

NEW ISSUE

TAX ANTICIPATION NOTES

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

The Notes **will** be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT ERIE COUNTY, NEW YORK

\$1,100,000 **TAX ANTICIPATION NOTES, 2019** (the "Notes")

Date of Issue: August 29, 2019

Date of Maturity: October 4, 2019

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

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

To the extent that the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in Jersey City, New Jersey, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder.

The Notes are dated August 29, 2019 and bear interest from that date until October 4, 2019, 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 approval of the legality thereof by Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about August 29, 2019 in Jersey City, New Jersey (through the facilities of DTC) or as otherwise may be agreed upon between the District and the purchaser.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF RULE 15c2-12 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. UNLESS THE NOTES ARE PURCHASED FOR THE BUYER'S OWN ACCOUNT, AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN DESIGNATED EVENTS, AS REQUIRED BY THE RULE. SEE "DISCLOSURE UNDERTAKING," HEREIN.

Dated: August 12, 2019

**CHEEKTOWAGA CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK**

BOARD OF EDUCATION

Renee M. Wilson	President
Heather E. DuBard	Vice President
Walter Burgett	Board Trustee
Carol Kiripolsky	Board Trustee
Thomas Raczka	Board Trustee
Edward Schaefer	Board Trustee
Matthew Weigand	Board Trustee

DISTRICT OFFICIALS

Mary A. Morris	Superintendent of Schools
Kaitlyn Tokarczyk	Business Manager
Mary Ann Miano	District Clerk
Hodgson Russ (Jeffrey F. Swiatek, Esq.)	School Attorney

BOND COUNSEL

**HODGSON RUSS LLP
Buffalo, New York**

MUNICIPAL ADVISOR



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

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

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**OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF
CHEEKTOWAGA CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK**

**\$1,100,000
TAX ANTICIPATION NOTES, 2019
(the "Notes")**

This Official Statement (the "Official Statement"), which includes the cover page and appendices hereto, presents certain information relating to the Cheektowaga Central School District, Erie County, New York (the "District," "County" and "State," respectively), in connection with the sale of the District's \$1,100,000 Tax Anticipation Notes, 2019 (the "Notes").

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

THE NOTES

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Description of the Notes

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

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

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000, or integral multiples thereof, as may be determined by such successful bidder.

The Notes are dated August 29, 2019 and bear interest from that date until October 4, 2019, 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.

Authority for and Purposes

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law and a tax anticipation note resolution that was duly adopted by the Board of Education of the District on July 30, 2019, in anticipation of the collection of real property taxes to be levied for District purposes for the fiscal year of the District commencing July 1, 2019.

Section 24.00 of the Local Finance Law authorizes the District to issue tax anticipation notes during a fiscal year or ten days prior to the commencement of such fiscal year in anticipation of the collection of taxes or assessments levied or to be levied for such fiscal year. Such notes may not be issued in an amount in excess of the amount of taxes levied or to be levied which is uncollected at the time of issuance of the notes, less the amount of previously issued notes issued in anticipation of such taxes.

Nature of Obligation

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

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

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limitation Law was adopted in the State. The Tax Levy Limitation Law established certain limitations on the power of local governments and school districts to increase the property tax levy beyond certain prescribed limits (without following certain prescribed procedures). The Tax Levy Limitation Law had its first application with respect to the District's budget for fiscal year 2012-2013. The Tax Levy Limitation Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See "TAX INFORMATION-Tax Levy Limitation Law," herein. Also, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limitation Law. See "DISTRICT INDEBTEDNESS—Remedies Upon Default," herein.

Book-Entry-Only System

The following applies to the extent that the Notes are issued in book-entry form. DTC, in 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 note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC. One fully registered note certificate will be issued and deposited with DTC for each maturity of the Notes in the aggregate principal amount of the issue. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing

corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

To facilitate subsequent transfers, all the 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 affect 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 District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

MARKET FACTORS

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

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefor. See "FINANCIAL FACTORS - State Aid" and "Recent Events Affecting New York State School Districts."

If and when a holder of any of the Notes elects to sell prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price or principal value of the Notes is dependent on the prevailing level of interest rates. If interest rates increase, the price of a Note will decline causing the holder to incur a capital loss upon the sale of such Notes (Also, see “Ratings” herein).

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

The State’s enacted budget for the fiscal year ending March 31, 2020 allows the State to reduce aid to municipalities and school districts mid-year if receipts from the federal government are less than what was expected. If federal support is reduced by \$850 million or more, the State’s Budget Director has the authority to develop a plan to make uniform spending reductions. The State Legislature would have 90 days to approve the Budget Director’s plan or to propose an alternative plan. If no action is taken by the State Legislature, the Budget Director’s plan would be implemented automatically.

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

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

TAX EXEMPTION

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

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

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

1. The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;
2. The requirements contained in Code Section 148 relating to arbitrage bonds; and

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

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

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

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

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the District will furnish certificates, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. Additional certificates will state that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect

the power of the District to levy, collect, and enforce the collection of taxes or other revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

Legal Matters

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

Closing Certificates

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

DISCLOSURE UNDERTAKING

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

Continuing Disclosure Compliance

The District has established procedures designed to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting

such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through EMMA.

RATINGS

The District did not apply for a rating on the Notes.

Moody's Investors Services, Inc. ("Moody's") has assigned the District an underlying uninsured rating of "Aa3".

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

MISCELLANEOUS

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

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

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

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

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

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

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

Additional information may be obtained from Ms. Kaitlyn Tokarczyk, School Business Manager and Paying Agent Contact: Phone (716) 686-3611; Email: ktokarczyk@ccsd-k12.net; Address: 3600 Union Road, Cheektowaga, New York 14225 or from the District's Municipal Advisor, Capital Markets Advisors, LLC, (716) 662-3910.

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

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

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

By: _____
Renee M. Wilson
President of the Board of Education

DATED: August 12, 2019

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

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT

By: _____
Renee M. Wilson
President of the Board of Education

DATED: August 12, 2019

APPENDIX A
THE DISTRICT

THE DISTRICT

General Information

The District, with an estimated population of 22,000, encompassing approximately 13 square miles, is located wholly within the Town of Cheektowaga (the “Town”), a suburb of, and adjacent to, the City of Buffalo. The District is one of four school districts serving Town residents.

The character of the District varies from urban in the western section to suburban-residential in the southeastern section. Within its boundaries a regional hospital, three Town libraries, two of the Town’s larger parks, the Town’s recreational center and several hotels can be found. The District has always had a large industrial tax base and, following the construction of the largest shopping mall in Western New York in the center of the District, retail establishments have become ever more prevalent. A large office mall complex houses the regional office of the IRS and several other large tenants. The Erie County Industrial Development Agency has actively fostered both retail and industrial expansion within the Town.

Electricity, natural gas and telephone services are provided to residents of the District by New York State Electric and Gas Corporation, National Fuel Gas Distribution Corporation, National Grid and the New York Telephone Company, respectively. Water is supplied by the Erie County Water Authority and sanitary sewage collection and treatment facilities are provided by the Town’s special assessment sewer districts. Fire protection and rescue service is provided by local volunteer companies.

The New York State Thruway (Interstate 90) runs through the center of the District, with several exits providing direct access. NYS Route 33 (Kensington Expressway) links the northern area of the Town with the City of Buffalo. The Buffalo-Niagara International Airport is located wholly within the Town and minutes from the District offices. Rail service is provided by Conrail, which operates several mainlines and spurs with industrial sidings within the District and rail passenger service is handled at Amtrak’s Depew Station, also within the District. The Niagara Frontier Transportation Authority provides bus services between the District and the City of Buffalo and most recently hub-linked service to retail and office park areas in surrounding communities.

District Organization

The District is an independent entity governed by an elected Board of Education (the “Board”) comprised of seven members. The District operates pursuant to the Education Law, subject to the provisions of the State Constitution affecting school districts, and other statutes applicable to the District including the General Municipal Law, the Local Finance Law and the Real Property Tax Law. Under such laws, there is no authority for the District to have a charter or adopt local laws.

Members of the Board are elected on a staggered term basis by qualified voters at an annual election of the District. The annual meeting of the District (which includes voting on the approval of the budget) will be held on the third Tuesday of May. The term of office for each Board member is five years and the number of terms that may be served is unrestricted. A president is selected by the Board from its members and also serves as the chief fiscal officer of the District. The Board is vested with various powers and duties as set forth in the Education Law, including the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board. and while the President of the Board is the chief fiscal officer of the District, certain of the financial management functions of the District are the responsibility of the Superintendent of Schools, the Business Manager and the District Treasurer.

District Facilities

The District operates the facilities listed below.

TABLE 1
School Statistics

<u>Name</u>	<u>Grade</u>	<u>Year Built</u>	<u>Capacity</u>
Cheektowaga Middle/High School	6-12	1960	1,599
Union East Elementary School	2-5	1968	918
Pine Hill Primary Center ⁽¹⁾	Pre-K-1	1970	675

⁽¹⁾In September 2018 the District closed this building and leased it to the Erie 1 Board of Cooperative Education Services.

District Employees

The District provides services through approximately 379 full and part-time employees. The number of persons employed by the District, the collective bargaining agents that represent such employees and the dates of expiration of the various contracts are as follows:

TABLE 2
District Employees

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
238	Cheektowaga Central Teachers Association	6/30/22
10	Cheektowaga Administrative and Supervisors Unit	6/30/21
131	CSEA Local 1000, School Unit	6/30/20

Enrollment History and Projections

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

TABLE 3
School Enrollment History

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2016-17	2,199	2019-20	2,251
2017-18	2,197	2020-21	2,254
2018-19	2,232	2021-22	2,257

Employee Pension Benefits

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

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

Both the ERS and the TRS (together, the "Retirement Systems") are non-contributing with respect to members hired prior to July 27, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years. All members working less than ten years must contribute 3% of gross annual salary toward the cost of retirement programs.

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

<u>Fiscal Year End 6/30</u>	<u>ERS</u>
2019 Budgeted	\$607,671
2018	568,263
2017	576,514
2016	742,863

Source: Audited Financial Statements and Office of the State Comptroller

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

<u>Fiscal Year End 6/30</u>	<u>TRS</u>
2019 Budgeted	\$1,673,435
2018	1,530,092
2017	1,891,467
2016	2,032,186

Source: Audited Financial Statements

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, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. 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 three years to five 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 the District. Under the previous method, the District was unsure of how much it paid to the system until after its budget was implemented. Under the current method the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1 of the prior fiscal year instead of the following April 1 so that the District will be able to more accurately include the cost of the contribution into its budget. The reform legislation also (i) required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible and (ii) moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004.

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

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

In Spring 2013, the State and TRS approved a Stable Contribution Option (“SCO”) that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan,

which was approved as part of Governor Cuomo’s 2016-17 budget would let districts contribute 14.13% of employee costs toward pensions. The District has not opted into the pension smoothing plan.

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

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

The State’s 2019-2020 enacted budget legislation, which was signed into law on March 31, 2019, will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

Other Post-Employment Benefits

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

Effective July 1, 2017, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), which supersedes GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

A summary of the District’s Actuarial Valuation is included in the District’s June 30, 2018 audit, attached herein. The following table summarizes the District’s annual OPEB for the years ended June 30, 2018:

	Total OPEB
	<u>Liability</u>
Balance at June 30, 2017	<u>\$3,796,107</u>
Changes for the year:	
Service cost	180,909
Interest	114,114
Changes of benefit terms	0
Differences between expected & actual experience	0
Changes of assumptions or other inputs	(401,930)
Benefit payments	<u>(138,023)</u>
Net changes	<u>(244,930)</u>
Balance at June 30, 2018	<u>\$3,551,177</u>

Actuarial valuation is required every two years for OPEB plans with more than 200 members, and every three years if there are less than 200 members.

Investment Policy/Permitted Investments

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

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

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

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

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ending June 30 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Property Taxes

The District derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B to the Official Statement). For purposes of the following chart, real property taxes include the tax levy, payments received in lieu of taxes and the interest and penalties collected on delinquent taxes.

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

TABLE 4
Property Taxes

<u>Fiscal Year</u>	<u>Total Revenues</u> ^(a)	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2014	\$37,971,706	\$22,890,134	60.28%
2015	39,216,773	23,332,089	59.50%
2016	39,456,604	23,554,597	59.70%
2017	40,676,513	23,831,036	58.59%
2018	42,651,200	24,406,161	57.22%
2019 (<i>Budgeted</i>)	43,895,691	24,767,664	56.42%
2020 (<i>Budgeted</i>)	45,330,542	25,571,876	55.41%

(a) General Fund

Source: *Financial Statements and Adopted Budgets*

State Aid

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

The following table sets forth total general fund revenues and State aid revenues received during the last five audited fiscal years and the amounts budgeted for the current and prior fiscal years.

TABLE 5
State Aid

<u>Fiscal Year</u>	<u>Total Revenues</u> ^(a)	<u>State Aid</u>	<u>State Aid to Revenues</u>
2014	\$37,971,706	\$11,799,111	31.07%
2015	39,216,773	12,441,438	33.72%
2016	39,456,604	12,567,489	31.85%
2017	40,676,513	13,433,880	33.03%
2018	42,651,200	14,229,386	33.36%
2019 (<i>Budgeted</i>)	43,895,691	15,206,665	34.64%
2020 (<i>Budgeted</i>)	45,330,542	16,081,980	35.48%

(a) General Fund

Source: *Financial Statements and Adopted Budgets*

In addition to the amount of State Aid budgeted by the District in its 2019-20 fiscal year, the State is expected to make payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see "STAR-School Tax Exemption") Program. The District expects to receive timely receipt of STAR aid for the current fiscal year.

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

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

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

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

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

The Gap Elimination Adjustment (“GEA”) law was first introduced for the 2010-11 fiscal year (although it existed in 2009-10 and was called “Deficit Reduction Assessment”) as a way to help close the State’s then \$10 billion budget deficit. Under legislation, a portion of the funding shortfall at the state level is divided among all school districts throughout the State and reflected as a reduction in school district state aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. Since the program began, the GEA and Deficit Reduction Assessment reduction in State aid for the District has amounted to approximately \$1.25 million annually. As a result, the District has been forced to reduce programs, services, and staff accordingly. Beginning in the 2014-15 fiscal year, the State made modest restorations to the GEA. In the 2014-15 fiscal year, the GEA was reduced by \$229,000, dropping the total GEA to \$1.02 million. In the 2015-16 fiscal year, it was further reduced by \$646,000, yielding a remaining GEA of \$375,000. In the 2016-2017 fiscal year, the GEA was eliminated.

The Smart Schools Bond Act was approved by the State’s voters in 2014. The Smart Schools Bond Act authorizes the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District’s estimated allocation of such funds is \$1,144,417.

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

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

Recent Events Affecting New York State School Districts

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

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

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

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

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

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

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

The State's enacted Budget for the 2019-20 fiscal year provided \$17.89 million of State Aid to the District, a 9.57% increase from the District's 2018-19 school year.

The School District presently anticipates an increase in its State Aid not related to building aid for its 2019-2020 fiscal year in an amount of \$1,562,462.

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

It should also be noted that the School District receives federal aid for certain programs. In its last audited fiscal year, the School District received \$148,418 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

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

Independent Audit

The District retains independent certified public accountants to audit its financial statements. Appendix B to the Official Statement presents excerpts from the District's most recent audited reports. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Non-Property Taxes

Non-property taxes represent the District's share of the County's sales tax, a portion of which is allocated to school districts pursuant to a formula based upon the District's weighted average daily attendance.

The following table sets forth total general fund revenues and non-property taxes received during the last five audited fiscal years and the amounts budgeted for the current and prior fiscal years.

TABLE 6
Non-Property Taxes

<u>Fiscal Year</u>	<u>Total Revenues</u> ^(a)	<u>Non-Property Taxes</u>	<u>Non-Property Taxes to Revenues</u>
2014	\$37,971,706	\$2,164,400	5.70%
2015	39,216,773	2,274,664	5.80%
2016	39,456,604	2,339,631	5.93%
2017	40,676,513	2,301,734	5.66%
2018	42,651,200	2,480,943	5.82%
2019 <i>(Budgeted)</i>	43,895,691	2,575,642	5.87%
2020 <i>(Budgeted)</i>	45,330,542	2,651,878	5.85%

(a) General Fund.

Source: *Financial Statements and Adopted Budgets*

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the District as "No Designation." (See <http://www.osc.state.ny.us/localgov/fiscalmonitoring/schools/pdf/2017/summary-list.pdf>.)

New York State Comptroller’s Audit

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

On August 19, 2016, OSC, Division of Local Government and School Accountability released an audit of the District to examine the District’s process and procedures relating to compensation-related payments for the period July 1, 2014 through February 22, 2016. The audit found that the District’s Board had not adopted a payroll policy and the Board did not formally adopt its approval for the administrators’ salary payments and benefits such as health insurance. The OSC audit recommended that the District establish and adopt a written payroll policy and formally approve employee compensation and benefits and ensure that letters of employment clearly evidence this approval. The link to this OSC report is: www.osc.state.ny.us/localgov/audits/schools/2016/cheektowaga.pdf.

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

Budgetary Procedure

The District’s fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District’s financial plan and enrollment projections are reviewed and updated and the first draft of the following year’s proposed budget is developed. During the winter and early spring, the budget is further developed and refined in conjunction with the school principals and department supervisors and then submitted to the qualified voters of the District for approval at the District’s annual meeting. If no budget is approved, the Board must adopt a contingency budget which includes the levy of a tax for teachers’ salaries, ordinary contingent expenses, student transportation and debt service, in a like manner as if the same had been voted on by the qualified voters.

The voters approved the District’s 2019-20 budget on May 21, 2019.

TAX INFORMATION

Real Property Tax Assessment and Rates

The Town Assessor maintains the assessment records and prepares the annual assessment roll for the District. The following table sets forth the assessed and full valuation of taxable property, rates of tax per \$1,000 assessed valuation, and the District’s real property tax levy for the five most recent fiscal years.

TABLE 7
Real Property Tax Assessment and Rates
(Fiscal Years Ending June 30)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Value	\$1,584,554,934	\$1,611,577,832	\$1,640,439,199	\$1,646,863,083	\$1,631,077,508
Equalization Rate	100.00%	100.00%	100.00%	100.00%	93.00%
Full Value	1,584,554,934	1,611,577,832	1,640,439,199	1,646,863,083	1,753,846,782
Tax Levy	22,814,991	22,965,481	23,306,729	23,962,530	24,765,445
Tax Rate	\$16.84	\$16.90	\$16.69	\$16.97	\$17.69

Source: State Board of Real Property Services and District Officials.

Tax Limit

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

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). On March 31, 2019, the enacted State budget legislation made the Tax Levy Limitation Law permanent. The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

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

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax exempt real property.

Beginning with the 2012-13 fiscal year, school districts have had to submit their proposed tax levies to the voters each year. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation only require approval by at least a simple majority of those voting. In the event that a budget is defeated and not re-proposed, or in the event of two budget vote defeats in the same year, a school district may not levy taxes in an amount greater than the amount levied in the most recent year when a budget was approved. A school district’s calculation of each fiscal year’s tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year’s budget.

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

There is also an exception for school districts for “Capital Local Expenditures” subject to voter approval where required by law. “Capital Local Expenditures” do not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. “Capital Local Expenditures” are defined as “the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law”. Chapter 20 also allows the State Commissioner of Taxation and Finance to adjust the exclusion to reflect a school district’s share of capital expenditures related to projects funded through a board of cooperative education services; however, such regulations have not been yet promulgated as of the date of this

Official Statement. The portion of the tax levy necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy”, and this is an exclusion from the tax levy limitation (except in a case when the District would be prohibited from raising the tax levy amount at all due budget vote results, as explained above).

Real Property Tax Rebate (Chapter 20). Chapter 20 introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption (see “STAR - School Tax Exemption,” herein) in the years 2016-19. Residents of New York City are not eligible for the Chapter 20 Real Property Tax Rebate. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District (“MCTD”) received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 varied based on a taxpayer’s personal income level and STAR tax savings.

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

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

Tax Collection Procedure

The real property taxes of the District are collected by the Town. Such taxes are due on September 15, and may be paid without penalty through October 15. The Town pays to the District the amounts collected on a periodic basis. The penalty on unpaid taxes is 5% from October 16 through October 31 and an additional 1% for each month thereafter. On or about December 1, the Town files a report of any uncollected District taxes with the County. The County thereafter on or before April pays to the District the full amount of its uncollected taxes. Thus, the full amount of the District’s real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes to fund the reimbursement of uncollected taxes due to the District.

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

STAR - School Tax Exemption

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

Per the Town and NYS Department of Taxation and Finance, homeowners, over 65 years of age with household income less than \$86,000 are eligible for enhanced STAR of \$65,500 on Full Valuation and all other Basic Star is \$30,000 on Full Valuation on their primary residence.

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

The maximum savings for Town residents within the District for the 2018-19 fiscal year is \$511 for the basic maximum savings and \$1,111 for the enhanced maximum savings (as of July 17, 2017).

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

Ten of the Largest Taxpayers for the 2018-19 Fiscal Year

The following table presents the total 2018 assessed valuations of ten of the District’s largest property owners used for the 2018-19 tax levy.

TABLE 8
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation ⁽¹⁾</u>
Pyramid Walden Company, LP	Shopping Mall	\$105,788,000	6.49%
Williamstowne Village LLC	Apartments	26,324,705	1.61%
Benderson Development Co Inc.	Real Estate	22,398,200	1.37%
Appletree Realty Holdings LLP	Office Building	22,120,000	1.36%
G&I IX Empire Thruway Plaza LLC	Retail	21,580,120	1.32%
Walden Consumer Improvements	Retail	18,697,900	1.15%
Edgebrook Apartments	Apartments	14,894,415	0.91%
Niagara Mohawk Power Corp	Utility	14,588,874	0.89%
CSX Transportation Inc.	Railroad	13,263,859	0.81%
National Fuel Gas Dist. Co	Utility	<u>12,110,251</u>	<u>0.74%</u>
	Total:	<u>\$271,766,324</u>	<u>16.66%</u>

(1) 2019 Assessed Valuation is \$1,631,077,508.

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge

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

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

Payment and Maturity

Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the District determines to issue debt amortizing on the basis of substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due

during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of bonds.

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

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

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

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

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

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing.

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

The Board, as the finance board of the District, has the power to authorize the sale and issuance of bonds and bond anticipation notes, including the Notes. However, such finance board may delegate (and has delegated) the power to sell the Notes to the President of the Board, as the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit

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

Statutory Debt Limit and Net Indebtedness

The following tables set forth the computation of the debt limit of the District and its debt contracting margin as of April 24, 2019.

TABLE 9
Statement of Debt Contracting Power

Full value	\$ 1,753,846,782
Debt Limit (10% of Full Valuation)	\$175,384,678
Outstanding Indebtedness (Principal Only):	
Bonds	25,410,000
BANs	<u>0</u>
Gross Indebtedness	25,410,000
Less: Exclusions ⁽¹⁾	<u>0</u>
Total Net Indebtedness	<u>\$25,410,000</u>
Net Debt-Contracting Margin	<u>\$149,974,678</u>
Percentage of Debt-Contracting Margin Exhausted	<u>14.48%</u>

⁽¹⁾ In prior years the District received State debt service building aid in a calculated amount of approximately 65.8% of its outstanding bonded indebtedness. Given the new “assumed amortization” of State building aid as provided in Chapter 383 of the Laws of 2001, no assurance can be given regarding the direct or indirect effect that “assumed amortization” will have on the net indebtedness of the District, or the timing or amount of such Building aid in connection with school facilities financed with the proceeds of the issuance of bonds or notes. See also “State Aid” herein.

Remedies Upon Default

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

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

school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

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

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

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

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

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

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

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

Bond Anticipation Notes

The District does not have any bond anticipation notes outstanding.

Tax Anticipation Notes

On August 31, 2018, the District issued a \$2,500,000 tax anticipation notes. Such note was paid in full on October 12, 2018.

Outstanding Indebtedness

The following table provides information relating to indebtedness outstanding at fiscal year-end for the last five fiscal years.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Serial Bonds	\$12,625,000	\$9,895,000	\$7,965,000	\$5,430,000	\$3,960,000
Bond Anticipation Notes	0	0	0	4,500,000	19,910,000
Energy Performance Contract	<u>764,974</u>	<u>711,605</u>	<u>655,477</u>	<u>594,649</u>	<u>534,365</u>
Total	<u>\$13,389,974</u>	<u>\$10,606,605</u>	<u>\$8,620,477</u>	<u>\$10,524,649</u>	<u>\$24,404,365</u>

Authorized and Unissued Indebtedness

The District does not have any authorized but unissued debt outstanding.

Overlapping and Underlying Debt

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

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of</u>	<u>District Share</u>	<u>Amount Applicable to District</u>
Erie County	\$432,811,921	09/30/18	3.25%	\$14,066,387
Town of Cheektowaga	44,970,000	08/07/18	100.00%	<u>44,970,000</u>
Total Net Overlapping Debt				\$59,036,387
Total Net Direct Debt				<u>25,410,000</u>
Total Net Direct and Overlapping Debt				<u>\$84,446,387</u>

Debt Ratios

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

TABLE 12
Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita</u> ^(a)	<u>Debt to Estimated Full Value</u> ^(b)
Net Direct Debt	\$25,410,000	\$1,155	1.44%
Net Direct and Overlapping Debt	\$84,446,387	\$3,838	4.81%

(a) The population of the District is estimated to be 22,000.

(b) The District's full value of taxable real property for fiscal year ending 2019 is \$ 1,753,846,783.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness, as of August 12, 2019.

TABLE 13
Serial Bonds Payable to Maturity

<u>FYE 6/30:</u>	<u>Principal</u>	<u>Interest*</u>	<u>Debt Service*</u>
2020	\$1,685,000	\$928,038	\$2,613,038
2021	1,725,000	880,375	2,605,375
2022	1,790,000	808,500	2,598,500
2023	1,860,000	733,625	2,593,625
2024	1,640,000	659,188	2,299,188
2025	1,390,000	589,000	1,979,000
2026	1,460,000	519,500	1,979,500
2027	1,535,000	446,500	1,981,500
2028	1,610,000	369,750	1,979,750
2029	1,655,000	321,450	1,976,450
2030	1,705,000	271,800	1,976,800
2031	1,760,000	220,650	1,980,650
2032	1,810,000	167,850	1,977,850
2033	1,865,000	113,550	1,978,550
2034	1,920,000	57,600	1,977,600
	<u>\$25,410,000</u>	<u>\$7,087,376</u>	<u>\$32,497,376</u>

* Columns may not sum due to rounding

ECONOMIC AND DEMOGRAPHIC DATA

The smallest area for which statistics are available which includes the District is the Town. Although the population of the District is wholly within the Town, it cannot be inferred that the Town is representative of the District.

Population

The following table presents population trends for the Town, the County and the State.

TABLE 14
Population Trend

	<u>2000</u>	<u>2010</u>	<u>Percentage Change</u>
Town	94,019	88,226	(6.6%)
County	950,265	909,247	(3.2%)
State	18,976,457	19,378,102	2.1%

Source: U. S. Census

Employment and Unemployment

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

TABLE 15
Major Employers in the District

<u>Employer</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Town of Cheektowaga	Government	825
Upstate Niagara Cooperative	Manufacturing	760
Sisters of Charity Hospital, St. Joseph Campus	Health Care	650
Ingersoll Rand	Manufacturing	650
Cheektowaga Central SD	Education	396
Charter Communications	Telecommunications	300
Derrick Corporation	Manufacturing	300
API Heat Transfer	Commercial	260
Elderwood Health Care	Health Care	250
WalMart #2586	Commercial	250

Source: School District

TABLE 16
Civilian Labor Force
(Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town	45.0	44.9	44.4	44.5	43.7
County	450.4	451.2	448.1	448.6	443.4
State	9,529.4	9,561.9	9,557.1	9,561.7	9,574.7

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

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

TABLE 17
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2014	6.2%	6.1%	6.3%
2015	5.5%	5.3%	5.3%
2016	5.1%	4.9%	4.9%
2017	5.4%	5.2%	4.7%
2018	4.5%	4.4%	4.1%

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

TABLE 18
Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
July 2018	4.5%	4.4%	4.2%
August	4.4%	4.2%	4.1%
September	3.8%	3.7%	3.8%
October	3.5%	3.5%	3.6%
November	3.7%	3.7%	3.5%
December	4.3%	4.2%	3.9%
January 2019	4.9%	4.7%	4.6%
February	4.5%	4.5%	4.4%
March	4.3%	4.3%	4.1%
April	3.7%	3.7%	3.6%
May	3.7%	3.7%	3.8%
June	3.7%	3.6%	3.8%

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

LITIGATION

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

APPENDIX B
FINANCIALS

Cheektowaga Central School District
Summary of Estimated Revenues and Budgeted Appropriations - General Fund
Fiscal Year Ending June 30:

	Adopted Budget 2018-19	Adopted Budget 2019-20
<u>Estimated Revenues:</u>		
Real Property Tax	\$24,767,664	\$25,155,102
Other Real Property Tax Items	322,899	416,774
Non Property Taxes	2,575,642	2,651,878
Charges For Services	496,368	177,124
Miscellaneous Income	230,426	221,407
Use of Money and Property	46,027	476,277
State Aid	15,206,665	16,081,980
Federal Sources	250,000	150,000
Total Estimated Revenue	<u>43,895,691</u>	<u>45,330,542</u>
Appropriated Fund Balance	<u>1,261,130</u>	<u>550,000</u>
Total Est. Revenue and Appr. Fund Balance	<u><u>\$45,156,821</u></u>	<u><u>\$45,880,542</u></u>
<u>Appropriations:</u>		
General Support	\$3,975,225	\$3,699,797
Instructional Support	24,373,561	24,458,991
Transportation	4,509,860	4,958,158
Employee Benefits	9,820,669	9,690,269
Debt Service	2,202,506	2,798,327
Interfund Transfers	275,000	275,000
Total Appropriations	<u><u>45,156,821</u></u>	<u><u>45,880,542</u></u>

Source: School District Officials

Cheektowaga Central School District
Balance Sheet
General Fund
As of June 30:

	<u>2017</u>	<u>2018</u>
Assets		
Cash and Cash Equivalents	\$1,610,432	\$2,330,105
Accounts Receivable	0	633
Due From Other Governments	2,441,328	1,858,608
State and Federal Aid	558,106	383,456
Due from Other Funds	951,114	1,093,041
Investments	2,100,000	92,920
Prepaid Expenses and Other	<u>92,919</u>	<u>2,460,000</u>
Total Assets	<u><u>\$7,753,899</u></u>	<u><u>\$8,218,763</u></u>
Liabilities and Fund Equity		
Liabilities		
Accounts Payable	\$203,921	\$750,635
Accrued Liabilities	223,690	664,482
Due to Retirement Systems	<u>1,930,553</u>	<u>1,547,919</u>
Total Liabilities	<u>2,358,164</u>	<u>2,963,036</u>
Fund Balance		
Nonspendable		
Prepaid Expenses	92,919	92,920
Reserved For Debt	254,090	211,037
Reserved for Insurance	40,479	40,886
Reserved for Unemployment Insurance	106,679	107,751
Reserved For Repairs	67,983	68,666
Reserved For Tax Certiorari	654,203	546,451
Reserved for Employee Benefit Accrued Liability	304,476	307,535
Reserved for Capital	1,000,000	1,002,575
Unreserved		
Designated For Subsequent Years Expenditures	982,616	1,000,000
Other Purposes	8,025	159,615
Undesignated	<u>1,884,265</u>	<u>1,718,291</u>
Total Fund Balance	<u>\$5,395,735</u>	<u>\$5,255,727</u>
Total Liabilities and Fund Balance	<u><u>\$7,753,899</u></u>	<u><u>\$8,218,763</u></u>

Source: Audited Financial Statements of the District. Summary is not subject to Audit.

Cheektowaga Central School District
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ending June 30:

	2014	2015	2016	2017	2018
Revenues					
Real Property Taxes & Tax Items	\$22,890,134	\$23,332,089	\$23,554,597	\$23,831,036	\$24,406,161
Non Property Tax items	2,230,935	2,274,664	2,339,631	2,301,734	2,480,943
Charges of Services	464,139	594,440	520,745	597,409	488,616
Use of Money and Property	19,310	17,220	27,576	48,681	80,450
Sales of Property and Comp. for Loss	4,944	42,063	501	15,559	94,974
Miscellaneous	524,802	454,557	336,727	288,144	722,252
State Aid	11,799,111	12,441,438	12,567,489	13,433,880	14,229,386
Federal Aid	38,331	60,302	109,338	160,070	148,418
Total Revenues	37,971,706	39,216,773	39,456,604	40,676,513	42,651,200
Expenditures					
General Support	4,471,157	4,381,763	4,037,319	3,924,925	4,155,739
Instruction	19,871,693	20,615,088	21,041,975	22,274,336	22,809,936
Pupil Transportation	2,655,433	2,771,255	2,752,481	3,350,741	4,258,897
Employee Benefits	8,684,602	9,084,746	8,664,515	8,897,712	8,958,612
Debt Service	3,234,413	3,225,159	2,267,731	2,256,931	2,318,702
Total Expenditures	38,917,298	40,078,011	38,764,021	40,704,645	42,501,886
Excess Revenues (expenditures)	(945,592)	(861,238)	692,583	(28,132)	149,314
Other Uses:					
Proceeds from Advanced Refunding	6,731,926	0	0	0	0
Payment to Escrow Agent	(6,658,315)	0	0	0	0
Operating Transfers, net	1,670,544	(232,541)	(132,900)	(241,340)	(289,322)
Total Expenditures and Other Uses	1,744,155	(232,541)	(132,900)	(241,340)	(289,322)
Net Change in Fund Balances	798,563	(1,093,779)	559,683	(269,472)	(140,008)
Fund Balance Beginning of Year	5,400,737	6,199,300	5,105,521	5,665,204	5,395,735
Fund Balance End of Year	\$6,199,300	\$5,105,521	\$5,665,204	\$5,395,732	\$5,255,727

Source: Audited Financial Statements of the District. Summary is not subject to audit.

APPENDIX C

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

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

<https://emma.msrb.org/ER1174279-ER917858-ER1318391.pdf>

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

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

APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Cheektowaga Central School District, Erie County, New York (the “Issuer”) in connection with the issuance of its [\$1,100,000] Tax Anticipation Note(s), 2019 (the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

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

or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

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

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

Section 2. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

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

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

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

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

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

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change; provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer to this Disclosure Undertaking as of [August 29, 2019].

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

By: _____
President of the Board of Education

(SEAL)

ATTEST:

District Clerk

Cheektowaga Central School District
 Projected Cash Flows (all Funds excluding Capital)
 FY 2019-20

APPENDIX E

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Beginning Cash Investment	5,204,135	3,633,564	2,559,966	2,134,604	21,232,367	16,010,062	14,760,403	15,110,553	12,349,387	15,842,389	11,157,311	9,362,952
Cash Receipts												
Property Tax (inc. PILOT and STAR)	-	-	-	21,465,843	179,823	59,943	3,181,828	682,124	-	-	-	-
Lottery Aid (inc. VLT Lottery Grant)	-	-	2,078,468	77,480	77,480	77,480	-	77,480	77,480	73,208	-	-
Excess Cost Aid	-	325,000	-	-	-	615,000	-	36,000	1,044,851	-	-	375,000
General State Aid	238,000	9,697	42,819	-	-	488,403	-	3,878	4,469,956	-	2,100,504	800,000
Cafeteria Sales & Reimbursement	71,835	30	5,709	128,854	85,498	72,662	203,197	105,586	113,503	119,000	105,000	137,000
Medicaid	50,000	25,000	25,000	-	-	25,000	-	-	25,000	-	-	50,000
Erie County Sales Tax	605,000	-	-	662,969	-	-	662,969	-	-	662,969	-	-
Tuition / Tuition Reimbursement	128,726	37,398	-	-	-	-	-	-	-	-	-	-
BOCES Aid	-	-	-	680,000	-	-	-	-	185,000	-	-	299,827
Grants (State, Federal, and Local)	344,886	613,951	310,350	243,853	433,785	112,062	158,050	160,499	384,164	-	290,000	90,000
Interest Earnings	3,622	1,350	1,558	2,246	6,884	12,805	11,715	11,721	7,992	2,500	2,500	106
Debt Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers	6,587	6,025	36,513	963,738	67,490	37,040	37,016	37,301	37,507	30,000	30,000	30,000
Other Local	36,223	13,844	39,127	97,749	70,231	213,963	255,450	102,505	101,694	138,970	138,637	128,637
Total Cash Receipts	<u>1,484,879</u>	<u>1,032,295</u>	<u>2,539,545</u>	<u>24,322,731</u>	<u>921,190</u>	<u>1,714,357</u>	<u>4,510,225</u>	<u>1,217,095</u>	<u>6,447,147</u>	<u>1,026,647</u>	<u>2,666,641</u>	<u>1,910,570</u>
Cash Disbursements												
Warrants	1,963,700	1,293,741	1,055,271	1,806,678	3,213,778	1,164,368	2,327,396	2,024,661	1,138,134	1,928,000	1,766,000	2,800,000
Payroll and Payroll withholdings	1,002,234	806,127	1,873,123	1,846,302	2,762,229	1,762,608	1,795,663	1,916,298	1,778,505	1,775,000	2,665,000	3,900,000
Debt Service	-	-	-	608,250	-	-	-	-	-	1,978,725	-	92,918
Interfund Transfers	89,516	6,025	36,513	963,738	167,490	37,040	37,016	37,301	37,507	30,000	30,000	30,000
Total Cash Disbursements	<u>3,055,450</u>	<u>2,105,893</u>	<u>2,964,907</u>	<u>5,224,968</u>	<u>6,143,496</u>	<u>2,964,016</u>	<u>4,160,075</u>	<u>3,978,260</u>	<u>2,954,146</u>	<u>5,711,725</u>	<u>4,461,000</u>	<u>6,822,918</u>
Net Change in Cash Position	(1,570,571)	(1,073,598)	(425,362)	19,097,764	(5,222,306)	(1,249,659)	350,150	(2,761,165)	3,493,001	(4,685,078)	(1,794,359)	(4,912,348)
Ending Cash Investment	<u>3,633,564</u>	<u>2,559,966</u>	<u>2,134,604</u>	<u>21,232,367</u>	<u>16,010,062</u>	<u>14,760,403</u>	<u>15,110,553</u>	<u>12,349,387</u>	<u>15,842,389</u>	<u>11,157,311</u>	<u>9,362,952</u>	<u>4,450,604</u>
Restricted Cash												
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve	1,002,598	1,002,621	1,002,643	1,002,666	1,002,689	1,002,712	1,002,735	1,002,755	1,002,778	1,002,800	1,003,000	1,003,100
	<u>1,002,598</u>	<u>1,002,621</u>	<u>1,002,643</u>	<u>1,002,666</u>	<u>1,002,689</u>	<u>1,002,712</u>	<u>1,002,735</u>	<u>1,002,755</u>	<u>1,002,778</u>	<u>1,003,000</u>	<u>1,003,000</u>	<u>1,003,000</u>
Unrestricted Cash	<u>2,630,966</u>	<u>1,557,344</u>	<u>1,131,960</u>	<u>20,229,701</u>	<u>15,007,373</u>	<u>13,757,691</u>	<u>14,107,818</u>	<u>11,346,632</u>	<u>14,839,610</u>	<u>10,154,311</u>	<u>8,359,952</u>	<u>3,447,604</u>

Cheektowaga Central School District
 2019-20 Projected Cash Flows (all funds except Capital)
 July 2019 - September 2019, by week

Week ended	7/5/2019	PR 7/12/2019	7/19/2019	PR 7/26/2019	8/2/2019	PR 8/9/2019	8/16/2019	PR 8/23/2019	8/30/2019	PR 9/6/2019	9/13/2019	PR 9/20/2019	9/27/2019
Beginning Cash Investment	5,204,135	5,504,937	3,997,207	4,238,205	3,633,541	3,389,693	2,883,245	3,028,351	2,497,478	2,559,966	981,381	887,984	4,560
Cash Receipts													
Property Tax (inc. PILOT and STAR)							-	-	-	-	-	-	-
Lottery Aid (inc. VLT Lottery Grant)							-	-	-	-	-	-	2,176,143
Excess Cost Aid							286,642	-	-	2,848	-	-	-
General State Aid					238,000	9,697	-	-	-	-	-	-	5,064
Cafeteria Sales & Reimbursement			71,835				-	-	30	805	1,744	1,032	2,128
Medicaid			80,562		75,047		-	30,491	-	-	-	-	-
Erie County Sales Tax							-	-	-	-	-	-	-
Tuition / Tuition Reimbursement							-	-	-	-	-	-	-
BOCES Aid							-	-	-	-	-	-	-
Grants (State, Federal, and Local)	64,637		250,096			61,175	-	-	276,623	-	-	203,164	104,203
Interest Earnings			6,167	110,047			-	3,170	180	-	-	-	303
Debt Proceeds							-	-	-	-	-	-	-
Interfund Transfers							-	-	-	-	-	-	-
BOCES Rental		2,754					-	-	-	-	-	-	-
Other Local	757,422	63,947	38,070	39,343		45,240	-	1,104	4,898	-	2,983	28,584	10,542
Total Cash Receipts	<u>822,059</u>	<u>66,701</u>	<u>446,730</u>	<u>149,390</u>	<u>313,047</u>	<u>116,112</u>	<u>286,642</u>	<u>34,765</u>	<u>281,731</u>	<u>3,653</u>	<u>4,727</u>	<u>232,780</u>	<u>2,298,384</u>
Cash Disbursements													
Warrants	416,119	1,243,005	177,342	133,564	549,439	239,376	131,825	179,170	199,934	646,800	89,776	236,869	117,982
Payroll and Payroll withholdings	105,138	331,426	28,391	537,281	7,455	383,183	9,711	386,467	19,310	935,438	8,348	879,336	50,001
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	83,209	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	<u>521,257</u>	<u>1,574,431</u>	<u>205,733</u>	<u>754,054</u>	<u>556,894</u>	<u>622,559</u>	<u>141,536</u>	<u>565,638</u>	<u>219,243</u>	<u>1,582,238</u>	<u>98,124</u>	<u>1,116,205</u>	<u>167,983</u>
Net Change in Cash Position	300,802	(1,507,730)	240,998	(604,664)	(243,848)	(506,447)	145,105	(530,873)	62,488	(1,578,584)	(93,397)	(883,425)	2,130,401
Ending Cash Investment	<u>5,504,937</u>	<u>3,997,207</u>	<u>4,238,205</u>	<u>3,633,541</u>	<u>3,389,693</u>	<u>2,883,245</u>	<u>3,028,351</u>	<u>2,497,478</u>	<u>2,559,966</u>	<u>981,381</u>	<u>887,984</u>	<u>4,560</u>	<u>2,134,960</u>
Restricted Cash													
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Reserve	1,002,575	1,002,575	1,002,575	1,002,575	1,002,575	1,002,575	1,002,621	1,002,621	1,002,621	1,002,621	1,003,000	1,003,000	1,003,000
	<u>1,002,575</u>	<u>1,002,575</u>	<u>1,002,575</u>	<u>1,002,575</u>	<u>1,002,575</u>	<u>1,002,575</u>	<u>1,002,621</u>	<u>1,002,621</u>	<u>1,002,621</u>	<u>1,002,621</u>	<u>1,003,000</u>	<u>1,003,000</u>	<u>1,003,000</u>
Unrestricted Cash	<u>4,502,362</u>	<u>2,994,632</u>	<u>3,235,630</u>	<u>2,630,965</u>	<u>2,387,118</u>	<u>1,880,670</u>	<u>2,025,730</u>	<u>1,494,857</u>	<u>1,557,345</u>	<u>(21,240)</u>	<u>(115,016)</u>	<u>(998,440)</u>	<u>1,131,960</u>