's Expenditures	5,850,000	5,850,000
Other purposes	1,535,659	2,104,219
Unassigned	6,428,384	6,540,863
Total Fund Equity	35,367,102	42,637,655
Total Liabilities and Fund Equity	$60,317,789	$65,768,179

Source: Annual Audited Financial Report of the District

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Revenues:					
Real Property Taxes and Other Items	$79,193,669	$81,383,589	$83,296,035	$83,496,208	$83,645,084
Non-Property Taxes	8,094,398	8,158,846	8,123,517	8,161,321	8,228,474
Charges for Services	2,034,464	2,267,123	2,388,180	2,711,316	2,461,468
Use of Money and Property	436,915	373,428	351,894	355,603	1,056,727
Sale of Property & Comp. for Loss	27,853	55,208	362,325	30,690	187,845
Miscellaneous	2,243,165	2,066,987	2,011,335	1,347,369	1,521,326
State Sources	47,274,612	49,431,848	53,936,523	57,968,652	62,396,166
Federal Sources	356,778	201,829	178,348	137,543	104,874
Total Revenues	139,661,854	143,938,858	150,648,157	154,208,702	159,601,964
Expenditures:					
General Support	14,124,313	13,897,820	13,563,467	13,399,366	14,734,667
Instruction	83,024,886	85,308,318	87,397,937	87,738,724	89,671,808
Pupil Transportation	4,530,897	4,563,843	4,541,115	5,347,596	5,449,080
Community Services	246,322	248,091	238,519	246,412	259,748
Employee Benefits	31,594,273	33,130,858	32,557,276	31,355,517	30,659,277
Debt Service	8,353,212	8,753,726	9,568,457	9,979,948	11,836,947
Total Expenditures	141,873,903	145,902,656	147,866,771	148,067,563	152,611,527
Excess (Deficiency) of Revenues Over Expenditures	(2,212,049)	(1,963,798)	2,781,386	6,141,139	6,990,437
OTHER FINANCING SOURCES (USES):					
BAN premium	0	0	271,891	381,436	528,475
Operating Transfers Out	108,832	(6,260,437)	0	(223,110)	(248,359)
Transfers other - fiduciary fund	777,610	0	320,087	0	0
TOTAL OTHER FINANCING SOURCES	886,442	(6,260,437)	591,978	158,326	280,116
NET CHANGE IN FUND BALANCES:	(1,325,607)	(8,224,235)	3,373,364	6,299,465	7,270,553
Fund Balance Beginning of Year	35,244,115	33,918,508	25,694,273	29,067,637	35,367,102
Fund Balance End of Year	$33,918,508	$25,694,273	$29,067,637	$35,367,102	$42,637,655

Source: Annual Audited Financial Report of the District

KENMORE-TOWN OF TONAWANDA UNION FREE SCHOOL DISTRICT
Statement of Estimated Revenues and Appropriations
General Fund
Fiscal Year Ended June 30:

	Adopted Budget 2018-19	Adopted Budget 2019-20
ESTIMATED REVENUES:		
Real Property Taxes:		
Levy (including STAR)	$84,862,121	$86,036,814
Payments In Lieu of Taxes	1,052,983	1,045,469
Total Property Taxes	85,915,104	87,082,283
Federal and State Aid:		
Basic Formula Aid	58,402,239	59,574,000
Federal Aid	130,000	130,000
Total State and Federal Aid	58,532,239	59,704,000
Other Sources:		
Sales Tax	8,150,000	8,150,000
Interest on Investments	55,000	100,000
Rentals	769,000	803,678
Charges for Tuition and Other Services	2,005,000	2,005,000
All other	681,200	681,200
Total Other Sources	11,660,200	11,739,878
Fund Balance:		
From Surplus	7,850,000	8,750,000
Total Fund Balance	7,850,000	8,750,000
TOTAL REVENUES AND APPROPRIATED FUND	$163,957,543	$167,276,161
APPROPRIATIONS:		
Administrative	$5,339,499	$5,622,093
Instruction	94,551,122	99,130,502
Pupil Transportation	5,745,328	5,812,681
Employee Benefits	35,529,518	35,511,897
Operation and Maintenance	10,245,673	10,091,563
Debt Service	12,171,403	10,732,425
Interfund Transfers	375,000	375,000
TOTAL APPROPRIATIONS	$163,957,543	167,276,161

Source: Adopted Budgets

APPENDIX C

INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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

https://emma.msrb.org/ER1174283-ER917861-ER1318395.pdf

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

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