

## PRELIMINARY OFFICIAL STATEMENT DATED JULY 21, 2020

### NEW ISSUE

### REVENUE ANTICIPATION NOTES

*In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to Erie 1 BOCES under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. In addition, in the opinion of Bond Counsel to Erie 1 BOCES, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS" herein.*

*Erie 1 BOCES will not designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*

### BOARD OF COOPERATIVE EDUCATIONAL SERVICES FIRST SUPERVISORY DISTRICT - ERIE COUNTY, NEW YORK ("Erie 1 BOCES")

**\$8,000,000\***

### REVENUE ANTICIPATION NOTES - 2020 (the "Notes")

**Dated: August 11, 2020**

**Due: April 30, 2021**

The Notes will be unsecured general obligations of the Board of Cooperative Educational Services, First Supervisory District – Erie County, New York, ("Erie 1 BOCES"), payable as to both principal and interest from any monies of Erie 1 BOCES legally available therefore. The Notes are being issued in anticipation of the receipt of revenues due from Component School Districts. Erie 1 BOCES has no taxing power.

The Notes will not be subject to redemption prior to maturity.

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

If the Notes are issued registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by Erie 1 BOCES, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidders.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by Erie 1 BOCES to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Erie 1 BOCES will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

CUSIP identification numbers will be printed on the Notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by Erie 1 BOCES; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser. DTC is an automated depository for securities and a clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry-only system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfer of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may be made only through book entries made on the books and records of DTC (or a successor depository) and its participants.

The Notes are dated August 11, 2020 and bear interest from that date until April 30, 2021, the maturity date, at the annual rate as specified by the purchaser of the Notes. The Notes are not subject to redemption prior to maturity.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of an unqualified approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about August 11, 2020.

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY ERIE 1 BOCES FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). SEE "DISCLOSURE UNDERTAKING FOR THE NOTES" HEREIN. CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES HEREIN DESCRIBED, AS REQUIRED BY THE RULE.

July 21, 2020

\*Preliminary, subject to change.

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
FIRST SUPERVISORY DISTRICT – ERIE COUNTY, NEW YORK  
2019-2020  
BOARD OF EDUCATION**

**JOHN SHERMAN  
President**

Edward Cavan..... Vice President  
Mary Busse .....Trustee  
Raymond Carr.....Trustee  
Andrew Loeb .....Trustee  
Janet MacGregor Plarr .....Trustee  
Renee Wilson.....Trustee

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Lynn Marie Fusco..... District Superintendent  
James Fregelette.....Executive Director, Administration and Operations  
Lynn Bogdan..... Treasurer  
Timothy Kehoe .....Purchasing Manager  
Denise Polanski.....District Clerk  
Colleen Sloan..... District Legal Counsel

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**BOND COUNSEL**

**Hawkins Delafield & Wood LLP  
New York, New York**

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**MUNICIPAL ADVISOR**



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

No dealer, broker, salesman or other person has been authorized by Erie 1 BOCES to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by Erie 1 BOCES from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Erie 1 BOCES since the date hereon.

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## **OFFICIAL STATEMENT**

### **BOARD OF COOPERATIVE EDUCATIONAL SERVICES FIRST SUPERVISORY DISTRICT - ERIE COUNTY, NEW YORK**

**\$8,000,000\***

### **REVENUE ANTICIPATION NOTES - 2020** [the "Notes"]

This Official Statement which includes the cover page and appendices hereto, presents certain information relating to the Board of Cooperative Educational Services of the First Supervisory District – Erie County, New York ("Erie 1 BOCES", "County" and "State", respectively), in connection with the sale of \$8,000,000\* Revenue Anticipation Notes – 2020. All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State") and acts and proceedings of Erie 1 BOCES contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of Erie 1 BOCES relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

## **THE NOTES**

### ***Description***

The Notes will be dated and will mature, without the option of prior redemption as reflected on the cover page hereof.

### ***Authority for and Purpose of Issue***

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 25.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a revenue anticipation note resolution adopted by the Erie 1 BOCES Board on April 8, 2020 to finance cash flow requirements necessitated by the timing of receipts and expenditures. The Notes are authorized to be issued in anticipation of the receipt of revenues due from the component school districts for services or for administrative and clerical expenses.

### ***Nature of Obligation***

Each Note when duly issued and paid for will constitute a contract between Erie 1 BOCES and the holder thereof.

The Notes will be unsecured general obligations of Erie 1 BOCES, payable as to both principal and interest from any monies of Erie 1 BOCES legally available therefor. The Notes do not constitute a debt or obligation of the County of Erie or any component school district of Erie 1 BOCES. Erie 1 BOCES has no taxing power.

### ***Book-Entry-Only System***

If the Notes are registered to the Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Notes 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")

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\*Preliminary, subject to change.

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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each 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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. 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 Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Notes 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 Erie 1 BOCES, 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 Erie 1 BOCES, 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 Erie 1 BOCES, 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 Erie 1 BOCES. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

Erie 1 BOCES 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 Erie 1 BOCES believes to be reliable, but Erie 1 BOCES takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

## **ERIE 1 BOCES**

### ***Purposes of BOCES***

A Board of Cooperative Educational Services also known as a cooperative board or a shared services board is an educational agency that serves a cluster of local school districts within a region known as "the component school districts". Erie 1 BOCES, for which the Notes are being issued, is the 5th largest of the 37 BOCES Districts in New York State. The Erie 1 BOCES has a contract to provide services to approximately 70,500 students within the 19 component school districts in Erie County, as well as approximately 300 non-component districts across New York State. The function of this agency is to service its member districts, mainly to broaden educational opportunities for the local school child. Among services for elementary and secondary school youths:

- To administer occupational education centers for career-bound teenagers.
- To operate special schools and classrooms for youngsters who are handicapped.
- To conduct programs of outdoor education, performing arts education, computer-assisted instruction, and cultural and academic enrichment.
- To supply skilled teachers of special subjects, including art, music, driver education, foreign language, physical education, remedial reading, and technical education.
- To provide the services of psychiatrists, psychologists, social workers, counselors, dental hygienists, nurse-teachers, speech and hearing therapists, and other specialists.
- To operate educational television networks, centralized film libraries, and instructional media centers.

Through the cooperative boards, these and other programs and services are available to the local school pupil as part of their regular schooling to supplement the educational offerings of their home district. They are delivered to the student in their home or school in some cases; in others, they are bused to a nearby BOCES center.

In addition to services being rendered directly to the pupil, the cooperative boards provide many services directly to local school administrators, teachers and other staff members.

- To supply a variety of automated data processing services, including budgetary accounting, secondary school scheduling, grade reporting and averaging, attendance accounting, school census reporting, payroll preparation and standardized test scoring.
- To provide itinerant teachers and specialists who divide their time among two or more local districts and work under the direction of local staff.
- To furnish research and development specialists who assist in local curriculum planning and development.
- To conduct in-service training courses for teachers and administrators.
- To maintain central libraries of educational research materials.
- To train school bus drivers and custodians.
- To furnish consultants of every kind.
- To process and catalog school library books.
- To assist in the purchase of equipment and supplies through a program of cooperative purchasing.

- To microfilm personnel records and help local districts recruit new teachers and administrators; and assist teachers to obtain certification after meeting state requirements for teaching positions.

ERIE 1 BOCES HAS NO DIRECT TAXING AUTHORITY, AND LIKE OTHER PARTNERSHIPS AND COOPERATIVES, IT RECEIVES ITS FINANCIAL SUPPORT FROM THOSE WHO RECEIVE ITS BENEFITS. Thus, except for occasional federal grants, and even less occasional special grants, Erie 1 BOCES derives all of its financial support from local school districts. Erie 1 BOCES' ability to borrow in the form of revenue anticipation notes is well-anchored in existing statutes and is supported by existing executed contracts with the component school districts from whom such revenue will be received. Of particular note in this regard is Section 1950, 4g, of the New York State Education Law, which gives statutory authority for Erie 1 BOCES to borrow money in anticipation of revenue due to BOCES; Chapter 914 of the Laws of 1977, which amends the New York State Local Finance Law by deeming a BOCES to be a school district for purposes of issuing revenue anticipation notes; and Section 1950, 4d, of the New York State Education Law, which provides for completion of legal contracts by component school districts of a BOCES prior to the beginning of the fiscal year. It should also be noted that such State Aid payments due the districts are channeled through Erie 1 BOCES for certain services except specific handicapped students covered under Chapter 53, laws of 1980, Public Excess Cost Aid.

### ***Component School Districts***

The component school districts which comprise Erie 1 BOCES are listed on page A-3 in Appendix A.

### ***Revenue from Component School Districts***

Erie 1 BOCES bills component school districts during the year on the basis of estimated operating costs. At the end of the year, billings are adjusted to reflect the actual cost of operations. Each component school district is charged for the specific services used, except for administrative and facilities rental costs, which are charged to component school districts on the basis of each district's resident weighted average daily attendance of the second preceding year.

It should be noted that all 19 member school districts of the Erie 1 BOCES have formally contracted with Erie 1 BOCES for the administrative and rental of facilities expenses. The 2020-21 General Fund budget appropriations amount to \$140,020,691, of which \$6,860,859 represents guaranteed revenue to cover administrative and rental of facilities expenses. The remaining \$133,159,832 represents program or service cost expenditures.

### ***Revenue from Non-Component School Districts***

In addition to the 19 members school districts that contract for services from Erie 1 BOCES there are approximately 300 non-component districts which purchase services. Most of these services are provided by the Information Technology Services and Learning Technology Services divisions which make up a Regional Information Center (RIC). The RICs were set up by New York State to provide regional centers for computer support, training and service. The Western New York Regional Information Center is made up of districts located in Allegany, Cattaraugus, Chautauqua, Erie, Niagara, Orleans and Steuben counties. Districts are billed similar to component districts through their local BOCES. Other services Erie 1 BOCES provides to non-component districts include the Policy and Finance & Legislation services. Policy is offered statewide and the Finance & Legislation program is offered regionally. For the 2020-21 school year the current number of contracts by non-component school districts equals \$58,236,907.

### ***Budgetary Procedures***

Pursuant to Education Law, Erie 1 BOCES annually prepares, prior to the annual meeting of the Boards of Education of the Component School Districts, a tentative budget for Erie 1 BOCES program.

Prior to February 1st, requests for services are filed by the Component School District's with Erie 1 BOCES, which thereafter submits its program to the New York State Education Department for approval. Erie 1 BOCES notifies



each Component School District on or before March 10th as to the services which have been approved by the Commissioner of Education, after which each Component School District notifies Erie 1 BOCES on or before May 1st of its intention to participate in such shared services. A meeting of the component boards of education is held prior to May 15th at which time the tentative budget is available for inspection by said board of education. After such annual meetings, Erie 1 BOCES adopts the budget for the ensuing year.

Such budget, when so adopted, after deducting applicable State aid grants and other revenues is charged against all of the component School Districts which are required to add such amount to the budget of such Component School District, levy and collect the same at the same time and in the same manner as such district collects other taxes for its own use and pay such amounts to the Treasurer of Erie 1 BOCES. In the event the tentative budget of a Component School District is not approved by a majority of the voters, such charge from Erie 1 BOCES may be raised by such Component School Districts as an ordinary contingent expense in a like manner as if the same had been voted by the voters.

### ***Contractual Agreement***

Upon adoption of the budget for the ensuing fiscal year, contracts are drafted and executed by Erie 1 BOCES and the respective Component School Districts. Said contracts are based on the budget estimates.

The contracts, along with the State required Cooperative Service Agreement (“COSER”) form (which specifies program content of the proposed services to be performed by Erie 1 BOCES) are forwarded to the State Commissioner of Education. The State Commissioner of Education notifies Erie 1 BOCES of any programs or services deemed ineligible for State aid. With the knowledge of approved programs contents for State aid, Erie 1 BOCES and Component School Districts may modify the aforementioned contracts. Said contracts are also adjusted for more accurate cost projections and then resubmitted to the State Commissioner of Education. All contracts must be approved by the Commissioner’s office. Such approval is usually routinely granted, however, the contracts are not valid and binding until such approval is obtained. Each Component Erie 1 BOCES is billed pursuant to its contract, and remits to the Treasurer of Erie 1 BOCES.

### ***Percentage of Contractual Liability***

The percentage of contractual liability by Component School Districts for the 2019-20 fiscal year and the projected contractual liability for the 2020-21 fiscal year is included in Appendix A.

### ***State Aid***

The component school districts are eligible for State aid for payments to Erie 1 BOCES at levels commensurate with other operating expenditures. However, such aid is received in the ensuing fiscal year by Erie 1 BOCES, less deductions for the New York State Teacher’s Retirement System. Erie 1 BOCES remits the applicable State aid to each component school district in the same fiscal year in which such aid is received by Erie 1 BOCES.

There is no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the component districts of Erie 1 BOCES can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget. In any event, State aid appropriated and apportioned to the component districts of Erie 1 BOCES can be paid only if the State has such monies available therefor.

No delay in payment of State aid to component school district’s 2020-21 fiscal year is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. Should the component school districts of Erie 1 BOCES fail to receive monies expected from the State in the amounts and at the times expected, the school districts are permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

The amount of State aid to component school districts of the BOCES is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the

Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it have and are expected to continue to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the component school districts of the BOCES and the BOCES.

It is anticipated that the State Budget Director's powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020 the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projects a \$13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

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

### ***Form of BOCES Government***

Like all other public school systems in New York State, Erie 1 BOCES operates under the Education Law and the rules and regulations of the Commissioner of Education. Section 1950 and Section 1951 of the Education Law apply particularly to the cooperative boards, outlining their relationships with the local districts, specifying their duties and responsibilities, and authorizing them to hire staff members, enter into contracts, and generally operate like a local district.

Like other public school systems, Erie 1 BOCES is governed by a policy-making Board of Education. Its seven members are elected by the Boards of Education of member districts. Members of Erie 1 BOCES board serve three-year terms. The election must be held between April 16th and April 30th.

The chief executive officer of Erie 1 BOCES is a district superintendent who also is an officer of the State Education Department. She is appointed by Erie 1 BOCES board, subject to the Commissioner of Education's approval, and she administers Erie 1 BOCES in accordance with state law and the board's policies.

The district superintendent is accountable to her board and the Commissioner. Erie 1 BOCES board is accountable to the local boards and the Commissioner. The President of the Board of Education of Erie 1 BOCES is the chief fiscal officer of Erie 1 BOCES.

## ***Employees***

Erie 1 BOCES employs approximately 902 employees. The number of employees represented by unions is shown as follows:

**TABLE 1**  
**Employees**  
(As of June 30, 2020)

<b><u>Employees</u></b>	<b><u>Union Representation</u></b>	<b><u>Contract Expiration Date</u></b>
330	AFSCME – 12 month	June 30 2023
14	Erie 1 Administrators Association	June 30 2021
263	Erie 1 Professional Educators Association	June 30 2022
116	Erie 1 Management Association	June 30 2021
29	Exempt/Confidential	June 30 2021
150	AFSCME – 10 month	June 30 2021

## ***Employee Pension Benefits***

New York State Certified (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). Payments to the TRS are generally deducted from State aid payments. All non-certified employees of Erie 1 BOCES 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 State and Local Employee's Retirement System (“ERS”). Both the TRS and ERS (the “State Retirement System” or “SRS”) are noncontributory with respect to members hired prior to July 1, 1976. All members of the respective systems that were hired on or after July 1, 1976 and before December 31, 2009, with less than 10 year’s full-time service, contributed 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2013, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2013. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of Erie 1 BOCES. Under the previous method, Erie 1 BOCES was unsure of how much it paid to the system until after its budget was implemented. Under the current method the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1 instead of the following April 1 so that Erie 1 BOCES will be able to more accurately include the cost of the contribution into its budget. The reform legislation also (i) required Erie 1 BOCES 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.

Due to poor performance of the investment portfolio of the State Retirement System, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rates for required pension contributions to the SRS will continue to increase. To help mitigate the impact of their ERS increases, legislation has been enacted that permits local governments and school district to amortize a portion of such contributions. Under such legislation, local governments and school district that choose to amortize a portion of their ERS contributions will be required to set aside and reserve funds with the SRS for certain future rate increases.

In Spring 2013, the State and TRS approved a Stable Contribution Option (“SCO”) that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan, which was approved in Governor Cuomo’s 2014-15 budget would let districts contribute 14.13% of employee costs toward pensions. The Erie 1 BOCES has not opted into the pension smoothing plan.

On September 4, 2015, the State Comptroller announced for Fiscal Year 2016-17, the average contribution rate for ERS will decrease from 18.2% to 15.5% and the average contribution rate for PFRS will decrease from 24.7% to 24.3%. This marks a third year in a row in which there will be a decline in pension contribution rates, which the State Comptroller states is a result of solid investment returns. The announced rates will apply to each employer's salary base during the period April 1, 2015 through March 31, 2016. Payments based on those rates are due by February 1, 2020, but may be prepaid by December 15, 2016.

The New York State ERS rate for the 2019-20 fiscal year is 14.6%. The 2020-21 ERS rate is not expected to change. The New York State TRS rate for the 2019-20 fiscal year are 8.86%. The 2020-21 TRS rate is expected to be 9.53%.

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

### ***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.

The District early implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the fiscal year ended June 30, 2017. The implementation of GASB Statement No. 75 requires the District’s net OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position.

The 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, 2019 Financial Audit attached herein.

The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	<b>Total OPEB Liability</b>
Balances as June 30, 2018,	<u>\$3,133,435</u>
Changes for the year:	
Service cost	63,842
Interest	104,300
Change in benefit terms	300,011
Differences between expected and actual experience	893,137
Changes in assumptions or other inputs	6,202
Benefit payments	<u>(308,082)</u>

Net changes in total OPEB liability	<u>1,059,410</u>
Balance at June 30, 2019	<u>\$4,192,845</u>

### ***Enrollment Trends***

The following table presents the past and projected school enrollment statistics for Erie 1 BOCES:

**TABLE 2**  
**School Enrollment Trends**  
(Fiscal Year Ending June 30)

<b><u>Fiscal Year Ending June 30:</u></b>	<b><u>Actual Enrollment</u></b>	<b><u>Fiscal Year Ending June 30</u></b>	<b><u>Projected Enrollment</u></b>
2017	4,537	2021	3,770
2018	4,297	2022	3,582
2019	4,544	2023	3,300
2020	4,098	2024	3,300

### ***BOCES Facilities***

Erie 1 BOCES currently operates in the following facilities:

**TABLE 3**  
**School Facilities**

<b><u>Erie 1 Service Centers</u></b>	<b><u>Service</u></b>	<b><u>Own/Lease</u></b>	<b><u>Annual Rental &amp; Lease Payments</u></b>
Harkness Career and Technical Center	Career & Technical Education	Owned	\$ 0
Kenton Career & Technical Center	Career & Technical Education	Owned	0
Potter Career & Technical Center	Career & Technical Education	Owned	0
West Seneca	General Service & Administrative	Leased	1,639,620
Northtowns Academy (Sweet Home)	OSP & Alt. Ed.	Leased	412,619
West Seneca – Orchard Park	Special Education	Leased	127,292
E1B Learning Center (West Seneca)	Special Education	Leased	296,125
E1B Maryvale Center	Special Education	Leased	260,163
Special Education – 48 buildings/93 classrooms	Spec Ed classrooms	Leased	75,000
Special Education – 3 Buildings	Special Education Summer Program	Leased	48,000
Edge Academy (Cheektowaga)	Alternative Education	Leased	<u>531,811</u>
	<b>Total:</b>		<b>\$3,390,630</b>

*Source: Erie 1 BOCES Officials*

### ***Financial Statements***

Erie 1 BOCES retains independent Certified Public Accountants. The last audited report covers the period ending June 30, 2019 and is included as Appendix B. In addition, the State Comptroller's office and Department of Audit and Control, periodically performs a compliance review to ascertain whether Erie 1 BOCES has complied with the requirements of various State and Federal statutes.

Summary of revenues and expenditures, balance sheets and current budgets are included in Appendix A.

### ***Investment Policy***

Pursuant to State law, including sections 10 and 11 of the General Municipal Law (the "GML"), Erie 1 BOCES is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured

under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The authority to deposit and invest funds is delegated to the Treasurer. These functions shall be performed in accordance with the applicable sections of the General Municipal Law and the Local Finance Law of the State of New York. In accordance with Erie 1 BOCES investment policy adopted June 14, 2000, the Treasurer may invest funds in the following eligible investments: (1) Obligations of the State of New York. (2) Obligations of the United States Government, or any obligations for which principal and interest are fully guaranteed by the United States Government. (3) Time Deposit Accounts placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law. [Banking Law Section 237(2) prohibits a savings bank from a local government. This also applies to savings and loan associations.] (4) Transaction accounts (demand deposits) both interest bearing and non-interest bearing that do not require notice of withdrawal placed in a commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law. (5) Certificates of Deposits placed in a commercial bank authorized to do business in the State of New York providing the Certificates are collateralized as required by law. (6) Securities purchased pursuant to a Repurchase Agreement whereby one party purchases securities from a second party and the second party agrees to repurchase those same securities on a specific future date at an agreed rate of return (the interest rate).

All of the foregoing instruments and investments are required to be payable or redeemable to the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments or 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 Erie 1 BOCES, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education of Erie 1 BOCES has adopted an investment policy and such policy conforms to applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of Erie 1 BOCES are made in accordance with such policy.

### ***Tax Collection Procedure of Component School Districts***

Erie 1 BOCES has no taxing power.

Property taxes for school districts in Erie County are levied by the Component Districts, and are collected in most cases by the town tax receivers. Such taxes are due on September 15, and may be paid without penalty through October 15. The town tax receiver pays to each school district monies as the amounts are collected.

The penalty on unpaid taxes is 5% from October 16 to October 31 and an additional 1% for each month thereafter.

On or before December 1, the town tax receiver files a report of any uncollected school district taxes with the County. The County thereafter on or before April 1 pays to each school district the amount of its uncollected taxes. Thus, each school district receives its full levy prior to the end of its fiscal year.

### ***The Tax Levy Limit Law***

The following information relates to the Component School Districts of Erie 1 BOCES. Erie 1 BOCES has no taxing power.

On June 24, 2011, Chapter 97 of the Laws of 2011 (herein referred to as the “Tax Levy Limit Law” or “Law”) was signed by the Governor. The Tax Levy Limit Law modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. The Law is effective for school district’s 2020-2021 fiscal year, commencing July 1, 2020. As a result, the Law applies to taxes levied or to be levied to pay debt service on the Notes, which are expected to be paid from taxes levied during the 2020-2021 fiscal year.

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

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

***Real Property Tax Rebate.*** Chapter 59 of the Laws of 2014 ("Chapter 59") includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2019 and 2020 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2020 and 2021 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2019 and 2020 and 2020 and 2021 fiscal years. Other municipal units of government must have their budgets in compliance for their 2020 and 2021 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

While the provisions of Chapter 59 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.

### ***Revenue Anticipation Notes***

The following table shows revenue anticipation notes issued for the last five fiscal years.

**TABLE 4**  
**Revenue Anticipation Notes**

<b><u>Fiscal Year Ending</u></b> <b><u>June 30</u></b>	<b><u>Amount</u></b>
2016	\$4,500,000
2017	4,500,000
2018	5,000,000
2019	0
2020	0

### ***Other Indebtedness***

Other than the Notes described herein, Erie 1 BOCES has no other indebtedness except for several installment purchase agreements for the purchase of computer equipment for terms of up to 60 months. The future minimum payments as of June 30, 2019 are as follows:

**TABLE 5**  
**Installment Purchase Agreements**

<b><u>Fiscal Year Ending</u></b> <b><u>June 30</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>
2020	\$7,316,876
2021	5,791,209
2022	3,619,430
2023	1,734,198
2024	<u>122,288</u>
Balance at June 30, 2019	<u>\$18,584,001</u>

*Source: Audited Financial Statements ending June 30, 2019*

Changes in the total installment purchase agreements of Erie 1 BOCES for the year ended June 30, 2019 were as follows:

<b><u>Balance</u></b> <b><u>July 1, 2018</u></b>	<b><u>Additional</u></b> <b><u>Agreements</u></b>	<b><u>Payments</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2019</u></b>
<u>\$18,841,144</u>	<u>\$9,784,032</u>	<u>\$10,041,175</u>	<u>\$18,584,001</u>

*Source: Audited Financial Statements ending June 30, 2019*

### ***Other Information***

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

This Official Statement does not include financial data of any political subdivision having power to levy taxes within the component school districts of Erie 1 BOCES.

The fiscal year of Erie 1 BOCES is July 1 to June 30.



## **ECONOMIC AND DEMOGRAPHIC DATA**

### ***Population***

The following table presents population trends for the County and the State, based on recent census data. Data provided for the County is not necessarily representative of Erie 1 BOCES.

**TABLE 6**  
**Population Trend**  
*(In thousands)*

	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>Percentage Change</u></b>
County	950,265	919,040	(3.2%)
State	18,976,457	19,378,102	2.1%

*Source: United States Census Bureau.*

### ***Income***

The following table presents per capita and median household income for the County and the State. Data provided for the County is not necessarily representative of Erie 1 BOCES.

**TABLE 7**  
**2010 Income**

	<b><u>Per Capita</u></b>	<b><u>Median Household Income</u></b>
County	\$25,387	\$46,816
State	\$30,011	\$54,148

*Source: United States Census Bureau.*

### ***Employment and Unemployment***

The following tables provide information concerning employment and unemployment in the County and the State. Data provided for the County and the State is not necessarily representative of Erie 1 BOCES.

**TABLE 8**  
**Yearly Average Unemployment Rates**

<b><u>Year</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
2015	5.3%	5.3%
2016	4.9%	4.8%
2017	5.2%	4.7%
2018	4.4%	4.1%
2019	4.3%	4.0%

*Source: New York State Department of Labor*

**TABLE 9**  
**Monthly Unemployment Rates**

<u>Month</u>	<u>County</u>	<u>State</u>
June 2019	4.0%	3.8%
July	4.5%	4.2%
August	4.4%	4.1%
September	3.9%	3.6%
October	4.0%	3.7%
November	4.1%	3.6%
December	4.6%	3.7%
January 2020	4.9%	4.1%
February	4.7%	3.9%
March	4.8%	4.2%
April	18.7%	15.1%
May	13.9%	14.2%
June	NA	15.6%

Source: New York State Department of Labor.

**TABLE 10**  
**Civilian Labor Force**  
(Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County	448.6	444.1	444.1	442.1	441.3
State	9,558.8	9,551.9	9,549.1	9,521.9	9,514.4

Source: New York State Department of Labor

**TABLE 11**  
**Largest Employers in County**  
(as of December 31, 2019)

<u>Employer</u>	<u>Type of Activity</u>	<u>Number of Full Time Employees</u>
State of New York	Government	22,100
U.S. Government	Government	15,000
Kaleida Health	Health Care	9,391
City of Buffalo	Government	9,230
M & T Bank	Commercial Bank	7,892
Catholic Health System	Health Care	7,826
University of Buffalo	Education	7,078
Wegmans Food Markets Inc.	Retail	5,576
Tops Friendly Markets	Retail	5,311
County of Erie	Government	4,120

Source: Official Statement of Erie County dated December 31, 2019

## ***Largest Taxpayers***

The following table presents the full valuations of ten of the County's largest taxpayers for the 2019-20 fiscal year.

**TABLE 12**  
**Largest Taxable Properties**  
(as of December 31, 2019)

	<b><u>Equalized Full Valuation</u></b>	<b><u>% of Equalized Full Valuation</u></b>
National Grid / Niagara Mohawk	\$948,777,944	1.56%
National Fuel Gas Corporation	795,293,745	1.30%
Benderson Development Company, Inc.	733,714,820	1.20%
Pyramid Company of Buffalo	295,506,045	0.48%
NY State Electric and Gas Corporation	271,161,132	0.44%
Uniland Development	256,941,394	0.42%
Ellicott Group LLC	250,709,648	0.41%
Verizon New York, Inc.	196,571,908	0.32%
Norfolk/Conrail/CSX	192,423,912	0.32%
Ciminelli International	182,520,772	0.30%
TOTAL:	<b><u>\$4,123,621,320</u></b>	<b><u>6.76%</u></b>

*Source: Official Statement of Erie County dated December 31, 2019*

## **MARKET MATTERS AFFECTING FINANCINGS** **OF THE MUNICIPALITIES OF THE STATE**

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

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

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

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

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

## **COVID 19**

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on Erie 1 BOCES and Component School District's financial condition and operating results by potentially delaying the receipt of real property taxes to the Component School Districts or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and nonessential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to Erie 1 BOCES and Component School District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including Erie 1 BOCES. Erie 1 BOCES is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" herein).

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

## **LITIGATION**

In common with other public school districts, Erie 1 BOCES from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for Erie 1 BOCES, 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 Erie 1 BOCES, would have an adverse material effect on the financial condition of Erie 1 BOCES.

## **TAX MATTERS**

### ***Opinion of Bond Counsel***

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to Erie 1 BOCES, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed upon such corporations. The Tax Certificate of Erie 1 BOCES (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by Erie 1 BOCES in connection with the Notes, and Bond Counsel has assumed compliance by Erie 1 BOCES with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to Erie 1 BOCES, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York.

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

### ***Certain Ongoing Federal Tax Requirements and Certifications***

The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on such Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. Erie 1 BOCES, in executing the Tax Certificate, will certify to the effect that Erie 1 BOCES will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

### ***Certain Collateral Federal Tax Consequences***

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

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

### ***Original Issue Discount***

“Original Issue Discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Notes of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Note having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Note under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Notes.

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

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

### ***Note Premium***

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

### ***Information Reporting and Backup Withholding***

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

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

### ***Miscellaneous***

Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise

prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or the marketability of the Notes.

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

## **DISCLOSURE UNDERTAKING FOR THE NOTES**

This Official Statement is in a form “deemed final” by Erie 1 BOCES for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, Erie 1 BOCES will provide an executed copy of its “Undertaking to Provide Notices of Events” substantially as set forth in Appendix D hereto.

## **RATING**

As Erie 1 BOCES has no outstanding bonded indebtedness, Erie 1 BOCES has neither sought nor received an underlying assessment of its credit worthiness from a municipal bond credit rating agency.

Erie 1 BOCES did not apply for a rating on the Notes.

## **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC has acted as Municipal Advisor to Erie 1 BOCES in connection with the sale of the Notes.

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 Erie 1 BOCES 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 Notes.

## **ADDITIONAL INFORMATION**

Additional information may be obtained from Jim Fregelette, Director Finance and Administration at 355 Harlem Road, West Seneca, NY 14224, phone: (716) 821-7100, email: jfregelette@e1b.org or Capital Markets Advisors, LLC, Financial Advisor to Erie 1 BOCES, at (716) 662-3910.

This Official Statement is submitted only in connection with the sale of the Notes by Erie 1 BOCES and may not be reproduced or used in whole or in part for any other purpose.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://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 Erie 1 BOCES nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and Erie 1 BOCES 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 Erie 1 BOCES also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

**BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
FIRST SUPERVISORY DISTRICT**

By: \_\_\_\_\_  
John Sherman  
President of the Board of Education

Dated: July 21, 2020



## **APPENDIX A**

**BOARD OF COOPERATIVE EDUCATION SERVICES  
FIRST SUPERVISORY DISTRICT OF ERIE COUNTY**

**General Fund**

**Balance Sheets**

**Fiscal Year Ended June 30:**

	<u>2018</u>	<u>2019</u>
<u>Assets:</u>		
Cash and Cash Equivalents	\$17,227,635	\$14,860,005
Due From School Districts	16,082,692	13,754,141
Accounts Receivable	116,224	66,750
State and Federal Aid Receivable	19,089,732	13,649,399
Due From Other Funds	83,666	703,923
Investments	0	4,787,900
	<hr/>	<hr/>
Total Assets	<u><u>\$52,599,949</u></u>	<u><u>\$47,822,118</u></u>
 <u>Liabilities, Equity and Other Credits:</u>		
Accounts Payable	\$2,270,289	\$2,593,532
Accrued Liabilities	770,283	714,865
State Aid Due to School Districts	19,091,963	13,649,399
Refunds to Component School Districts	8,231,055	7,314,653
Due to Retirement Systems	3,882,203	4,186,075
Unearned Revenues	58,425	0
	<hr/>	<hr/>
Total Liabilities	34,304,218	28,458,524
 <u>Fund Balance:</u>		
Restricted:		
Employee benefit accrued liability	6,486,843	7,807,947
Workers' compensation	630,850	714,378
Retirement contribution	948,670	1,743,759
Unemployment insurance	750,000	750,000
Assigned:		
Other purposes	9,479,368	8,347,510
	<hr/>	<hr/>
Total Fund Balance	18,295,731	19,363,594
	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u><u>\$52,599,949</u></u>	<u><u>\$47,822,118</u></u>

*Source: Audited Financial Statements*

*Summary not audited*

**BOARD OF COOPERATIVE EDUCATION SERVICES  
FIRST SUPERVISORY DISTRICT OF ERIE COUNTY  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Fiscal Year Ended June 30:**

Revenues:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Local Sources:</u></b>					
Charges to Components	\$73,990,560	\$77,807,363	\$83,610,272	\$85,662,752	\$88,347,523
Charges to non-components & other BOCEs	58,042,150	61,819,119	69,534,287	68,680,721	71,187,961
Charges for Services	90,214	79,231	155,789	151,342	347,565
Use of Money and Property	31,997	39,184	103,728	203,703	447,822
Sale of Prop. & Comp. for Loss	178,432	211,541	221,733	305,826	326,448
Miscellaneous	4,006,293	5,349,107	4,156,169	3,168,151	3,417,216
<b>Total Revenues</b>	<u>136,339,646</u>	<u>145,305,545</u>	<u>157,781,978</u>	<u>158,172,495</u>	<u>164,074,535</u>
<b><u>Expenditures:</u></b>					
<b><u>Current:</u></b>					
Administration	5,402,878	5,813,581	6,087,446	5,922,877	6,418,643
Occupational Education	14,200,221	15,160,547	15,682,958	15,681,552	16,132,747
Instruction for Special Education	16,370,764	17,248,799	17,696,593	18,292,110	20,755,896
Itinerant Services	6,712,980	7,182,402	7,065,613	7,370,177	7,109,976
General Instruction	5,719,789	5,683,492	5,957,383	5,691,614	6,930,775
Instructional support	36,940,173	37,351,551	46,927,459	43,456,309	46,414,161
Other Services	48,563,621	50,022,862	51,020,650	51,280,944	53,745,701
<b>Total Expenditures</b>	<u>133,910,426</u>	<u>138,463,234</u>	<u>150,438,102</u>	<u>147,695,583</u>	<u>157,507,899</u>
<b>Excess of Revenues &amp; Other</b>					
Financing Sources over Expenditures					
& Other Financing Uses	2,429,220	6,842,311	7,343,876	10,476,912	6,566,636
Operating transfers - in	0	0	0	0	0
Operating transfers - out	0	0	(6,422,883)	(5,440,916)	(5,498,773)
<b>Total Other Financing Sources (USES)</b>	<u>2,429,220</u>	<u>6,842,311</u>	<u>920,993</u>	<u>5,035,996</u>	<u>1,067,863</u>
<b><u>Other Changes in Fund Equity:</u></b>					
Surplus distribution due school districts	(3,801,403)	(5,375,419)	0	0	0
Net reserve transactions	(1,021,405)	1,836,569	0	0	0
Fund Equity, Beginning of Year	<u>11,428,869</u>	<u>9,035,281</u>	<u>12,338,742</u>	<u>13,259,735</u>	<u>18,295,731</u>
<b>Fund Balance - End of Year</b>	<u><u>\$9,035,281</u></u>	<u><u>\$12,338,742</u></u>	<u><u>\$13,259,735</u></u>	<u><u>\$18,295,731</u></u>	<u><u>\$19,363,594</u></u>

Source: Audited Financial Statements

Summary not audited

**BOARD OF COOPERATIVE EDUCATION SERVICES**  
**FIRST SUPERVISORY DISTRICT OF ERIE COUNTY**  
**Statement of Estimated Revenues and Budget Appropriations**  
**Fiscal Year Ending June 30:**

	<u>Actual Budget</u> <u>2018-19</u>	<u>Actual Budget</u> <u>2019-20</u>	<u>Proposed Budget</u> <u>2020-21</u>
<b>Estimated Revenues of Component Districts</b>			
Akron	2,885,821	2,869,155	2,634,710
Alden	2,175,466	2,121,700	1,973,354
Amherst	3,677,088	3,648,539	3,325,747
Cheektowaga	3,192,736	3,239,677	3,088,049
Clarence	3,548,968	3,730,534	4,092,000
Cleveland Hill	2,755,088	2,641,725	2,873,678
Depew	3,793,325	3,612,531	3,235,917
Frontier	8,100,109	8,426,507	7,472,887
Grand Island	3,918,546	3,753,900	3,094,876
Hamburg	6,028,012	6,080,754	6,176,450
Kenmore	10,153,931	10,375,492	8,743,780
Lackawanna	4,386,602	3,982,748	3,564,783
Lancaster	7,426,635	7,138,582	6,715,809
Maryvale	3,937,242	3,934,872	1,982,266
Sloan	3,250,325	3,978,921	2,852,549
Sweet Home	2,770,842	2,678,928	2,779,099
Tonawanda	2,942,011	3,593,158	2,813,060
West Seneca	6,848,051	7,386,540	7,227,247
Williamsville	6,272,501	7,878,122	6,924,512
<i>Sub Total</i>	<u>88,063,299</u>	<u>91,072,385</u>	<u>81,570,773</u>
Other Revenues	<u>85,459,279</u>	<u>82,468,349</u>	<u>58,449,917</u>
Total	<u><b>173,522,578</b></u>	<u><b>173,540,734</b></u>	<u><b>140,020,690</b></u>
<b>Appropriations:</b>			
Administrative Services	7,006,582	7,653,304	6,943,855
Career Development Services	21,807,601	22,153,305	19,604,359
Communicaiton Services	875,833	809,561	709,430
Human Resources Services	682,846	727,754	117,913
Labor Relations Services	2,473,246	2,798,404	2,441,576
Planning, Research & Management Serv.	3,253,339	3,382,084	3,471,337
Special Education Services	33,333,777	34,751,326	29,331,461
Technology Services	104,089,354	101,264,996	77,400,759
<b>Total Appropriations</b>	<u><b>\$173,522,578</b></u>	<u><b>\$173,540,734</b></u>	<u><b>\$140,020,690</b></u>

*Source: School District Officials*

**ERIE 1 BOCES  
CASH FLOW PROJECTION  
General Fund  
Estimated 2020/2021**

	July	August	September	October	November	December	January	February	March	April	May	June	Total	2019/2020	Difference	% Difference	Notes
<b>BEGINNING BALANCE</b>	13,232,760	8,575,760	(4,807,240)	(7,520,240)	(4,163,240)	89,760	(137,240)	1,031,760	4,570,760	5,129,760	6,858,760	11,147,760	13,232,760	10,616,835	2,615,925	24.6%	
<b>RECEIPTS:</b>																	
<b>Receivables:</b>																	
Component Schools	5,000,000	3,000,000	5,000,000	8,000,000	8,000,000	9,000,000	8,500,000	8,000,000	8,000,000	9,000,000	10,000,000	12,000,000	93,500,000	94,663,304	(1,163,304)	-1.2%	estimated
Non Component Schools	50,000	50,000	50,000	50,000	400,000	400,000	450,000	100,000	500,000	200,000	200,000	300,000	2,750,000	2,832,260	(82,260)	-2.9%	estimated
Other BOCES	5,000,000	1,500,000	8,000,000	8,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	5,000,000	7,500,000	71,000,000	71,130,208	(130,208)	-0.2%	estimated
Other Revenue (primarily E-Rate)	470,000	130,000	100,000	250,000	460,000	280,000	180,000	100,000	180,000	490,000	50,000	10,000	2,700,000	3,853,235	(1,153,235)	-29.9%	estimated
<b>Interest</b>	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000	83,244	(47,244)	-56.8%	rate decrease
<b>Total Receipts</b>	<b>10,522,000</b>	<b>4,682,000</b>	<b>13,152,000</b>	<b>16,302,000</b>	<b>14,862,000</b>	<b>15,682,000</b>	<b>15,134,000</b>	<b>14,204,000</b>	<b>14,684,000</b>	<b>15,694,000</b>	<b>15,254,000</b>	<b>19,814,000</b>	<b>169,986,000</b>	<b>172,562,251</b>	<b>(2,576,251)</b>	<b>-1.5%</b>	
<b>DISBURSEMENTS:</b>																	
<b>Payroll:</b>																	
1st payroll	1,120,000	1,425,000	1,830,000	2,300,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	26,355,000	25,728,065			
2nd payroll	1,360,000	1,395,000	2,200,000	2,300,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	2,460,000	5,200,000	29,675,000	28,872,683			
3rd payroll	-	-	2,590,000	-	-	-	-	-	2,460,000	-	-	700,000	5,750,000	5,607,386	1,571,866	2.6%	Mgmt 2.5% increase
Retro - AF12	-	-	-	-	-	-	-	-	-	-	-	-	-	402,086	(402,086)	-100.0%	N/A for 20/21
<b>A/P:</b>																	
Warrants	9,200,000	12,000,000	6,000,000	6,100,000	3,200,000	4,000,000	6,800,000	3,500,000	5,000,000	4,600,000	4,800,000	4,800,000	70,000,000	65,230,621	4,769,379	7.3%	Estimated
IPA's	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	8,100,000	7,949,187	150,813	1.9%	reimbursed in rev
Health, dental, life	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	1,570,000	18,840,000	18,000,000	840,000	4.7%	Healthcare incr
<b>Periodic Items:</b>																	
Fund Special Aid expenses	1,000,000	1,000,000	1,000,000	-	-	-	-	-	(500,000)	(500,000)	(1,000,000)	(1,000,000)	-	(1,750,000)	1,750,000	-100.0%	Delays in state funding
403(b) incentives (July)	132,000	-	-	-	-	-	-	-	-	-	-	-	132,000	131,880	120	0.1%	consistent
403(b) retirement incentives (July or August)	122,000	-	-	-	-	-	-	-	-	-	-	-	122,000	121,600	400	0.3%	consistent
Worker's Comp (Nov.,Dec.)	-	-	-	-	244,000	244,000	-	-	-	-	-	-	488,000	538,102	(50,102)	-9.3%	used 20/21 actual
ERS (December)	-	-	-	-	-	4,500,000	-	-	-	-	-	-	4,500,000	4,304,330	195,670	4.5%	estimated
E-Rate (April)	-	-	-	-	-	-	-	-	-	2,700,000	-	-	2,700,000	2,828,387	(128,387)	-4.5%	estimated
403(b) incentives - AF12 (May 2020)	-	-	-	-	-	-	-	-	-	-	-	-	-	187,500	(187,500)	-100.0%	N/A for 20/21
403(b) incentives - EPEA (June 2020)	-	-	-	-	-	-	-	-	-	-	-	-	-	444,000	(444,000)	-100.0%	N/A for 20/21
Fund reserves (June)	-	-	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	700,000	300,000	42.9%	estimated
TRS (from State Aid - June)	-	-	-	-	-	-	-	-	-	-	-	3,300,000	3,300,000	3,151,722	148,278	4.7%	estimated
Surplus - prior year (June)	-	-	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000	5,498,776	(498,776)	-9.1%	estimated
<b>Total Disbursements</b>	<b>15,179,000</b>	<b>18,065,000</b>	<b>15,865,000</b>	<b>12,945,000</b>	<b>10,609,000</b>	<b>15,909,000</b>	<b>13,965,000</b>	<b>10,665,000</b>	<b>14,125,000</b>	<b>13,965,000</b>	<b>10,965,000</b>	<b>23,705,000</b>	<b>175,962,000</b>	<b>167,946,325</b>	<b>8,015,675</b>	<b>4.8%</b>	
<b>ENDING BALANCE, EXCLUDING RAN</b>	<b>8,575,760</b>	<b>(4,807,240)</b>	<b>(7,520,240)</b>	<b>(4,163,240)</b>	<b>89,760</b>	<b>(137,240)</b>	<b>1,031,760</b>	<b>4,570,760</b>	<b>5,129,760</b>	<b>6,858,760</b>	<b>11,147,760</b>	<b>7,256,760</b>	<b>7,256,760</b>	<b>15,232,761</b>	<b>(7,976,001)</b>	<b>-52.4%</b>	
RAN proceeds (repayment)		8,000,000									(8,050,000)						
<b>ENDING BALANCE, INCLUDING RAN</b>	<b>8,575,760</b>	<b>\$ 3,192,760</b>	<b>\$ 479,760</b>	<b>\$ 3,836,760</b>	<b>\$ 8,089,760</b>	<b>\$ 7,862,760</b>	<b>\$ 9,031,760</b>	<b>\$ 12,570,760</b>	<b>\$ 13,129,760</b>	<b>\$ 14,858,760</b>	<b>\$ 3,097,760</b>	<b>\$ 7,206,760</b>					

ERIE 1 BOCES  
CASH FLOW PROJECTION  
General Fund  
Actual 2019/2020

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>BEGINNING BALANCE</b>	10,616,835	16,591,870	5,451,295	7,158,463	10,781,005	13,282,404	13,251,246	13,588,606	16,103,126	18,424,754	17,702,956	20,964,526	10,616,835
<b>RECEIPTS:</b>													
<i>Receivables:</i>													
Component Schools	9,184,510	3,614,187	5,183,479	8,743,350	7,131,428	9,610,029	8,000,146	8,510,754	7,788,223	8,615,272	6,661,347	11,620,579	94,663,304
Non Component Schools	113,323	59,888	72,626	572,958	406,718	255,538	247,607	81,877	618,529	11,787	133,925	257,484	2,832,260
Other BOCES	10,425,398	1,516,323	7,205,582	9,421,556	5,050,009	5,087,971	4,400,628	5,683,783	6,262,785	3,917,942	6,172,345	5,985,886	71,130,208
Other Revenue (primarily E-Rate)	462,965	136,100	108,223	244,056	485,626	273,534	186,989	103,408	189,721	1,197,594	121,489	343,530	3,853,235
<i>Interest</i>	20,841	10,429	9,635	8,334	7,596	6,806	6,370	4,674	2,516	1,923	2,224	1,896	83,244
<b>Total Receipts</b>	<b>20,207,037</b>	<b>5,336,927</b>	<b>12,579,545</b>	<b>18,990,254</b>	<b>13,081,377</b>	<b>15,233,878</b>	<b>12,841,740</b>	<b>14,384,496</b>	<b>14,861,774</b>	<b>13,744,518</b>	<b>13,091,330</b>	<b>18,209,375</b>	<b>172,562,251</b>
<b>DISBURSEMENTS:</b>													
<i>Payroll:</i>													
1st payroll	1,092,107	1,391,215	1,785,809	2,254,502	2,356,794	2,486,603	2,388,352	2,423,965	2,403,537	2,434,776	2,311,205	2,399,200	25,728,065
2nd payroll	1,328,264	1,360,946	2,147,027	2,374,450	2,395,266	2,335,595	2,366,388	2,391,978	2,374,321	2,280,592	2,346,717	5,171,139	28,872,683
3rd payroll	-	-	134,674	2,390,798	-	-	-	-	-	2,338,947	-	742,967	5,607,386
Retro - AF12	-	-	-	-	-	-	-	402,086	-	-	-	-	402,086
<i>A/P:</i>													
Warrants	9,695,354	11,322,743	4,661,843	6,207,689	3,426,639	4,230,061	6,073,787	3,490,407	5,552,963	2,365,771	2,985,086	5,218,278	65,230,621
IPA's	616,277	649,118	643,024	640,273	632,228	639,396	675,853	661,539	709,325	717,843	686,752	677,559	7,949,187
Health, dental, life	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	18,000,000
<i>Periodic Items:</i>													
Fund Special Aid expenses						(500,000)	(500,000)	(1,000,000)				250,000	(1,750,000)
403(b) incentives (July)	-	131,880	-	-	-	-	-	-	-	-	-	-	131,880
403(b) retirement incentives (August)	-	121,600	-	-	-	-	-	-	-	-	-	-	121,600
Worker's Comp (Nov.,Dec.)	-	-	-	-	269,051	269,051	-	-	-	-	-	-	538,102
ERS (December)	-	-	-	-	-	4,304,330	-	-	-	-	-	-	4,304,330
E-Rate (April)	-	-	-	-	-	-	-	-	-	2,828,387	-	-	2,828,387
403(b) incentives - AF12 (June 2020)	-	-	-	-	-	-	-	-	-	-	-	187,500	187,500
403(b) incentives - EPEA (June 2020)	-	-	-	-	-	-	-	-	-	-	-	444,000	444,000
Fund reserves (June)	-	-	-	-	-	-	-	-	-	-	-	700,000	700,000
TRS (from State Aid - June)	-	-	-	-	-	-	-	-	-	-	-	3,151,722	3,151,722
Surplus - prior year (June)	-	-	-	-	-	-	-	-	-	-	-	5,498,776	5,498,776
<b>Total Disbursements</b>	<b>14,232,002</b>	<b>16,477,502</b>	<b>10,872,377</b>	<b>15,367,712</b>	<b>10,579,978</b>	<b>15,265,036</b>	<b>12,504,380</b>	<b>9,869,975</b>	<b>12,540,146</b>	<b>14,466,316</b>	<b>9,829,760</b>	<b>25,941,141</b>	<b>167,946,325</b>
<b>ENDING BALANCE</b>	<b>16,591,870</b>	<b>5,451,295</b>	<b>7,158,463</b>	<b>10,781,005</b>	<b>13,282,404</b>	<b>13,251,246</b>	<b>13,588,606</b>	<b>18,103,127</b>	<b>18,424,754</b>	<b>17,702,956</b>	<b>20,964,526</b>	<b>13,232,760</b>	<b>15,232,761</b>