



\$128,290,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$84,965,000
SERIES 2015D

\$14,430,000
SERIES 2015E

\$28,895,000
SERIES 2015F

Dated: Date of Delivery

Due: As shown on the inside cover

Payment and Security: The School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015D (the "Series 2015D Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015E (the "Series 2015E Bonds") and the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015F (the "Series 2015F Bonds" and, together with the Series 2015D Bonds and the Series 2015E Bonds, the "Series 2015 Bonds"), will be special obligations of the Dormitory Authority of the State of New York ("DASNY"), payable solely from and secured by a pledge of payments to be made by the applicable School Districts described in Appendix B hereto (collectively, the "School Districts") in the State of New York (the "State") pursuant to the applicable Financing Agreements (each, an "Agreement" and collectively, the "Agreements"), dated as of April 15, 2015, between DASNY and such School Districts, and all funds and accounts (except the Arbitrage Rebate Fund) authorized under DASNY's Master School Districts Revenue Bond Financing Program Resolution adopted May 29, 2002, as amended and supplemented (the "Master Resolution"), and established by DASNY's Series Resolutions, adopted April 15, 2015, authorizing such Series (individually, the "Series 2015D Resolution," the "Series 2015E Resolution" and the "Series 2015F Resolution" and, together, the "Series 2015 Resolutions"). The Master Resolution and the Series 2015 Resolutions are herein collectively referred to as the "Resolutions." None of the funds and accounts established under a Series Resolution to secure a Series of Bonds shall secure any other Series of Bonds. There is no debt service reserve fund securing the Series 2015 Bonds and no real property of any School District secures the Series 2015 Bonds.

Each School District is required under its respective Agreement to deliver its general obligation bonds (the "School District Bonds") to DASNY to evidence its obligation to repay the loan (the "Loan") to be made by DASNY to the School District from proceeds of the Series 2015 Bonds relating to such Agreement. The principal and redemption price of and interest on the School District Bonds ("Loan Repayments") are scheduled to be sufficient to repay, when due, the principal and redemption price of and interest on the Loan. Each School District is also required under its respective Agreement to pay such amounts as are required to be paid under such Agreement, including the fees and expenses of DASNY and the Trustee. To secure its payment of all amounts due under its Agreement, each School District under its Agreement has assigned and pledged to DASNY a sufficient portion of public funds apportioned or otherwise made payable by the State to such School District (the "Pledged Revenues"). Each School District has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee pursuant to an assignment by DASNY as provided in the Act (as defined herein) and the Memorandum of Understanding among DASNY, the Comptroller of the State and the Commissioner of Education of the State upon the occurrence of certain events of default under its respective Agreement. Each Series of the Series 2015 Bonds will be separately secured by the pledge and assignment to the Trustee of the payments to be made by each School District to DASNY under its respective Agreement and on the School District Bonds and DASNY's interest in the Pledged Revenues pledged and assigned to DASNY under the Agreements.

Each School District will pledge its full faith and credit to the payment of the principal of and interest on the School District Bonds it delivers to DASNY and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment.

No School District is obligated to make payments on behalf of any other School District nor are the Pledged Revenues of any School District pledged to secure the obligation of any other School District. A default by any School District could cause a default on the applicable Series of the Series 2015 Bonds. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS."

The Series 2015 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power.

Bond Insurance: The scheduled payment of principal of and interest on certain maturities of the Series 2015 Bonds as set forth on the inside cover page of this Official Statement (collectively, the "Insured Bonds") when due will be guaranteed under the municipal bond insurance policies (collectively, the "Policy") to be issued concurrently with the delivery of the Insured Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer").



Description: The Series 2015 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2015 Bonds (due each April 1 and October 1, commencing April 1, 2016 with respect to the Series 2015D Bonds and the Series 2015E Bonds and October 1, 2016 with respect to the Series 2015F Bonds) will be payable by check or draft mailed to the registered owners of the Series 2015 Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a registered owner of at least \$1,000,000 in principal amount of the Series 2015 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five (5) days prior to the fifteenth (15th) day of the month next preceding an interest payment date. The principal and Redemption Price of the Series 2015 Bonds will be payable at the principal corporate trust office of U.S. Bank National Association, New York, New York, the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a registered owner of at least \$1,000,000 in principal amount of the Series 2015 Bonds, by wire transfer to the owner of such Series of Series 2015 Bonds as more fully described herein.

The Series 2015 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2015 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2015 Bonds, payments of the principal of and interest on such Series of Series 2015 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 – THE SERIES 2015 BONDS – Book-Entry Only System" herein.

Redemption: *The Series 2015 Bonds are subject to redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Hiscock & Barclay, LLP, Co-Bond Counsel to DASNY, under existing statutes, regulations, rulings and court decisions and assuming compliance with the covenants described herein and the accuracy of certain representations by DASNY and the School Districts (and their successors), interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Hiscock & Barclay, LLP is also of the opinion that interest on the Series 2015 Bonds is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed under the Code; provided, however, that interest on the Series 2015 Bonds owned by corporations will be included in the calculation of adjusted current earnings, a portion of which is an adjustment to corporate alternative minimum taxable income for purposes of calculating the alternative minimum tax imposed on corporations. Hiscock & Barclay, LLP and Marous & Marous, P.C., as Co-Bond Counsel are further of the opinion that interest on the Series 2015 Bonds is exempt under existing laws from personal income taxes imposed by the State of New York and its political subdivisions (including The City of New York). See "PART 10 – TAX MATTERS" herein regarding certain other tax considerations.

The Series 2015 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2015 Bonds may be subject to prior sale or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Hiscock & Barclay, LLP, Albany, New York, and Marous & Marous, P.C., New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Winston & Strawn LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto. DASNY expects to deliver the Series 2015D Bonds and the Series 2015E Bonds in New York, New York, on or about June 10, 2015 and the Series 2015F Bonds in New York, New York on or about July 2, 2015.

Jefferies
Raymond James

RBC Capital Markets
Roosevelt & Cross, Incorporated

\$128,290,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$84,965,000
SERIES 2015D

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$2,095,000	3.000%	0.670%	64990BJK0	2026 [†]	\$6,900,000	5.000%	3.020% ⁽²⁾	64990BJV6
2017	4,495,000	5.000	1.060	64990BJL8	2027 [†]	7,170,000	5.000	3.120 ⁽²⁾	64990BJW4
2018	4,720,000	5.000	1.410	64990BJM6	2028 [†]	7,255,000	5.000	3.220 ⁽²⁾	64990BJX2
2019	4,960,000	5.000	1.650	64990BJN4	2029 [†]	7,115,000	5.000	3.280 ⁽²⁾	64990BJY0
2020 [†]	5,215,000	5.000	1.840	64990BJP9	2030 [†]	1,020,000	5.000	3.360 ⁽²⁾	64990BJZ7
2021 [†]	5,470,000	5.000	2.050	64990BJQ7	2030 [†]	3,335,000	3.500	3.670	64990BKE2
2022 [†]	5,735,000	5.000	2.270	64990BJR5	2031 [†]	275,000	3.625	3.750	64990BKA0
2023 [†]	6,025,000	5.000	2.490	64990BJS3	2032 [†]	70,000	3.625	3.800	64990BKB8
2024 [†]	6,325,000	5.000	2.680	64990BJT1	2033 [†]	70,000	3.750	3.850	64990BKC6
2025 [†]	6,640,000	5.000	2.840	64990BJU8	2034 [†]	75,000	3.750	3.900	64990BKD4

\$14,430,000
SERIES 2015E

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$450,000	3.000%	0.670%	64990BKF9	2024 [†]	\$1,065,000	5.000%	2.680%	64990BKP7
2017	810,000	5.000	1.060	64990BKG7	2025 [†]	1,135,000	5.000	2.840	64990BKQ5
2018	850,000	4.000	1.410	64990BKH5	2026 [†]	1,190,000	3.000	3.150	64990BKR3
2019	910,000	5.000	1.650	64990BKJ1	2027 [†]	1,240,000	3.125	3.290	64990BKS1
2020	905,000	4.000	1.890	64990BKK8	2028 [†]	1,275,000	3.250	3.440	64990BKT9
2021 [†]	945,000	5.000	2.050	64990BKL6	2029 [†]	845,000	3.375	3.570	64990BKU6
2022 [†]	995,000	5.000	2.270	64990BKM4	2030 [†]	770,000	3.500	3.670	64990BKV4
2023 [†]	1,045,000	5.000	2.490	64990BKN2					

\$28,895,000
SERIES 2015F

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016 [†]	\$1,010,000	4.000%	0.870%	64990BKW2	2023 [†]	\$2,490,000	2.500%	2.790%	64990BLD3
2017 [†]	1,920,000	5.000	1.260	64990BKX0	2024 [†]	2,560,000	3.000	3.000	64990BLE1
2018 [†]	2,020,000	5.000	1.610	64990BKY8	2025 [†]	2,665,000	5.000	3.140	64990BLF8
2019 [†]	2,125,000	5.000	1.850	64990BKZ5	2026 [†]	2,775,000	3.125	3.280	64990BLG6
2020 [†]	2,235,000	5.000	2.090	64990BLA9	2027 [†]	2,860,000	3.250	3.430	64990BLH4
2021 [†]	2,345,000	5.000	2.350	64990BLB7	2028 [†]	1,455,000	3.375	3.580	64990BLJ0
2022 [†]	2,435,000	2.250	2.570	64990BLC5					

⁽¹⁾ CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2015 Bonds. Neither DASNY nor the Underwriters are responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2015 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2015 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2015 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2015 Bonds.

⁽²⁾ Priced at stated yield to the October 1, 2025 optional redemption date at a redemption price of 100% of the principal amount of such Series 2015D Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

[†] Insured by Build America Mutual Assurance Company.

No dealer, broker, salesperson or other person has been authorized by DASNY, the School Districts or the Underwriters to give any information or to make any representations with respect to the Series 2015 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by any of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2015 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied or authorized by the School Districts, DTC, the Insurer and other sources that DASNY believes are reliable. DASNY does not guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of DASNY. See "PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS" of the Official Statement for a description of the various sources of information.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities law, but the Underwriters do not guarantee the accuracy or completeness of such information.

BAM makes no representation regarding the Series 2015 Bonds or the advisability of investing in the Series 2015 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Bond Insurance" and "Appendix G – Specimen Municipal Bond Insurance Policy."

References in this Official Statement to the Act, the Master Resolution, the Series 2015 Resolutions, the Agreements, the School District Bonds and the Policy do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2015 Resolutions, the Agreements, the School District Bonds and the Policy for full and complete details of their provisions. Copies of the Master Resolution, the Series 2015 Resolutions, the Agreements, the School District Bonds and the Policy are on file with DASNY and/or the Trustee.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including its appendices, must be considered in its entirety.

Under no circumstances shall the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of DASNY and the School Districts have remained unchanged after the date of this Official Statement.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of DASNY. These forward-looking statements speak only as of the date of this Official Statement. DASNY disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in DASNY's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

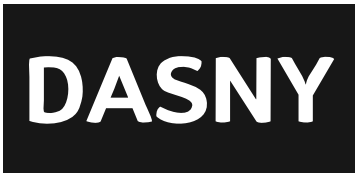
The Trustee has no responsibility for the form and content of this Official Statement and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY – STATE OF NEW YORK
PAUL T. WILLIAMS, JR. – PRESIDENT

515 BROADWAY, ALBANY, N.Y. 12207
ALFONSO L. CARNEY, JR. – CHAIR

OFFICIAL STATEMENT RELATING TO

\$128,290,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$84,965,000
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PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information about DASNY and the School Districts in connection with the offering by DASNY of \$84,965,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015D (the “Series 2015D Bonds”), \$14,430,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015E (the “Series 2015E Bonds”) and \$28,895,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2015F (the “Series 2015F Bonds” and, together with the Series 2015D Bonds and the Series 2015E Bonds, the “Series 2015 Bonds”).

The following is a brief description of certain information concerning each Series of the Series 2015 Bonds, DASNY and the participating School Districts. A more complete description of such information and additional information that may affect decisions to invest in the Series 2015 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto. Certain information pertaining to the participating School Districts is contained in Appendix B and Appendix C hereto.

Purpose of the Series

The Series 2015 Bonds are being issued and the proceeds will be used: (i) to refinance certain bond anticipation notes of the School Districts identified in Appendix B issued to finance all or a portion of the costs of school district capital facilities and school district capital equipment (as described in each School District’s Agreement (defined below) in respect of the Applicable Series of Series 2015 Bonds); and (ii) to pay the Costs of Issuance of the Applicable Series of Series 2015 Bonds. The applicable School Districts for which the Series 2015D Bonds are being issued are: the Brasher Falls Central School District, the Brocton Central School District, the Delaware Academy Central School District at Delhi, the Genesee Valley Central School District, the City School District of the City of Geneva, the Lansingburgh Central School District, the City School District of the City of Oneonta, the City School District of the City of Rome, the Romulus Central School District, the Roscoe Central School District, the Tioga Central School District and the Waverly Central School District. The applicable School Districts for which the Series 2015E Bonds are being issued are: the Honeoye Falls-Lima Central School District, the Lansing Central School District, the Manchester-Shortsville Central School District and the Williamson Central

School District. The applicable School District for which the Series 2015F Bonds are being issued is: the City School District of the City of Utica. See “PART 5 – ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Act empowers DASNY, among other things, to issue its bonds for the purpose of financing or refinancing all or a part of “school district capital facilities” and “school district capital equipment” (collectively, “school projects”) for certain “school districts.” The Act requires DASNY to enter into a lease, sublease or other agreement with a school district before DASNY can undertake a financing and/or refinancing for such school district. Under the Act, the particular school district obtaining a loan to be funded from the proceeds of a Series of Bonds (a “Loan”) shall enter into a Financing Agreement (an “Agreement”) with DASNY and, pursuant to the respective Agreement, will deliver its school district bonds to DASNY.

Each Series of the Series 2015 Bonds will be issued pursuant to the Master Resolution, the applicable Series 2015 Resolution and the Act. Each of the School Districts has entered into a separate Agreement with DASNY for the purpose of financing and/or refinancing its respective school projects from the proceeds of the applicable Series of Series 2015 Bonds for which it is obligated to pay. See “Appendix B – List of the School Districts and Principal Amount of Each School District’s Loan.”

The Master Resolution authorizes the issuance of multiple Series of Bonds. Each Series of Bonds is to be separately secured by (i) the funds and accounts established pursuant to a Series Resolution, (ii) certain payments to be made under an Agreement by a school district receiving a Loan to be funded from the proceeds of the particular Series and (iii) the pledge and assignment by the school district in its Agreement of the portion of certain public funds apportioned or otherwise made payable by a State to the school district (the “Pledged Revenues”). No school district will be responsible for the payment obligations of any other school district nor will the Pledged Revenues pledged and assigned by a school district be available to satisfy the obligations of any other school district. None of the funds and accounts established under any Series Resolution or the pledge of the Pledged Revenues to secure a Series of Bonds shall secure any other Series of Bonds. However, if more than one Series of Bonds has been or will be issued to finance or refinance projects for a particular school district, the Pledged Revenues assigned by such school district will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Additional Bonds and Other Indebtedness.”

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, governmental and not-for-profit institutions. See “PART 7 – DASNY.”

The School Districts

The School Districts are located in different areas of the State, are of different geographic and demographic size and have different economic, financial and indebtedness characteristics. See “PART 4 – THE SCHOOL DISTRICTS,” “Appendix B – List of the School Districts and Principal Amount of Each School District’s Loan” and “Appendix C – Certain Financial and Economic Information Relating to the School Districts.” The financial statements as of the fiscal year ended June 30, 2014 of each of the School Districts and additional information regarding the School Districts have been filed by the School Districts with the Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (“MSRB”). Such financial statements are incorporated herein by reference. See “Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – General Information.”

The Series 2015 Bonds

The Series 2015 Bonds will be dated their date of delivery and will bear interest from such date of delivery at the rates and will mature on the dates set forth on the inside cover page of this Official Statement. Interest on the Series 2015 Bonds is payable each April 1 and October 1, commencing April 1, 2016 with respect to the Series

2015D Bonds and the Series 2015E Bonds and October 1, 2016 with respect to the Series 2015F Bonds. See “PART 3 – THE SERIES 2015 BONDS – Description of the Series 2015 Bonds.”

Payment of the Series 2015 Bonds

Each Series of the Series 2015 Bonds is a special obligation of DASNY payable solely from the payments to be made by the applicable School Districts under the applicable Agreements and the Pledged Revenues of each School District with respect to such Series of Series 2015 Bonds. Payments due under each Agreement (“Loan Repayments”) are scheduled to be sufficient to pay the principal and Redemption Price of and interest on the Series of Series 2015 Bonds from the proceeds of which each School District will receive a Loan with respect to such Series of Series 2015 Bonds. Each Agreement also requires the School District to pay fees and expenses of DASNY and the Trustee. Pursuant to the Master Resolution, the Loan Repayments and DASNY’s right to receive the same under all the Agreements in respect of a Series of the Series 2015 Bonds and the Pledged Revenues in respect of such Series 2015 Bonds have been pledged to the Trustee to secure solely such Series 2015 Bonds and no other Series of Bonds. However, if more than one Series of Bonds has been or will be issued to finance or refinance projects for a particular school district, the Pledged Revenues assigned by such school district will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Additional Bonds and Other Indebtedness.”

No School District will be responsible for the payment obligations of any other School District nor will the Pledged Revenues pledged and assigned by a School District be available to satisfy the obligation of any other School District. A failure to pay an amount when due by a single School District under its Agreement in respect of a Series of the Series 2015 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. See “– Security for the Series 2015 Bonds” below. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to the Insured Bonds (defined herein), the only source of payment for such Insured Bonds will be the payment made by the Insurer (defined herein) under the Policy (defined herein). If a School District fails to pay amounts due under its Agreement, DASNY’s sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, neither DASNY, the Trustee nor the Holders of the Series 2015 Bonds of such Series will have the right to accelerate the obligation of the defaulting School District under its Agreement.

See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Payment of the Series 2015 Bonds” and “– Security for the Series 2015 Bonds.”

Security for the Series 2015 Bonds

Each Series of the Series 2015 Bonds will be secured by the pledge and assignment to the Trustee of payments due under the respective School District’s applicable Agreement in respect of such Series 2015 Bonds, including Loan Repayments and all funds and accounts authorized by the Master Resolution and established by the applicable Series Resolution (with the exception of the Arbitrage Rebate Fund). Each School District will deliver its School District Bonds to DASNY to evidence its obligation to repay its Loan, will pledge its full faith and credit to the payment of the principal of and interest on its School District Bonds and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment. DASNY, as the holder of such School District Bonds, will have the rights and remedies provided for by the State Constitution and applicable statutes to holders of school district general obligation bonds. The School District Bonds will be held by DASNY and will not be assigned to the Trustee.

To secure payment of all amounts due under its Agreement in respect of a Series of the Series 2015 Bonds, each School District has assigned and pledged to DASNY its Pledged Revenues. Each School District under its Agreement has directed and acknowledged that its Pledged Revenues are to be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding among DASNY, the Comptroller of the State and the Commissioner of Education of the State (the “MOU”) upon the occurrence of an event of default resulting from the failure to pay the amounts due under its Agreement. The Act authorizes an intercept mechanism under which the State Comptroller shall pay the public funds assigned by a School District to DASNY directly to the Trustee pursuant to an assignment from DASNY.

The primary component of Pledged Revenues assigned and pledged by the School Districts to DASNY consists of State aid payable to the School Districts. The determination of the amount of State aid and the apportionment of such State aid are legislative acts and the State Legislature may amend or repeal the statutes relating to State aid and the formulas which determine the amount of State aid payable to the School Districts. Such amendments could result in the increase, decrease or elimination of the amount of the Pledged Revenues available for the payment of debt service on the Series 2015 Bonds. The financial condition of the State may affect the amount of State aid appropriated by the State Legislature and apportioned to school districts in the State.

See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS – Security for the Series 2015 Bonds” and “– Bond Insurance.” See also “PART 4 – THE SCHOOL DISTRICTS – Special Provisions Affecting Remedies on Default” and “– Financial Factors – *State Aid*” and “Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – State Aid.”

Bond Insurance

The scheduled payment of principal of and interest on certain of the Series 2015 Bonds as set forth on the inside cover page of this Official Statement (collectively, the “Insured Bonds”) when due will be guaranteed under the municipal bond insurance policies (collectively, the “Policy”) to be issued concurrently with the delivery of the Insured Bonds by Build America Mutual Assurance Company (“BAM” or the “Insurer”). See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2013 BONDS – Bond Insurance.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2015 BONDS

Set forth below is a narrative description of certain contractual and statutory provisions relating to the sources of payment and security for the Bonds, including each Series of the Series 2015 Bonds, issued under the Master Resolution. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Master Resolution, the Series 2015 Resolutions, the Agreements and the School District Bonds for a more complete description of such provisions. Copies of the Act, the Master Resolution, the Series 2015 Resolutions, each Agreement and the School District Bonds are on file with DASNY and/or the Trustee. See also “Appendix D – Summary of Certain Provisions of the Financing Agreements” and “Appendix E – Summary of Certain Provisions of the Master Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2015 Bonds

Each Series of the Series 2015 Bonds will be special obligations of DASNY. The principal and Redemption Price of and interest on each Series of the Series 2015 Bonds are payable solely from the Revenues pledged to such Series 2015 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2015 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2015 Bonds have been pledged to the Trustee for the payment of such Series 2015 Bonds.

Loan Repayments in respect of each Series of the Series 2015 Bonds are to be paid by each School District on the dates and in the amounts specified in each Agreement and the School District Bonds, which loan payment dates are at least forty-five (45) days prior to the dates on which principal and interest are next due on such Series 2015 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal and interest on such Series 2015 Bonds.

No School District will be responsible for the payment obligations of any other School District nor will the Pledged Revenues pledged and assigned by a School District be available to satisfy the obligation of any other School District. A failure to pay an amount when due by a single School District under its Agreement in respect of a Series of the Series 2015 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to the Insured Bonds, the only source of payment for such Insured Bonds will be the payment made by the Insurer under the Policy. If a School District fails to pay

amounts due under its Agreement, DASNY's sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, none of DASNY, the Trustee or the holders of the Series 2015 Bonds will have the right to accelerate the obligation of the defaulting School District under its Agreement. See in this PART 2 "-- Bond Insurance."

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance Loans to a particular School District, (ii) DASNY does not receive sufficient payments from the School District to meet the School District's payment obligations with respect to all such Series of Bonds and (iii) the State aid payable to the School District is insufficient to fully make up such deficiency, then the Comptroller will pay a proportionate amount of the available State aid to the trustee for each such Series of Bonds until such deficiency is made up.

Security for the Series 2015 Bonds

Each Series of the Series 2015 Bonds will be secured by the pledge and assignment to the Trustee of all payments payable by all School Districts under their Agreements in respect of such Series 2015 Bonds, all funds and accounts authorized by the Master Resolution and established by the applicable Series 2015 Resolution (with the exception of the Arbitrage Rebate Fund), and DASNY's security interest in the Pledged Revenues in respect of such Series 2015 Bonds; provided however, that certain earnings on amounts held in the Debt Service Fund will be released to the applicable School District and prior to such release will secure only the proportionate amount of the Series 2015 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2015 Bonds. Pursuant to the terms of the Master Resolution, the funds and accounts established by a Series Resolution secure only the Bonds of such Series and do not secure any other Series of Bonds issued under the Master Resolution. See in this PART 2 "-- Additional Bonds and Other Indebtedness."

Payments Under the Agreement and School District Bonds. Each School District will, pursuant to its Agreement, deliver its School District Bonds to DASNY to evidence its obligation to repay the Loan made by DASNY to such School District. The Series 2015 Bonds are not secured by any interest in any real property (including the school district capital facilities and school district capital equipment financed or refinanced by a Series of Bonds) of any School District. The School District Bonds are general obligations of the applicable School District. Each School District will pledge its full faith and credit to the payment of the principal of and interest on the School District Bonds it delivers to DASNY and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment. Each School District's obligation to pay the amounts due under its respective Agreement is absolute and unconditional without any right of set-off, recoupment or counterclaim against DASNY. The School District Bonds will be held by DASNY and will not be assigned to the Trustee.

DASNY has covenanted for the benefit of the Holders of each Series of the Series 2015 Bonds that it will not create or cause to be created any lien or charge upon the Revenues or its interest in the Pledged Revenues specifically pledged to secure such Series 2015 Bonds, the proceeds of such Series 2015 Bonds or the funds or accounts established under the applicable Series Resolution which is prior or equal to the pledge made by the Master Resolution for such Series 2015 Bonds, except for the Pledged Revenues pledged and assigned by any School District for which DASNY has in the past or may in the future issue more than one Series of Bonds to finance Loans to such School District, which will secure all such Series of Bonds on a parity basis. See "-- Additional Bonds and Other Indebtedness" below.

Pledged Revenues. As additional security for the payment of the amounts due under its Agreement to DASNY, each School District under its Agreement in respect of a Series of the Series 2015 Bonds has assigned and pledged to DASNY a sufficient portion of any and all Pledged Revenues. Each School District under its Agreement has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee as provided in the Act and the MOU upon the occurrence of certain events of default under its Agreement. Each School District has further agreed under its Agreement that all State and local officials concerned are authorized to apportion and pay to or upon the order of DASNY all such Pledged Revenues upon the occurrence of certain events of default. The pledge and assignment will be irrevocable (in accordance with the Act) and will continue until the date on which the liabilities of the School District incurred, as a result of the issuance of the Series 2015 Bonds, have been paid or otherwise discharged. The Pledged Revenues pledged and assigned by one School District will not be available to satisfy the obligation of any other School District.

The Act authorizes an intercept mechanism under which the State Comptroller shall pay the State aid assigned by the School District to DASNY directly to DASNY upon the occurrence of certain events of default. Pursuant to this intercept mechanism, DASNY is required to certify annually to the Commissioner of Education a statement of all amounts due from each of the School Districts to DASNY. The Commissioner of Education, in turn, is required to include in the certificate filed with the State Comptroller, a statement showing the amount owed to DASNY by each of the School Districts. Pursuant to the MOU, DASNY has agreed to notify the Commissioner of Education within five (5) business days after payment is due of any failure by any School District to pay (a “Delinquency Notice”) and the Commissioner of Education has agreed to promptly forward such Delinquency Notice to the State Comptroller. Upon receipt of such Delinquency Notice, the State Comptroller agrees to pay to the Trustee the amount set forth in the Delinquency Notice from any funds of the State that become due and payable to the defaulting School District. Until the amount set forth in the Delinquency Notice has been fully paid to the Trustee, the State Comptroller shall not pay any State funds to the defaulting School District.

Section 99-b of the State Finance Law and various State programs also provide a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district in default on such payment. Such intercept could also affect the extent to which State aid would be available to cure a default by a School District under its Agreement or School District Bonds, pursuant to the State aid intercept authorized under the Act. See “PART 4 – THE SCHOOL DISTRICTS – Special Provisions Affecting Remedies on Default.”

While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment. 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 future years and the financial condition of the State. See “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

There can be no assurance that the amount of the Pledged Revenues pledged and assigned by any School District will be sufficient to pay the amount of any deficiency in Loan Repayments payable by such School District.

Additional Bonds and Other Indebtedness

In addition to the Series 2015 Bonds, the Master Resolution authorizes the issuance of other Series of Bonds for other school districts and for specified purposes, including to refund Outstanding Bonds issued under the Master Resolution. Each Series of Bonds issued under the Master Resolution will be separately secured by the pledge and assignment of the Applicable Revenues, DASNY’s interest in the Applicable Pledged Revenues, the proceeds from the sale of such Series of Bonds and all funds and accounts (with the exception of the Arbitrage Rebate Fund) authorized by the Applicable Series Resolution.

DASNY has also previously issued the following Series of Bonds under the Master Resolution for the benefit of the following School Districts and has loaned the proceeds of such Series of Bonds to the following School Districts:

<u>School Districts</u>	<u>Series of Bonds</u>
Delaware Academy Central School District at Delhi	2012F
Lansing Central School District	2013D
Lansingburgh Central School District at Troy	2010A
City School District of the City of Oneonta	2010A
City School District of the City of Rome	2008A, 2010A, 2011A
Tioga Central School District	2009C
City School District of the City of Utica	2012D, 2013E
Waverly Central School District	2011A

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance Loans to a particular school district, (ii) DASNY does not receive sufficient payments from such

school district to meet such school district's payment obligations with respect to all such Series of Bonds and (iii) the State aid payable to such school district is insufficient to fully make up such deficiency, then the Comptroller will pay a proportionate amount of the available State aid to the trustee for each such Series of Bonds until such deficiency is made up.

In addition to issuance of School District Bonds by each of the School Districts as security for its respective obligations under the Agreements, each of the School Districts has the power in accordance with the New York State Local Finance Law to issue bonds in addition to the School District Bonds for School District purposes. See "PART 4 – THE SCHOOL DISTRICTS – Summaries of the Constitutional and Statutory Debt Provisions."

General

The Series 2015 Bonds will not be a debt of the State of New York nor will the State be liable thereon. DASNY has no taxing power. See "PART 7 – DASNY."

Defaults and Remedies under the Agreement

Among the events which would constitute an "event of default" under an Agreement is the failure by the School District to pay the amounts due under the Agreement as evidenced by its School District Bonds or any other amounts due under the Agreement or to observe or perform any of the covenants, conditions or agreements contained in the Agreement which continues for the applicable grace period after notice of such failure has been given to such School District. In the event any such event of default happens as a result of a failure to pay the amounts due under the Agreement, DASNY may direct payment to the Trustee pursuant to the State aid intercept mechanism authorized by the Act and implemented by the MOU of certain State aid payable by the State to such School District. See in this PART 2 "– Security for the Series 2015 Bonds." In the event any other event of default happens and continues, DASNY may exercise a number of remedies, including such remedies as are available to the holder of the School District Bonds, and any other remedies available at law or in equity. *In no event may any "event of default" under an Agreement cause an acceleration of the amounts due under such Agreement.*

Default and Remedies under the Master Resolution

"Events of Default" under the Master Resolution in respect of a Series of Bonds include: (i) the failure to pay principal, Sinking Fund Installments or Redemption Price of, and interest on the Bonds of such Series when due; (ii) the failure to comply with the provisions of the Code applicable to such Series necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code, with the result that interest on the Bonds of such Series is no longer excludable from the gross income of the Holders thereof; and (iii) a default by DASNY in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or the Applicable Series Resolution or in the Bonds of such Series on the part of DASNY to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied is given to DASNY by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series, unless, if such default is not capable of being cured within thirty (30) days, DASNY has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

The Master Resolution provides that if an "event of default" occurs and continues, the Trustee may proceed, and upon the written request of an Applicable Facility Provider of a Series or of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series will proceed (in either case, with the consent of an Applicable Facility Provider of such Series) or, in the case of a happening and continuance of an "event of default" specified in clause (ii) above, upon the written request of an Applicable Facility Provider of a Series or of the Holders of not less than 25% in principal amount of the Outstanding Bonds of such Series with the consent of the Applicable Facility Provider of such Series, will proceed (subject to the provisions of the Master Resolution), to protect and enforce its rights and the rights of the Bondholders or of such Applicable Facility Provider under the Master Resolution or Applicable Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Master Resolution or Applicable Series Resolution or in aid or execution of any power therein granted, or for an accounting against DASNY as if DASNY were the trustee of an express trust, or for the enforcement of any proper legal or

equitable remedy as the Trustee deems most effectual to protect and enforce such rights. *In no event may an “event of default” cause an acceleration of any Series of Bonds under the Master Resolution.*

In the enforcement of any remedy under the Master Resolution and Applicable Series Resolution, the Trustee may sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from DASNY for principal or interest or otherwise under any of the provisions of the Master Resolution and Applicable Series Resolution or of the Bonds of the Applicable Series, with interest on overdue payments of the principal of or interest on the Bonds of such Series at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Master Resolution and Applicable Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce a judgment or decree against DASNY but solely as provided in the Master Resolution and Applicable Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

With respect to the Insured Bonds, so long as the Insurer is not in default under the Policy, the Trustee must exercise remedies at the direction of the Insurer and may not exercise remedies at the direction of the Holders without the consent of the Insurer.

Bond Insurance

The following information is not complete and reference is made to Appendix G to this Official Statement for a specimen of the Policy of BAM.

Bond Insurance Policy

Concurrently with the issuance of the Insured Bonds, BAM will issue its Policy. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated “AA/Stable” by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially

scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$466.5 million, \$22.2 million and \$444.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "– Bond Insurance."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditsights/.

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Insured Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (*e.g.*, general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM's website at buildamerica.com/obligor/.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM and have not been reviewed or approved by the issuer of or the underwriter for the Insured Bonds, and they assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

Bond Insurance Risk Factors

In the event of default of the payment of principal of or interest on the Insured Bonds when all or some becomes due, or in the event any such payment is recovered from the owners of the Insured Bonds as a voidable preference under applicable bankruptcy law, the Trustee on behalf of the owners of the Insured Bonds shall have a claim under the Policy for such payments. However, in the event of any advancement of the due date of such principal by reason of mandatory or optional redemption, the payments under the Policy are to be made in such

amounts and at such times as such payments would have been due had there not been any such advancement. See “Appendix G – Specimen Municipal Bond Insurance Policy.”

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Insured Bonds are payable solely from the moneys available under the applicable Series 2015 Resolution. In the event the Insurer becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability of the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and the ratings of the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price or marketability of the Insured Bonds. See “– Bond Insurance – Build America Mutual Assurance Company” and “PART 16 – RATINGS” herein.

The obligations of the Insurer under the Policy are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither DASNY nor the Underwriters have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. See “– Bond Insurance” herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

PART 3 – THE SERIES 2015 BONDS

Description of the Series 2015 Bonds

The Series 2015 Bonds will be dated their date of delivery and will bear interest at the rates and mature at the times set forth on the inside cover page of this Official Statement. Interest on the Series 2015 Bonds is payable each April 1 and October 1, commencing April 1, 2016 with respect to the Series 2015D Bonds and the Series 2015E Bonds and October 1, 2016 with respect to the Series 2015F Bonds.

The Series 2015 Bonds will be issued as fully registered bonds. The Series 2015 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2015 Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2015 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2015 Bonds, the Series 2015 Bonds will be exchangeable for other fully registered Series 2015 Bonds in any other authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Master Resolution. See in this PART 3 “– Book-Entry Only System” and “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Interest on the Series 2015 Bonds will be payable by check or draft mailed to the registered owners thereof at the address thereof as it appears on the registration books held by the Trustee, or, at the option of a registered owner of at least \$1,000,000 in principal amount of the Series 2015 Bonds by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five (5) days prior to the fifteenth (15th) day of the month next preceding an interest payment date. The principal or redemption price of the Series 2015 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank National Association, New York, New York, the Trustee and Paying Agent. As long as the Series 2015 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “– Book-Entry Only System” herein.

For a more complete description of the Series 2015 Bonds, see “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Redemption Provisions

The Series 2015 Bonds are subject to optional redemption as described below.

Optional Redemption

The Series 2015D Bonds maturing on or before October 1, 2025 are not subject to optional redemption prior to maturity. The Series 2015D Bonds maturing after October 1, 2025 are subject to redemption prior to maturity on or after October 1, 2025 in any order of maturity, at the option of DASNY, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of the Series 2015D Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2015E Bonds maturing on or before October 1, 2025 are not subject to optional redemption prior to maturity. The Series 2015E Bonds maturing after October 1, 2025 are subject to redemption prior to maturity on or after October 1, 2025 in any order of maturity, at the option of DASNY, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of the Series 2015E Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2015F Bonds maturing on or before October 1, 2025 are not subject to optional redemption prior to maturity. The Series 2015F Bonds maturing after October 1, 2025 are subject to redemption prior to maturity on or after October 1, 2025 in any order of maturity, at the option of DASNY, as a whole or in part at any time, at a Redemption Price of 100% of the principal amount of the Series 2015F Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

Whenever the Series 2015 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2015 Bonds in the name of DASNY. Such notice will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice will be sent by first class mail, postage prepaid, to the registered owners of the Series 2015 Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to DASNY that it has mailed or caused to be mailed such notice to the registered owners of the Series 2015 Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Series 2015 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2015 Bonds.

Any notice of redemption, unless moneys are received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Series 2015 Bonds to be redeemed, may state that such redemption is conditional upon the receipt of such moneys by the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys are not so received said notice will be of no force and effect, DASNY will not redeem such Series 2015 Bonds and the Trustee will give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities 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 Series 2015 Bond certificate will be issued for each maturity of each Series of the Series 2015 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. 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, and 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.

Purchases of the Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY 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 Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the 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, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any,

and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, 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.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2015 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2015 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2015 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2015 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2015 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2015 Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2015 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the Series 2015 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2015 BONDS.

So long as Cede & Co. is the registered owner of the Series 2015 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2015 Bonds (other than under the caption "PART 10 – TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2015 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2015 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2015 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT

PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2015 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2015 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2015 BONDS; OR (VI) ANY OTHER MATTER.

Principal and Interest Requirements

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2015D Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1,	Principal of the Series 2015D Bonds	Interest on the Series 2015D Bonds	Total Debt Service on the Series 2015D Bonds
2016	\$2,095,000	\$5,429,281	\$7,524,281
2017	4,495,000	4,086,919	8,581,919
2018	4,720,000	3,862,169	8,582,169
2019	4,960,000	3,626,169	8,586,169
2020	5,215,000	3,378,169	8,593,169
2021	5,470,000	3,117,419	8,587,419
2022	5,735,000	2,843,919	8,578,919
2023	6,025,000	2,557,169	8,582,169
2024	6,325,000	2,255,919	8,580,919
2025	6,640,000	1,939,669	8,579,669
2026	6,900,000	1,607,669	8,507,669
2027	7,170,000	1,262,669	8,432,669
2028	7,255,000	904,169	8,159,169
2029	7,115,000	541,419	7,656,419
2030	4,355,000	185,669	4,540,669
2031	275,000	17,944	292,944
2032	70,000	7,975	77,975
2033	70,000	5,438	75,438
2034	75,000	2,813	77,813

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2015E Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1,	Principal of the Series 2015E Bonds	Interest on the Series 2015E Bonds	Total Debt Service on the Series 2015E Bonds
2016	\$ 450,000	\$785,401	\$1,235,401
2017	810,000	586,806	1,396,806
2018	850,000	546,306	1,396,306
2019	910,000	512,306	1,422,306
2020	905,000	466,806	1,371,806
2021	945,000	430,606	1,375,606
2022	995,000	383,356	1,378,356
2023	1,045,000	333,606	1,378,606
2024	1,065,000	281,356	1,346,356
2025	1,135,000	228,106	1,363,106
2026	1,190,000	171,356	1,361,356
2027	1,240,000	135,656	1,375,656
2028	1,275,000	96,906	1,371,906
2029	845,000	55,469	900,469
2030	770,000	26,950	796,950

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2015F Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period Ending October 1,	Principal of the Series 2015F Bonds	Interest on the Series 2015F Bonds	Total Debt Service on the Series 2015F Bonds
2016	\$1,010,000	\$1,407,506	\$2,417,506
2017	1,920,000	1,088,113	3,008,113
2018	2,020,000	992,113	3,012,113
2019	2,125,000	891,113	3,016,113
2020	2,235,000	784,863	3,019,863
2021	2,345,000	673,113	3,018,113
2022	2,435,000	555,863	2,990,863
2023	2,490,000	501,075	2,991,075
2024	2,560,000	438,825	2,998,825
2025	2,665,000	362,025	3,027,025
2026	2,775,000	228,775	3,003,775
2027	2,860,000	142,056	3,002,056
2028	1,455,000	49,106	1,504,106

PART 4 – THE SCHOOL DISTRICTS

The principal amount of the Loans to the School Districts, the financial advisors to the School Districts and the bond counsel to the School Districts are listed in Appendix B hereto. Summaries of the constitutional and statutory debt structure and tax and revenue collections which are generally applicable to all school districts in the State are included in this PART 4. Certain financial and economic information for each School District is included in Appendix C. The financial statements as of the fiscal year ended June 30, 2014 of each of the School Districts and additional information regarding the School Districts have been filed by the School Districts with the EMMA system maintained by the MSRB. Such financial statements are incorporated herein by reference. See “Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – General Information.”

Summaries of Constitutional and Statutory Debt Provisions

The New York State Constitution and Local Finance Law limit the power of municipalities and school districts of the State, including the School Districts, to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to each School District and the School District Bonds. A school district may contract indebtedness only for a school district purpose and must pledge its faith and credit for the payment of principal of and interest thereon. School district indebtedness must be amortized in accordance with constitutional and statutory requirements. A school district must provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes. A school district has the power to levy taxes on real property for the payment of interest on or principal of indebtedness contracted by it, and under the State Constitution the State Legislature may not restrict such power as to debt contracted prior to the effective date of any such restrictive legislation.

The Local Finance Law provides that where a school district bond resolution or a summary thereof is published with a statutory form of notice, the validity of the obligations authorized thereby may be contested only if:

- (1) Such obligations are authorized for a purpose for which the school district is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action contesting such validity is commenced within twenty (20) days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the State Constitution.

Each of the School Districts has complied with the foregoing estoppel procedure with respect to the School District Bonds.

Pursuant to the Local Finance Law, a school district has the power to contract indebtedness for any school district purpose authorized by the State Legislature, provided the aggregate principal amount of such indebtedness must not exceed the applicable percentage of the applicable valuation of the taxable real estate of the school district and subject to certain enumerated deductions from indebtedness such as, in certain cases, State aid for building purposes. The applicable percentages depend on the type of school district. For a school district other than a school district in a city, the percentage is 10% of the “full valuation;” for a school district in a city with a population of less than 125,000, 5% of the “average full valuation;” and for a school district in a city with a population of 125,000 or more other than The City of New York, 9% of the “average full valuation.” There are constitutional and statutory methods for determining full valuation and average full valuation. The Local Finance Law also provides exceptions by which a school district may incur indebtedness in excess of the normal debt limit. For the calculation of the debt limit applicable to each School District, see “Appendix C – Certain Financial and Economic Information Relating to the School Districts – DISTRICT INDEBTEDNESS – Debt Limit.”

In general, the State Legislature has authorized the power and procedure for school districts to incur indebtedness by the enactment of the Local Finance Law subject to the Constitutional provisions described above. A school district may issue bonds for any purpose authorized by the Local Finance Law. No principal installment may be more than 50% in excess of the smallest prior principal installment unless the school district has elected to issue obligations with substantially level or declining annual debt service. If a school district issues bonds with a substantially level or declining annual debt service schedule, then the aggregate amount of debt service payable in each year may not exceed the lowest aggregate amount of debt service payable in any prior year by more than the greater of 5% or \$10,000. Such school districts are required to provide an annual appropriation for the payment of interest due during the year on their indebtedness and for the amounts required in such year for amortization and redemption of their bonds and required annual installments on their notes. The power of school districts to spend money, however, generally derives from other State and local laws. Bond anticipation notes may be issued for up to a five-year term or may be renewed each year provided that such renewals, subject to certain exceptions, do not exceed five years beyond the original date of borrowing. The Local Finance Law also contains provisions providing school districts with the power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget and capital notes.

Special Provisions Affecting Remedies on Default

Section 99-b of the State Finance Law provides a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district (including the School District Bonds) in default on such payment. The intercept mechanism provides procedures for the giving of default notices to the State Comptroller, payment by the State Comptroller to the paying agent or agents for the bonds and notes in default of all or a portion of the amount then due and allotment, apportionment or payment by the State Comptroller of such State aid or assistance due to such school district.

The Act also authorizes an intercept mechanism under which the State Comptroller shall pay the State aid assigned by the School Districts to DASNY directly to DASNY for payments of amounts due under the respective Agreement then in default. Pursuant to this intercept mechanism, DASNY is required to certify annually to the Commissioner of Education a statement of all amounts due from each School District to DASNY under an applicable Agreement. The Commissioner of Education, in turn, is required to include in the certificate filed with the State Comptroller a statement showing the amount owed to DASNY by each School District. Pursuant to the MOU, DASNY has agreed to notify the Commissioner of Education within five (5) business days after payment is due of any failure by the School District to pay (a “Delinquency Notice”) and the Commissioner of Education has agreed to promptly forward such Delinquency Notice to the State Comptroller. Upon receipt of such Delinquency Notice, the State Comptroller agrees to pay to the Trustee the amount set forth in the Delinquency Notice from any funds of the State that become due and payable to the defaulting School District. Until the amount set forth in the Delinquency Notice has been fully paid to the Trustee, the State Comptroller shall not pay any State funds to the defaulting School District.

Other State programs incorporate similar procedures for the withholding of State aid as security for the repayment of financial assistance provided to various program participants. Moreover, the State has the power to create other State aid intercept provisions as well as the power to reduce or eliminate State aid paid to the School Districts. Pursuant to the Agreements, each School District is permitted to pledge its State aid to secure subsequent Series of DASNY Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State or any authority, agency or political subdivision of the State, or as otherwise consented to in writing by DASNY. If a School District is or becomes a participant in any such other program or otherwise pledges its State aid, the extent to which State aid would be available to cure a default by such School District under its Agreement or School District Bonds, pursuant to the State aid intercept authorized under the Act, could be affected by the timing and the existence of defaults under such other program, and the withholding of State aid to the School District in whole or in part, pursuant to the withholding procedures of such other program, to cure such defaults. As described above, Section 99-b of the State Finance Law also provides a mechanism for the intercept of certain State aid or assistance for the payment of the principal of and interest on bonds and notes of a school district in default on such payment. School districts in the State (including the School Districts) have the authority to issue and sell bonds and notes secured by such Section 99-b intercept without DASNY consent. Such Section 99-b intercept of State aid for school districts bonds and notes other than the School District Bonds could also affect the extent to which State aid would be available to cure a default by such School District under its Agreement or School District Bonds, pursuant to the State aid intercept authorized under the Act.

Under current law, provision is made for contract creditors (including DASNY as the holder of the School District Bonds delivered pursuant to the Agreement) of the school 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 9% per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest (including the School Districts) 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.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, the United States Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts, including judicial control over identifiable and unidentifiable creditors. Such provision is not applicable to school districts. However, there can be no assurance that State law will not be amended in the future to extend such authorization to school districts.

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, 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.

Financial Factors

School district finances are generally accounted primarily through the General Fund of the school district. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. Each School District derives the bulk of its annual revenues from a tax on real property and from State aid. See Appendix C for certain financial and economic information for each School District and the financial statements filed by the School Districts with the MSRB through its EMMA system.

Real Property Tax Collections. Depending on the school district, real property taxes are typically due on a fixed date in each year or are payable in installments over the course of a year. Penalties on unpaid taxes vary by school district, and generally begin to be imposed one month to six weeks after the taxes are due. Generally, the counties and/or cities in which school districts are located pay school districts the amount of their uncollected taxes by the end of the fiscal year of such school district in some cases or before the end of the second fiscal year in other cases, thus assuring the school district of receipt of their full levy. Because there is no uniform procedure for tax collection throughout the State, the procedure for tax collection in some school districts may vary from the general

procedure described above. See Appendix C for a discussion of procedures for collection of real property taxes levied by each School District.

Real Property Levy. Chapter 97 of the Laws of 2011 (the “Tax Levy Limitation Law”) limits the amount that a school district (other than the “Big 5” city school districts: Buffalo, New York City, Rochester, Syracuse and Yonkers) may increase its real property tax levy to the lesser of the rate of inflation or 2% (the “Tax Cap”). The Tax Levy Limitation Law allows a school district to exceed the Tax Cap only with at least 60% voter approval. Any separate proposition that would cause a school district’s tax levy limit to be exceeded also must receive at least 60% voter approval. School districts subject to the Tax Cap are required to calculate their tax levy limit and submit the information to the Commissioner of Education, State Comptroller, and Commissioner of Taxation and Finance no later than March 1st of each year.

In addition, the Tax Levy Limitation Law:

- After a school district budget is rejected, allows a school district to resubmit the budget for another vote or adopt a zero tax levy growth budget. School districts would be required to adopt a zero tax levy growth budget if the proposed budget were twice rejected by voters.
- Includes a carryover provision of up to 1.5% from one year to the next of any amount in which the previous year’s tax levy was below that year’s Tax Cap.
- Includes a tax base growth factor calculated by the Commissioner of Taxation and Finance to account for any increase in the full value of taxable real property.
- Exempts certain pension payments, court orders and judgments and voter approved capital expenditures. Voter approved capital expenditures include the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law. The portion of the tax levy necessary to support voter approved capital expenditures is an exclusion from the Tax Cap. School district obligations issued to finance voter approved capital expenditures are hereinafter referred to as “Capital Project Obligations”. Voter approved capital expenditures do not include debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficit notes.
- Requires that excess funds that are collected due to clerical or technical errors be held in reserve as determined by the Office of the State Comptroller. Those funds (including interest earned) are required to be used to offset the tax levy for the following fiscal year.
- Unless extended, sunsets on June 15, 2016.

The School District Bonds of each School District will be Capital Project Obligations and, therefore, the local share of debt service on the School District Bonds will be excluded from each School District’s calculation of the Tax Cap.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 (“Chapter 59”) includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city

with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

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

STAR - School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$83,300 or less, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$65,200 for the 2015-16 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$500,000 are eligible for a \$30,000 “full value” exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

State Aid. Each school district receives State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. State aid is a substantial percentage of the revenues of each School District. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the School Districts can be paid only if the State has such monies available for such payment.

The amount of State aid to school districts is dependent in part upon the financial condition of the State. The recent economic downturn and global financial crisis have had and may continue to have an adverse impact on the State’s financial condition and may adversely affect the amount and payment of State aid to school districts. During the 2011 to 2014 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 fiscal year, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. The State’s 2013-2014 Enacted Budget provided for school aid of approximately \$21.1 billion, which represented an increase of approximately \$936.6 million, or 4.4% in total school aid spending from the 2012-13 school year. The State’s 2014-2015 Enacted Budget provides for school aid of approximately \$22.2 billion, an increase of \$1.1 billion in school aid spending from the 2013-2014 school year. The majority of the increase is targeted to high need school districts. The State’s 2015-2016 Enacted Budget contains a school aid increase of \$1.4 billion that is tied to changes in the teacher evaluation and tenure process. The State’s 2015-2016 Enacted Budget includes the partial reduction of the Gap Elimination Adjustment and increased funding of Foundation Aid and certain other aid categories including building aid, transportation aid, BOCES aid, Universal Pre-Kindergarten aid and other types of aid to school districts. See Appendix C for information relating to State aid payments for each of the School Districts.

The availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget for future fiscal years or cash flow difficulties that may be encountered by the State. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

Pension Payments. All non-teaching and non-certified administrative employees of school districts eligible for pension or retirement benefits under the Retirement and Social Security Law of the State are members of the New York and Local Employees' Retirement System ("ERS"). All teachers and certified administrators of school districts eligible for pension or retirement benefits under the Retirement and Social Security Law of the State are members of the New York State Teachers' Retirement System ("TRS" and, collectively with ERS, the "Retirement Systems"). Payments to the TRS are deducted from each School District's State aid payments.

For a table of payments made by each School District to the Retirement Systems for the 2010-2011 through 2013-2014 fiscal years, the budgeted amount of such payments to be made to the Retirement Systems in the 2014-2015 fiscal year and the proposed amount of such payments to be made to the Retirement Systems in the 2015-2016 fiscal year, see "Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – Pension Payments."

GASB 45 and OPEB. OPEB refers to "other post-employment benefits," meaning post-retirement benefits other than pension benefits. OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. These benefits generally have been administered on a pay-as-you-go basis and have not been reported as a liability on the financial statements of municipalities and school districts.

It also should be noted that school districts provide post-retirement healthcare benefits to various categories of former employees and, unlike other municipal units of government in the State, school districts are prohibited by law from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees.

GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB") requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The unfunded actuarial accrued liability of a particular School District could have a material adverse impact on such School District's finances and could force such School District to reduce services, raise taxes or both.

For a discussion of the impact of GASB 45 on each of the School Districts, see "Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – GASB 45 and OPEB."

Fiscal Stress Monitoring

The State Comptroller has reported that the State's school districts and municipalities are facing significant fiscal challenges. As a result, the State Comptroller has developed a Fiscal Stress Monitoring System (the "FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials,

taxpayers and policymakers 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 FSMS assigns an overall fiscal stress score that corresponds to a stress category classification of “significant fiscal stress,” “moderate fiscal stress” or “susceptible to fiscal stress.” Entities that do not accumulate the number of points that would place them in one of the three stress categories will receive a fiscal stress score but will be classified in the category of “no designation.” The “no designation” 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 the FSMS criteria, did not generate sufficient points to place it in one of the three established stress categories.

The most current applicable report of the State Comptroller classified all of the School Districts as “no designation,” except for the Brasher Falls Central School District, which received a designation of “susceptible to fiscal stress,” and the Tioga Central School District and the City School District of the City of Utica, each of which received a designation of “moderate fiscal stress.”

Further information on the FSMS, including a complete list of school district fiscal stress scores, can be found on the State Comptroller’s website at www.osc.state.ny.us/localgov/fiscalmonitoring.

Litigation

Except as described in Appendix C hereto, each School District represents that there are no suits pending or, to the knowledge of such School District, threatened against such School District wherein an unfavorable result would have a material adverse effect on the financial condition of such School District and any potential or pending litigation known to such School District does not affect the right of such School District to conduct its business or affect the validity of its obligations.

PART 5 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Estimated Sources of Funds	Series 2015D Bonds	Series 2015E Bonds	Series 2015F Bonds
Principal Amount	\$84,965,000	\$14,430,000	\$28,895,000
Net Original Issue Premium	<u>12,772,108</u>	<u>1,244,273</u>	<u>1,570,379</u>
Total Estimated Sources	\$97,737,108	\$15,674,273	\$30,465,379
 Estimated Uses of Funds			
Deposit to Project Account	\$95,836,368	\$15,231,404	\$30,000,000
Costs of Issuance*	1,309,802	332,090	284,954
Underwriter’s Discount	<u>590,938</u>	<u>110,779</u>	<u>180,425</u>
Total Estimated Uses	\$97,737,108	\$15,674,273	\$30,465,379

* Includes other costs and bond insurance premium.

PART 6 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2015 Bonds will be used to provide for the refinancing of certain bond anticipation notes of the School Districts the proceeds of which were used to finance all or a portion of the costs of school district capital facilities and school district capital equipment of such School District. Additional information regarding the indebtedness of each School District is included in Appendix C.

PART 7 – DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Dormitory Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers' Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At March 31, 2015, DASNY had approximately \$45.7 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance with tax law, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. All of DASNY's outstanding bonds and notes, both fixed and variable rate, are special obligations of DASNY payable solely from payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer, payments on DASNY's special obligations are solely dependent upon payments made by DASNY's client for which the particular special obligations were issued and the security provisions relating thereto.

DASNY also offers a variety of construction services to certain educational, governmental and not-for-profit institutions in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, interior design of projects and designing and managing projects to rehabilitate older facilities.

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money and adopt a program of self-insurance.

DASNY has a staff of approximately 490 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 48 field sites across the State.

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties. One of the appointments to the Board by the Governor is currently vacant.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of DASNY are as follows:

ALFONSO L. CARNEY, JR., *Chair*, New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications and legal affairs teams, and developed selected Foundation program initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc. and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2016.

JOHN B. JOHNSON, JR., *Vice-Chair*, Watertown.

John B. Johnson, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Johnson is Chairman of the Board of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2016.

SANDRA M. SHAPARD, *Secretary*, Delmar.

Sandra M. Shapard was appointed as a Member of DASNY by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from 1995 until her retirement in 2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of the Budget from 1991 to 1994. She began her career in New York State government with the Assembly where she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

JONATHAN H. GARDNER, Esq., Buffalo.

Jonathan H. Gardner was appointed as a Member of DASNY by the Governor on June 17, 2014. Mr. Gardner is a partner of the law firm Kavinoky Cook, LLP in Buffalo, New York. His practice areas include corporate and securities law, commercial transactions, private placements, venture capital financing and business combinations representing private and public companies. Mr. Gardner is also an adjunct professor at the University of Buffalo Law School. He holds a Bachelor of Arts degree from Brown University and a Juris Doctor degree from the University of Chicago Law School. Mr. Gardner's term expired on March 31, 2015 and by law he continues to serve until a successor shall be chosen and qualified.

BERYL L. SNYDER, J.D., New York.

Beryl L. Snyder was reappointed as a member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expires on August 31, 2016.

GERARD ROMSKI, Esq., Mount Kisco.

Gerard Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on June 21, 2012. He is Counsel and Project Executive for “Arverne by the Sea,” where he is responsible for advancing and overseeing all facets of “Arverne by the Sea,” one of New York City’s largest mixed-use developments located in Queens, New York. Mr. Ronski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Ronski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

ROMAN B. HEDGES, Ph.D., Delmar.

Roman B. Hedges was appointed as a Member of DASNY by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

ELIZABETH BERLIN, *Acting Commissioner of Education of the State of New York*, Bethlehem; *ex-officio*.

Elizabeth Berlin was appointed by the Board of Regents to serve as Acting Commissioner of Education on January 3, 2015. As Acting Commissioner of Education, Ms. Berlin serves as Executive Deputy Commissioner of the State Education Department, part of the University of the State of New York, which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Formerly, Ms. Berlin served as the Executive Deputy Commissioner of the New York State Office of Temporary and Disability Assistance. Prior thereto she served as Commissioner of the Albany County Department of Social Services. Ms. Berlin holds a Bachelor of Arts degree from Siena College.

HOWARD A. ZUCKER, M.D., J.D., *Commissioner of Health of the State of New York*, Albany; *ex-officio*.

Howard A. Zucker, M.D., J.D., was appointed Commissioner of Health on May 5, 2015 after serving as Acting Commissioner of Health since May 5, 2014. Prior to that he served as First Deputy Commissioner leading the state Department of Health’s preparedness and response initiatives in natural disasters and emergencies. Before joining the state Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a J.D. from Fordham University School of Law and a LL.M. from Columbia Law School.

MARY BETH LABATE, *Budget Director of the State of New York*, Albany; *ex-officio*.

Mary Beth Labate was appointed Budget Director on January 16, 2015. She is responsible for the overall development and management of the State’s fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State’s debt portfolio. Ms. Labate previously served as First Deputy Budget Director where she was responsible for managing the day to day operations of the Division of the Budget and playing a lead role in negotiating, establishing and executing the State Budget. Prior thereto, she held leadership positions at the Division of the Budget, the New York State Office of Parks, Recreation and Historic Preservation, and the New York State Division of Housing and Community Renewal. Ms. Labate holds a Bachelor of Arts degree

from the University of Notre Dame and a Masters degree in Public Administration from the Rockefeller School of Public Affairs.

The principal staff of DASNY is as follows:

PAUL T. WILLIAMS, JR. is currently the President and chief executive officer of DASNY. Mr. Williams is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Williams spent the majority of his career in law including 15 years as a founding partner in Wood, Williams, Rafalsky & Harris, where he helped to develop a national bond counsel practice, then as a partner in Bryan Cave LLP, where he counseled corporate clients in a range of areas. Mr. Williams later left the practice of law to help to establish a boutique Wall Street investment banking company where he served as president for several years. Throughout his career, Mr. Williams has made significant efforts to support diversity and promote equal opportunity, including his past service as president of One Hundred Black Men, Inc. and chairman of the Eagle Academy Foundation. Mr. Williams is licensed to practice law in the State of New York and holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

The Governor has announced the appointment of Gerrard P. Bushell as President of DASNY. His appointment is subject to the confirmation of the State Senate.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor's degree from the State University of New York at Albany.

LINDA H. BUTTON is the Acting Chief Financial Officer and Treasurer of DASNY. Ms. Button oversees and directs the activities of the Office of Finance. She is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable and financial reporting functions, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Ms. Button has served in various capacities at DASNY over a long career, most recently as Director, Financial Management in the Office of Finance. She holds a Bachelor of Business Administration degree in Accounting from Siena College.

MICHAEL E. CUSACK is General Counsel to DASNY. Mr. Cusack is responsible for all legal services including legislation, litigation, contract matters and the legal aspects of all DASNY financings. He is licensed to practice law in the State of New York and the Commonwealth of Massachusetts, as well as the United States District Court for the Northern District of New York. Mr. Cusack has over twenty years of combined legal experience, including management of an in-house legal department and external counsel teams (and budgets) across a five-state region. He most recently served as of counsel to the Albany, New York law firm of Young/Sommer, LLC, where his practice included representation of upstate New York municipalities, telecommunications service providers in the siting of public utility/personal wireless service facilities and other private sector clients. He holds a Bachelor of Science degree from Siena College and a Juris Doctor degree from Albany Law School of Union University.

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of

Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

CAPRICE SPANN is the Managing Director of the Office of Executive Initiatives. Ms. Spann is responsible for strategic efforts in program development, including the utilization of Minority and Women-Owned Businesses and Service-Disabled Veteran-Owned ("SDVO") Business Enterprises, sustainability, training and marketing, as well as communications with DASNY's clients, vendors, the public and governmental officials. She holds a Bachelor of Arts degree from the University of Wisconsin and a Master of Business Administration from Fordham University.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by DASNY and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. DASNY obtains the approval of the PACB for the issuance of all of its bonds and notes.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

DASNY complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2014. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 – LEGALITY OF THE SERIES 2015 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2015 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries of the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual public benefit corporations and authorities of the State may limit the investment of funds of such public benefit corporations and authorities in the Series 2015 Bonds.

The Series 2015 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 9 – NEGOTIABLE INSTRUMENTS

The Series 2015 Bonds shall be negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Master Resolution and in the Series 2015 Bonds.

PART 10 – TAX MATTERS

In the opinion of Hiscock & Barclay, LLP, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with the covenants described herein, and the accuracy of certain representations by DASNY and the School Districts (and their successors), interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Hiscock & Barclay, LLP is also of the opinion that interest on the Series 2015 Bonds is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed under the Code; provided, however, that interest on the Series 2015 Bonds owned by corporations will be included in the calculation of adjusted current earnings, a portion of which is an adjustment to corporate alternative minimum taxable income for purposes of calculating the alternative minimum tax imposed on corporations.

The Code imposes various requirements that must be met in order that interest on the Series 2015 Bonds will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2015 Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the Series 2015 Bonds to be included in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of the Series 2015 Bonds, regardless of the date on which the event causing such inclusion occurs. DASNY and the School Districts have covenanted in the Resolutions, the Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates to comply with the requirements of the Code and have made representations in such documents addressing various matters relating to the requirements of the Code. The opinion of Hiscock & Barclay, LLP assumes continuing compliance with such covenants as well as the accuracy of such representations made by DASNY and the School Districts (and their successors).

Certain requirements and procedures contained or referred to in the Resolutions, the Agreements, the Tax Certificates, the Arbitrage and Use of Proceeds Certificates and other relevant documents may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Hiscock & Barclay, LLP. The opinion of Hiscock & Barclay, LLP states that no opinion is rendered as to the exclusion from gross income of interest on the Series 2015 Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hiscock & Barclay, LLP.

Certain maturities of Series 2015 Bonds (the “Discount Bonds”) are being sold to the initial purchasers at prices less than the stated principal amounts thereof. The difference between the stated principal amount of the Discount Bonds and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity were sold constitutes original issue discount that is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2015 Bonds. Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.

Certain maturities of Series 2015 Bonds (the “Premium Bonds”) are being sold to the initial purchasers at prices greater than the stated principal amount thereof. The Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner’s original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that an owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Owners of

Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

Prospective purchasers of the Series 2015 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2015 Bonds may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2015 Bonds. Hiscock & Barclay, LLP expresses no opinion regarding any such collateral federal income tax consequences.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. Interest on the Series 2015 Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Series 2015 Bonds and will be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Series 2015 Bonds, if other than the registered owner).

In the opinion of Hiscock & Barclay, LLP and Marous & Marous, P.C., interest on the Series 2015 Bonds is exempt under existing laws from personal income taxes imposed by the State of New York and its political subdivisions (including The City of New York). See "Appendix F – Forms of Approving Opinion of Co-Bond Counsel."

The opinion of Hiscock & Barclay, LLP is based on current legal authority, covers certain matters not directly addressed by such authority and represents Hiscock & Barclay, LLP's judgment as to the proper treatment of the Series 2015 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Series 2015 Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2015 Bonds for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2015 Bonds. For example, proposals have been made that could limit the exclusion from gross income of interest on obligations like the Series 2015 Bonds for taxpayers who are individuals and whose income is subject to higher marginal tax rates or that could otherwise significantly reduce the benefit of the exclusion from gross income of interest on obligations like the Series 2015 Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2015 Bonds may occur. Prospective purchasers of the Series 2015 Bonds should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Hiscock & Barclay, LLP expresses no opinion.

Hiscock & Barclay, LLP's engagement with respect to the Series 2015 Bonds ends with the issuance of the Series 2015 Bonds and, unless separately engaged, Hiscock & Barclay, LLP is not obligated to defend DASNY, the School Districts or the Bondholders regarding the tax-exempt status of the Series 2015 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than DASNY and its appointed counsel, including the Bondholders and the School Districts, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which DASNY legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2015 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2015 Bonds, and may cause DASNY, the School Districts or the Bondholders to incur significant expense.

PART 11 – STATE NOT LIABLE ON THE SERIES 2015 BONDS

The Act provides that notes and bonds of DASNY shall not be a debt of the State nor shall the State be liable thereon, nor shall such notes or bonds be payable out of any funds other than those of DASNY. The Master Resolution specifically provides that the Series 2015 Bonds shall not be a debt of the State nor shall the State be liable thereon.

PART 12 – COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of DASNY's notes and bonds that the State will not limit or alter the rights vested in DASNY to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of DASNY's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may, in the exercise of its sovereign power, enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with DASNY and with the holders of DASNY's notes or bonds.

PART 13 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2015 Bonds by DASNY are subject to the approval of Hiscock & Barclay, LLP, Albany, New York, and Marous & Marous, P.C., New York, New York, Co-Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2015 Bonds. The proposed forms of Co-Bond Counsel's approving opinions are set forth in Appendix F.

Certain legal matters will be passed upon for the Underwriters by their co-counsel, Winston & Strawn LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto.

There is no pending litigation restraining or enjoining the issuance or delivery of the Series 2015 Bonds or questioning or affecting the validity of the Series 2015 Bonds or the proceedings and authority under which they are to be issued. There is no litigation pending which in any manner questions the right of DASNY to finance or refinance the Cost of the Projects in accordance with the provisions of the Act, the Master Resolution and the Agreements.

PART 14 – UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2015D Bonds from DASNY at an aggregate purchase price of \$97,146,170.00 (which represents the par amount of the Series 2015D Bonds, less the Underwriters' discount of \$590,937.60, plus net premium of \$12,772,107.60) and to make a public offering of the Series 2015D Bonds at yields that are not less than the public offering yields stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2015E Bonds from DASNY at an aggregate purchase price of \$15,563,494.38 (which represents the par amount of the Series 2015E Bonds, less the Underwriters' discount of \$110,778.62, plus net premium of \$1,244,273.00) and to make a public offering of the Series 2015E Bonds at yields that are not less than the public offering yields stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2015F Bonds from DASNY at an aggregate purchase price of \$30,284,953.43 (which represents the par amount of the Series 2015F Bonds, less the Underwriters' discount of \$180,425.07, plus net premium of \$1,570,378.50) and to make a public offering of the Series 2015F Bonds at yields that are not less than the public offering yields stated on the inside cover page of this Official Statement.

The obligation of the Underwriters to purchase any Series of the Series 2015 Bonds is not contingent upon the sale and delivery of any other Series of the Series 2015 Bonds.

The Series 2015 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Issuer for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

PART 15 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), each School District has undertaken in a written agreement (a “Continuing Disclosure Agreement”) for the benefit of the Bondholders of the applicable Series of the Series 2015 Bonds to provide on an annual basis to the MSRB through its EMMA system, on or before 180 days after the end of each fiscal year of such School District, commencing with the fiscal year ending June 30, 2015, operating data and financial information of the type hereinafter described which is included in Appendix C to this Official Statement (the “Annual Information”), together with such School District’s annual financial statements prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted accounting standards.

The Annual Information for each School District will consist of the following: (a) operating data and financial information of the type included in Appendix C to this Official Statement (only to the extent that this information is not included in the audited financial statements of such School District), together with (b) a narrative explanation, if necessary to avoid misunderstanding, regarding the presentation of financial and operating data concerning such School District and in judging the financial and operating condition of such School District.

In addition, DASNY has undertaken, for the benefit of the holders of the Series 2015 Bonds, to provide to the MSRB by and through its EMMA system, in a timely manner not later than ten (10) business days after the occurrence of a listed event, the notices required to be provided by Rule 15c2-12 and described below (the “Notices”); provided, however, that DASNY shall have no obligation to provide any notice required by clause (12) or (13) below unless DASNY shall have received written notice thereof from the applicable School District.

The Notices include notice of any of the following events with respect to the Series 2015 Bonds: (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 IRS 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 Series 2015 Bonds, or other material events affecting the tax status of the Series 2015 Bonds; (7) modifications to the rights of holders of the Series 2015 Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2015 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of a School District; (13) consummation of a merger, consolidation or acquisition involving a School District or the sale of all or substantially all of the assets of a School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other

than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee, or the change in name of a trustee, if material. Each School District has undertaken to provide to DASNY, in a timely manner, notices similar to the ones described above with respect to its School District Bonds.

Except as provided above, neither DASNY nor the Trustee have undertaken any responsibility, and neither shall be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to a Continuing Disclosure Agreement and neither shall have any liability to any person, including any Holder of the Series 2015 Bonds, with respect to any such reports, notices or disclosures. DASNY as conduit issuer is not, for purposes of and within the meaning of Rule 15c2-12, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Series 2015 Bonds, or (ii) a person for whom annual financial information will be provided.

The sole and exclusive remedy for breach or default under a Continuing Disclosure Agreement is an action to compel specific performance of the undertakings of the defaulting School District and/or DASNY, and no person, including any Holder of the Series 2015 Bonds, may recover monetary damages thereunder under any circumstances. DASNY or such defaulting School District may be compelled to comply with their respective obligations under a Continuing Disclosure Agreement by any Holder of Outstanding Series 2015 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2015 Bonds, provided, however, that the Trustee is not required to take any enforcement action unless so directed by the Holders of not less than 25% in aggregate principal amount of Outstanding Series 2015 Bonds. A breach or default under a Continuing Disclosure Agreement will not constitute an Event of Default under the Master Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under a Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. Any Continuing Disclosure Agreement, however, may under certain circumstances be amended or modified without the consent of Holders of the Series 2015 Bonds. Copies of all of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Series 2015 Bonds will be on file at the principal office of DASNY.

Each of the School Districts, other than as noted below, has certified to DASNY that it has in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

On March 5, 2013, the Brasher Falls Central School District (“Brasher Falls CSD”) issued refunding bonds, the proceeds of which were used to advance refund bonds issued in 2005 and 2006. The applicable refunding escrow agreement was posted on EMMA in a “timely manner,” but no separate event notice was filed by Brasher CSD in connection with the refunding.

Due to clerical oversight, the Brocton Central School District (“Brocton CSD”) failed to file within a “timely manner” a material event notice related to a rating downgrade of Brocton CSD’s general obligation debt as rated by Moody’s. On July 13, 2011, Moody’s downgraded its rating of Brocton CSD’s underlying general obligation debt to “A3” from “A2”. The District also failed to file its 2009 Annual Financial Information and Operating Data, and the 2009 Audited Financial Statements were not filed within the timeframe stated in the applicable Disclosure Undertaking. Brocton CSD’s 2009 Audited Financial Statements were filed on January 4, 2011 and Brocton CSD’s 2009 Annual Financial Information and Operating Data was filed on July 1, 2014. Additionally, Brocton CSD made a delinquent interest payment related to a portion of the December 15, 2013 interest payment relating to the District’s \$2,930,000 School District Refunding (Serial) Bonds, 2013. A notice of failure to file related to all of the aforementioned was filed on June 26, 2014. In addition, Brocton CSD made a delinquent interest payment related to the April 15, 2015 interest payment relating to the District’s \$485,330 School District Serial Bonds, 2011. A material events notice related to the April 15, 2015 interest payment delinquency was filed on April 29, 2015.

Due to clerical oversight, the Delaware Academy and Central School District at Delhi (“Delaware Academy CSD”) had failed to file within a “timely manner” a material event notice related to a rating upgrade of the District’s general obligation debt as rated by S&P. On July 31, 2012, S&P upgraded its rating of Delaware Academy CSD’s underlying general obligation debt to “A+” with a stable outlook from “A”. Delaware Academy CSD, on occasion, also did not file within a “timely manner” certain material event notices relating to rating actions taken by S&P to the various bond insurers of Delaware Academy CSD’s \$11,100,000 School District (Serial) Bonds, 2004, required by Delaware Academy CSD’s existing continuing disclosure agreements. The underlying rating of Delaware Academy CSD was not affected by these rating actions. A material event notice relating to such bond insurance rating changes not previously filed for was provided to EMMA on July 14, 2014. For the 2010 and 2011 years when Delaware Academy CSD filed its annual disclosure statement, the “Litigation” section was left out of the statement itself. The litigation was addressed in the filed audit which stated there was no material litigation.

The Genesee Valley Central School District (“Genesee Valley CSD”) failed to file within a “timely manner” a material event notice related to a bond insurer rating upgrade as rated by S&P. On March 18, 2014, S&P upgraded its rating of Assured Guaranty Municipal, Assured Guaranty Corp., Assured Guaranty Re Ltd., and Municipal Assurance Corp. from “AA-” to “AA/Stable Outlook,” which affected the insured rating of Genesee Valley CSD’s Series 2012 School District Refunding Serial Bonds. Genesee Valley CSD failed to file the required material event notice within ten days of the rating upgrade. A notice of failure to file related to the aforementioned was filed on June 12, 2014.

The City School District of the City of Geneva did not file within a “timely manner” its audited financial statements for the fiscal year ending in 2007. The 2007 audited financial statements were uploaded to EMMA on September 2, 2014.

The Honeoye Falls-Lima Central School District (“Honeoye Falls-Lima CSD”) failed to file within a “timely manner” a material event notice related to a bond insurer rating withdrawal by Moody’s. On November 8, 2012, Moody’s withdrew the rating of Syncora Guarantee Inc. (formerly XL Capital Assurance Inc.) which affected the insured rating of Honeoye Falls-Lima CSD’s Series 2005 School District Serial Bonds. Honeoye Falls-Lima CSD failed to file the required material event notice within ten days of the rating withdrawal. In addition, Honeoye Falls-Lima CSD failed to file within a “timely manner” material event notices related to two bond calls. Honeoye Falls-Lima CSD’s 2002 School District Refunding Serial Bonds, Series A were called on April 15, 2012. Honeoye Falls-Lima CSD’s 2002 School District Refunding Serial Bonds, Series B were called on June 15, 2012. Honeoye Falls-Lima CSD failed to file the required material event notices within ten days of the bond calls. Notices of failures to file related to the aforementioned events were filed by Honeoye Falls-Lima CSD on September 23, 2014.

The Lansing Central School District (“Lansing CSD”) failed to file a material event notice relating to a rating upgrade made by S&P on April 16, 2010 as required by a previous continuing disclosure undertaking. Lansing CSD on occasion did not file in a “timely manner” certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of Lansing CSD. The underlying rating of Lansing CSD was not affected by such bond insurer rating changes.

The Lansingburgh Central School District at Troy (“Lansingburgh CSD”) failed to file the audited report for the fiscal year ending June 30, 2010 within six months of the end of the fiscal year under a previous continuing disclosure undertaking. Such information was filed to EMMA on December 30, 2011. Lansingburgh CSD failed to file annual financial information (“Annual Information”) for the fiscal year ending June 30, 2010 within six months of the end of the fiscal year under a previous continuing disclosure undertaking. Such information was filed to EMMA on June 25, 2014. Lansingburgh CSD failed to file a material event notice relating to a rating upgrade by S&P on February 7, 2012 as required by a previous continuing disclosure undertaking. A failure to file notice has since been filed with EMMA on June 30, 2014. Lansingburgh CSD’s Annual Information for 2010-2014 did not include the information of a type contained under the caption and “Building Aid Estimate” as it was required to do so under certain of its existing continuing disclosure undertakings, however, the building aid estimate information is contained within the section entitled “Debt Statement Summary.” Lansingburgh CSD’s Annual Information for 2011 did not include the information of a type contained under the caption “School District Officials” and the Annual Information for 2012-2014 did not include the information of a type contained under the caption “Major Employers” as it was required to do so under certain of its existing continuing disclosure undertakings. On March 22, 2012, Lansingburgh CSD issued refunding bonds, the proceeds of which were used to refund Lansingburgh CSD’s 2003

Series A and 2003 Series B bonds. No separate event notice was filed in connection with the refunding. A bond call notice was not submitted on EMMA for the District's 2003 Series A and 2003 Series B bonds which were redeemed on June 15, 2012. Lansingburg CSD on occasion did not file in a "timely manner" certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of Lansingburg CSD.

Although the City School District of the City of Oneonta (the "CSD of Oneonta") has made annual continuing disclosure filings with the MSRB as required by Rule 15c2-12, certain filings may not appear under every individual series of bonds or notes as shown on EMMA for which such disclosure was required. The CSD of Oneonta on occasion did not file in a "timely manner" certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the CSD of Oneonta. On April 3, 2013, the CSD of Oneonta issued refunding bonds, the proceeds of which were used to refund bonds issued in 2000, 2002 and 2005. The refunding escrow agreement which details the transaction, which CUSIPs were impacted and call dates, was posted on EMMA in a "timely manner," but no separate event notice was filed in connection with the refunding. A bond call notice was submitted on EMMA on July 17, 2013 for the CSD of Oneonta's 2000 bonds which were redeemed on July 15, 2013. The redemption notice was required to be filed not more than sixty days nor less than thirty days prior to the redemption date.

On occasion, the City School District of the City of Rome (the "CSD of Rome") did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by the CSD of Rome's continuing disclosure agreements for its outstanding bonds. The underlying rating of the CSD of Rome was not affected by such bond insurer rating changes.

On occasion, Romulus Central School District ("Romulus CSD") did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by Romulus CSD's continuing disclosure agreements for its outstanding bonds. The underlying rating of Romulus CSD was not affected by such bond insurer rating changes.

On January 31, 2013, the Tioga Central School District ("Tioga CSD") filed a material event notices relating to rating actions taken by Moody's to the various bond insurers of certain outstanding bonds of Tioga CSD. The notice erroneously stated that the \$9,265,000 School District Refunding (Serial) Bonds, 2010 were insured by AGM with a rating downgrade to "A2" from "Aa3". The correct bond insurer is AGC with a rating downgrade to "A3" from "Aa3". The underlying rating of Tioga CSD was not affected by these rating actions.

The City School District of the City of Utica (the "CSD of Utica") did not timely file a material event notice regarding the CSD of Utica's 2010 credit rating change. The rating change occurred on April 19, 2010; the material event notice was posted on May 12, 2010. The CSD of Utica did not timely file a material event notice regarding the rating change for the CSD of Utica's Bond Anticipation Notes, Series 2012. The CSD of Utica subsequently posted a material event notice regarding its failure to timely file this information. The CSD of Utica did not timely file a material event notice regarding the rating change for the CSD of Utica's Bond Anticipation Notes, Series 2014. The CSD of Utica subsequently posted a material event notice regarding its failure to timely file this information. The CSD of Utica did not file material event notices regarding credit rating changes for the bond insurer for the CSD of Utica's \$2,445,000 (Serial) Bonds, 2004 Series A and \$24,155,000 (Serial) Bonds, 2004 Series B. The CSD of Utica's annual financial and operating data filed for fiscal years 2011, 2012 and 2014 omitted information regarding the ten largest taxpayers in the CSD of Utica as that information was not available when the continuing disclosure filings were made.

On occasion, the Waverly Central School District ("Waverly CSD") did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by Waverly CSD's continuing disclosure agreements for its outstanding bonds. The underlying rating of Waverly CSD was not affected by such bond insurer rating changes.

Each of the Manchester-Shortsville Central School District, the Roscoe Central School District and the Williamson Central School District has certified to DASNY that it has in the previous five years complied, in all material respects, with all of its respective prior undertakings pursuant to Rule 15c2-12.

PART 16 – RATINGS

Fitch Ratings (“Fitch”), Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc. (“Standard & Poor’s”), and Moody’s Investors Service, Inc. (“Moody’s”) have assigned the following ratings to the respective Series of the Series 2015 Bonds:

	Fitch	Moody’s	Standard & Poor’s
Series 2015D Bonds	“AA-”		“A+”
Series 2015E Bonds	“AA-”	“Aa3”	
Series 2015F Bonds	“AA-”		“A+”

Standard & Poor’s has assigned a rating of “AA” to the Insured Bonds, based on the understanding that the Policy insuring the scheduled repayment of principal and interest due with respect to the Insured Bonds will be issued by BAM upon the issuance of the Insured Bonds.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Fitch, One State Street Plaza, New York, New York 10004; Standard & Poor’s, 55 Water Street, New York, New York 10041; and/or Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2015 Bonds.

PART 17 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning each School District and DTC included in this Official Statement has been furnished or reviewed and authorized for use by DASNY by such sources as described below. While DASNY believes that these sources are reliable, DASNY has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources. DASNY is relying on certificates from each source, to be delivered at or prior to the time of delivery of the Series 2015 Bonds, as to the accuracy of such information provided or authorized by it.

School Districts. The information in “PART 4 – THE SCHOOL DISTRICTS,” “PART 15 – CONTINUING DISCLOSURE” and “Appendix C – Certain Financial and Economic Information Relating to the School Districts” was supplied by each of the School Districts. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever to the accuracy or completeness of this information.

DTC. The information regarding DTC and DTC’s book-entry only system has been furnished by DTC. DASNY believes that this information is reliable, but makes no representations or warranties whatsoever to the accuracy or completeness of this information.

Co-Bond Counsel. “Appendix A – Definitions,” “Appendix D – Summary of Certain Provisions of the Financing Agreements,” “Appendix E – Summary of Certain Provisions of the Master Resolution” and “Appendix F – Forms of Approving Opinions of Co-Bond Counsel” have been prepared by Hiscock & Barclay, LLP, Albany, New York, and Marous & Marous, P.C., New York, New York, Co-Bond Counsel.

The references herein to the Act, other laws of the State, the Master Resolution, the Agreements and the School District Bonds are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered owners of the Series 2015 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2015 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2015 Bonds. So far as any

statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of DASNY and the Trustee.

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The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by DASNY.

**DORMITORY AUTHORITY OF
THE STATE OF NEW YORK**

By: /s/ Michael T. Corrigan
 Authorized Officer

DEFINITIONS

Appendix A

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DEFINITIONS

The following are definitions of certain of the terms defined herein, or in the Master Resolution or the Agreement and used in this Official Statement.

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act, being and constituting Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended.

Allocable Portion means each School District's proportionate share of certain obligations arising under the Applicable Series of Bonds from time to time and the respective Agreements, particularly with respect to the Applicable Arbitrage Rebate Fund, the Costs of Issuance of such Series of Bonds, and the payment of principal, interest and redemption price of such Series of Bonds as particularly determined by the Applicable Series Resolution.

Applicable means (i) with respect to any Series Resolution, the Series Resolution relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Series Resolution for a particular School District or School Districts, (iii) with respect to any Agreement, the Agreement entered into by and between a School District and DASNY, (iv) with respect to a School District, the School District for which a Series of Bonds is issued, (v) with respect to any Construction Fund, Debt Service Fund, Arbitrage Rebate Fund or Costs of Issuance Account in a Construction Fund, the Fund or Account established in a particular Series Resolution and with respect to a particular Construction Account in a Construction Fund, means the Construction Account established and undertaken with respect to each Applicable School District, (vi) with respect to a Trustee or Paying Agent, the Trustee or Paying Agent accepting the responsibility to perform the obligations set forth therefor with respect to a particular Series of Bonds, (vii) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility, (if any), identified in the Applicable Series Resolution, (viii) with respect to a Bond Series Certificate, such certificate authorized pursuant to an Applicable Series Resolution, (ix) with respect to Revenues and Pledged Revenues, the amounts payable to DASNY on account of a School District and (x) with respect to School District Bonds, the School District Bonds issued and delivered to DASNY by a School District as required by the Agreement.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Applicable Series Resolution authorizing such Deferred Income Bond or in the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage and Use of Proceeds Certificate means the certificate of the School District to be delivered pursuant to the Financing Agreement and to be dated the date of delivery of the DASNY Bonds.

Arbitrage Rebate Fund means each such fund so designated, created and established by the Applicable Series Resolution.

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by DASNY.

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Authorized Officer means (i) in the case of DASNY, the Chairman, the Vice-Chairman, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Information Officer, and a Managing Director, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of DASNY to perform such act or execute such document; (ii) in the case of a School District, when used with reference to any act or document, means the person identified in the Master Resolution or in the Applicable Agreement as authorized to perform such act or execute such document, and in all other cases means the President of the Board of Education or an officer or employee of a School District authorized in a written instrument signed by the President of the Board of Education; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bank means U.S. Bank National Association, in its capacity as depository for each School District pursuant to the Applicable Financing Agreement, and any successor depository in such capacity.

Basic Debt Service Payment means all amounts payable pursuant to the Applicable Agreement, including in particular the Applicable School District Bonds.

Bond or Bonds means any of the bonds of DASNY, including the Series 2015 Bonds, authorized and issued pursuant to the Master Resolution and to an Applicable Series Resolution.

Bond Counsel means an attorney or a law firm, appointed by DASNY with respect to a particular Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means the certificate of an Authorized Officer of DASNY fixing terms, conditions and other details of Bonds of an Applicable Series in accordance with the delegation of power to do so under the Master Resolution or under the Applicable Series Resolution authorizing the issuance of such Bonds.

Bond Year, except as otherwise stated in the Applicable Bond Series Certificate, means a period of twelve (12) consecutive months beginning October 1 in any calendar year and ending on September 30 of the succeeding calendar year.

Bondholder, Holder of Bonds or *Holder* or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

Book Entry Bond means a Bond authorized to be issued to, and issued to and registered in the name of, a Depository directly or indirectly for the beneficial owners thereof.

Business Day means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986, as amended, and the applicable Treasury regulations promulgated thereunder.

Construction Account means each such account in a Construction Fund so designated, created and established for each Applicable School District by the Applicable Series Resolution pursuant to the Master Resolution.

Construction Fund means each such fund so designated, created and established by the Applicable Series Resolution pursuant to the Master Resolution.

Continuing Disclosure Agreement means the Continuing Disclosure Agreement, dated as of the date of issuance of the DASNY Bonds, among DASNY, the Trustee and the Applicable School District.

Cost or *Costs of Issuance* means the items of expense incurred in connection with the authorization, sale and issuance of an Applicable Series of Bonds, which items of expense will include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges of a Remarketing Agent or relating to a Credit Facility or a Liquidity Facility, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of DASNY, in connection with the foregoing.

Cost or *Costs of the Project* means with respect to an Applicable Project costs and expenses or the refinancing of costs and expenses determined by DASNY to be necessary in connection with such Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of such Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of such Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising such Project, (v) costs and expenses required for the acquisition and installation of furnishings, equipment, machinery and apparatus, (vi) all other costs which the Applicable School District or DASNY will be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of such Project, (vii) any sums required to reimburse the Applicable School District or DASNY for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with such Project (including interest on borrowed money), (viii) interest on the Bonds prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of such Project, and (ix) fees, expenses and liabilities of DASNY incurred in connection with such Project or pursuant to the Master Resolution or to the Applicable Agreement, a Credit Facility, a Liquidity Facility or a Remarketing Agreement.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, municipal bond insurance policy or other agreement, facility or insurance or guaranty arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by DASNY, pursuant to which DASNY is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with the Master Resolution and with the Series Resolution authorizing such Bonds or a Bond Series Certificate, whether or not DASNY is in default under the Master Resolution.

DASNY means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which may succeed to the rights, powers, duties and functions of DASNY.

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DASNY Bonds means the series of bonds of DASNY issued in whole or in part to finance the Loans made under the Agreements, together with any bonds of DASNY issued to refinance such bonds.

Debt Service Fund means the fund so designated, created and established by the Applicable Series Resolution.

Defeasance Security means (a) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations, (b) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations and (c) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two nationally recognized Rating Agencies in the highest rating category for such Exempt Obligation; provided, however, that (1) such term will not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on each Interest Payment Date.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Exempt Obligation means (i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code, and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Master Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two nationally recognized Rating Agencies, (ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Existing Indebtedness means the bonds or notes, if any, of the Applicable School District described in Exhibit B of the Applicable Financing Agreement, which bonds or notes have financed all or a portion of the Project.

Facility Provider means the issuer of a Credit Facility or a Liquidity Facility delivered to the Applicable Trustee pursuant to the Master Resolution.

Federal Agency Obligation means (i) an obligation issued by any federal agency or instrumentality approved by DASNY, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by DASNY, (iii) a certificate or other instrument which evidences the

beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Financing Agreement or Agreement means the Financing Agreement relating to the Bonds, dated as of April 15, 2015, by and between DASNY and the Applicable School District.

Fitch means Fitch, Inc., a corporation organized and created under the laws of the State of Delaware and its successors and assigns.

Government Obligation means (i) a direct obligation of the United States of America, (ii) an obligation the principal of and interest on which are fully insured or guaranteed or as to payment of principal and interest by the United States of America, (iii) an obligation to which the full faith and credit of the United States of America are pledged, (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (v) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond will be payable on the Interest Payment Date immediately succeeding such Interest Commencement Date and semi-annually thereafter on each Interest Payment Date.

Interest Payment Date means, unless otherwise provided in the Applicable Series Resolution, April 1 and October 1 of each Bond Year.

Investment Agreement means a repurchase agreement or other agreement for the investment of moneys with a Qualified Financial Institution.

Liquidity Facility means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by DASNY, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms of the Master Resolution and of the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds.

Maximum Rate means the interest rate per annum identified as such in the Schedule of Additional Provisions attached as Exhibit C to the Financing Agreements.

Memorandum of Understanding means the Memorandum of Understanding relating to the DASNY Bonds, among DASNY, the New York State Department of Education and the Comptroller of the State of New York.

Moody's means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, or its successors and assigns.

Notice of Terms means a notice setting forth and confirming the definitive principal amounts, maturity dates and interest rates of the School District Bonds and certain other terms of the Loans which, to the extent such

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terms are inconsistent with the parameters set forth in the Applicable Financing Agreement, will be subject to the approval of the Applicable School District.

Option Bond means any Bond which by its terms may be tendered by and at the option of the Holder thereof for redemption by DASNY prior to the stated maturity thereof or for purchase thereof, or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Master Resolution and under any Applicable Series Resolution except: (i) any Bond cancelled by the Applicable Trustee at or before such date; (ii) any Bond deemed to have been paid in accordance with the Master Resolution; (iii) any Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to the Master Resolution; and (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds on the applicable adjustment or conversion date, if interest thereon has been paid through such applicable date and the purchase price thereof has been paid or amounts are available for such payment as provided in the Master Resolution and in the Series Resolution authorizing such Bonds.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Master Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of DASNY adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents are so appointed.

Permitted Collateral means (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations, (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations, (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one nationally recognized Rating Agency and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category or (iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a nationally recognized Rating Agency in the highest rating category.

Permitted Investments means any of the following: (i) Government Obligations; (ii) Federal Agency Obligations; (iii) Exempt Obligations; (iv) Uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State; (v) Collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized Rating Agency in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; and (vi) Investment Agreements that are fully collateralized by Permitted Collateral.

Pledged Revenues means the public funds that are pledged and assigned by the Applicable School District to DASNY pursuant to the Applicable Agreement to secure such School District's obligations under such Agreement.

Principal Amount means the original aggregate principal amount of the Loan and of the Applicable School District Bonds, which shall be an amount equal to the total principal amount shown as payable in the Anticipated Repayment Schedule in the Financing Agreement; provided that such Loan amount may be revised to an amount not greater than the maximum amount shown in the Financing Agreement by the DASNY delivering a Notice of Terms to the Applicable School District to reflect the amount, if any, to be maintained to provide for the payment of the Refunded Obligations..

Projects means "school district capital facilities" and/or "school district capital equipment" as defined in the Act and described in Exhibit A to each Financing Agreement.

Proportionate Share means the proportion that the outstanding principal amount of the Applicable School District Bonds bears to the outstanding principal amount of the DASNY Bonds.

Qualified Financial Institution means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000: (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds; (iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by DASNY or (v) a corporation whose obligations, including any investment of any moneys held under the Master Resolution purchased from such corporation, are insured by an insurer that meet the applicable rating requirements set forth above.

Rating Agency means each of Fitch, Moody's and S&P, in each case, which has assigned a rating to Outstanding Bonds at the request of DASNY, or their respective successors and assigns.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Master Resolution or to the Applicable Series Resolution or Bond Series Certificate.

Refunded Obligations means all or a portion of the Existing Indebtedness which is to be refunded with the proceeds of the DASNY Bonds.

Revenues means (i) the Basic Debt Service Payment paid by the Applicable School District pursuant to the Applicable Agreement, which includes amounts payable by such School District under the Applicable School District Bonds, (ii) the Applicable Pledged Revenues and (iii) the right to receive the same and the proceeds thereof and of such right.

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S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Corporation, or its successors and assigns.

School District or *School Districts* means with respect to an Applicable Series of Bonds, each or all of the School Districts for whose benefit DASNY has issued all or a portion of such Series and with whom DASNY has executed one or more Agreements.

School District Resolution means, collectively, the ordinances and resolutions of the applicable School District authorizing the execution and delivery of the Financing Agreement, the borrowing of the Loan proceeds, and the issuance and delivery to DASNY of the School District Bonds.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Master Resolution and to the Applicable Series Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series Resolution means a resolution of DASNY, including the Series 2015D Resolution, the Series 2015E Resolution and the Series 2015F Resolution, authorizing the issuance of a Series of Bonds adopted by DASNY pursuant to the Master Resolution.

Series 2015D Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2015D Bonds.

Series 2015E Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2015E Bonds.

Series 2015F Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2015F Bonds.

Series 2015D Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2015D Bonds adopted by DASNY on April 15, 2015.

Series 2015E Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2015E Bonds adopted by DASNY on April 15, 2015.

Series 2015F Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2015F Bonds adopted by DASNY on April 15, 2015.

Sinking Fund Installment means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Master Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future April 1 or October 1 for the retirement of any Outstanding Bonds of said Series which mature after said future April 1 or October 1, but does not include any amount payable by DASNY by reason only of the maturity of a Bond, and said future April 1 or October 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by DASNY by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Rate Interest Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

State Approvals means the approvals (i) by the State Public Authorities Control Board of the issuance of DASNY Bonds, (ii) by the Comptroller of the State of the terms of sale of School District Bonds, if required, and (iii) by the Commissioner of Education of the State of the execution of the Financing Agreements.

Supplemental Resolution means any resolution of DASNY amending or supplementing the Master Resolution, any Applicable Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of the Master Resolution.

Tax Certificate means the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Bonds executed by and delivered to DASNY and the Trustee on the date of issuance of the Bonds, including any and all exhibits attached thereto.

Tax-Exempt Securities means a certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344 and any bond (other than a qualified private activity bond), the interest on which is excluded from federal gross income under Section 103 of the Code.

Term Bonds means the Bonds so designated in an Applicable Series Resolution or an Applicable Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Applicable Series Resolution or Applicable Bond Series Certificate and having the duties, responsibilities and rights provided for in the Master Resolution with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Master Resolution.

Valuation Date means (i) with respect to any Capital Appreciation Bond, the date or dates set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which will be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times or (ii) a stated interest rate that may be changed from time to time as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bond; provided, however, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Series Resolution or a Bond Series Certificate; provided, further, that such Series Resolution or Bond Series Certificate will also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate will remain in effect or (y) the time or times at which any change in such variable interest rate will become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which has been fixed for the remainder of the term thereof will no longer be a Variable Interest Rate Bond.

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**LIST OF THE SCHOOL DISTRICTS AND
PRINCIPAL AMOUNT OF EACH
SCHOOL DISTRICT'S LOAN**

Appendix B

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**LIST OF THE SCHOOL DISTRICTS AND PRINCIPAL AMOUNT
OF EACH SCHOOL DISTRICT'S LOAN**

Listed below are the School Districts receiving loans from the proceeds of the Series 2015 Bonds, their financial advisors, their bond counsel and the principal amount being loaned to each School District, exclusive of original issue premium.

<u>School District</u>	<u>Financial Advisor</u>	<u>Bond Counsel</u>	<u>Principal Amount of Series 2015D Loan</u>	<u>Principal Amount of Series 2015E Loan</u>	<u>Principal Amount of Series 2015F Loan</u>
Series 2015D:					
Brasher Falls Central School District	FA	Hiscock	\$7,220,000		
Brocton Central School District	FA	Hodgson	8,560,000		
Delaware Academy Central School District at Delhi	FA	Orrick	6,780,000		
Genesee Valley Central School District	MS	Hodgson	4,620,000		
City School District of the City of Geneva	FA	McGill	9,945,000		
Lansingburgh Central School District at Troy	FA	Hiscock	15,215,000		
City School District of the City of Oneonta	FA	Orrick	4,025,000		
City School District of the City of Rome	FA	Trespasz	6,870,000		
Romulus Central School District	FA	Trespasz	4,470,000		
Roscoe Central School District	FA	Orrick	2,050,000		
Tioga Central School District	FA	Orrick	1,060,000		
Waverly Central School District	FA	Trespasz	14,150,000		
Series 2015E:					
Honeoye Falls-Lima Central School District	MS	Orrick		\$7,895,000	
Lansing Central School District	FA	Trespasz		2,215,000	
Manchester-Shortsville Central School District	FA	Harris		2,410,000	
Williamson Central School District	FA	McGill		1,910,000	
Series 2015F:					
City School District of the City of Utica	FA	Bond			\$28,895,000

Abbreviations for Financial Advisors and Bond Counsel

FA	Fiscal Advisors & Marketing, Inc.
MS	Municipal Solutions, Inc.
Bond	Bond, Scoeneck & King, PLLC
Harris	Harris Beach PLLC
Hiscock	Hiscock & Barclay, LLP
Hodgson	Hodgson Russ LLP
McGill	Law Offices of Timothy R. McGill, Esq.
Orrick	Orrick, Herrington & Sutcliffe LLP
Trespasz	Trespasz & Marquardt, LLP

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**CERTAIN FINANCIAL AND ECONOMIC
INFORMATION RELATING TO THE SCHOOL DISTRICTS**

Appendix C

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**APPENDIX C-1
DESCRIPTION OF
BRASHER FALLS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-1 a brief description of the Brasher Falls Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in northern New York State, in the Counties of St. Lawrence and Franklin. The District, with an approximate land area of 300 square miles, is composed predominantly of rural towns with many District residents commuting to the nearby Villages of Malone, Massena and Potsdam for employment. The District is situated approximately 15 miles northeast of the Village of Potsdam, 30 miles west of the Village of Malone and 15 miles south of the Village of Massena.

Major highways serving the District include U.S. Route 11 and State highways 11C and 420. The District is agricultural and residential in nature. Commercial and professional services are available to residents in the Hamlet of Brasher Falls and in the aforementioned villages.

Police services are provided by the New York State Police Department and the St. Lawrence and Franklin Counties Sheriff's Departments. Fire protection is provided by local volunteer fire stations.

Population

The current estimated population of the District is 5,838. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Brasher Falls Central School District	Public School	172
Numed	Manufacturing	80
Northern Merchant Services Inc.	Credit Card Processor	73
North Country Dairy	Manufacturing	45
Nicholville Telephone Company	Utility	17

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$8,059,471
New York State Reforestation	Forest Land	7,686,100
North Lawrence Dairy	Manufacturing	2,056,000
CSX Transportation, Inc.	Railroad	1,354,508
Stauffer, Aaron	Farming	1,296,440

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.0% of the tax base of the District.

Appendix C

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are St. Lawrence and Franklin Counties.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
St. Lawrence County	10.3%	10.4%	10.2%	9.1%	7.7%
Franklin County	9.0	9.1	9.6	8.8	7.3
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	1,088	1,068	1,092	1,052	1,019	1,025	1,025

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
81	St. Lawrence Central United Teachers	June 30, 2013 ⁽¹⁾
62	Teamsters Local Union 687	June 30, 2016
7	St. Lawrence Central Clerical Association	June 30, 2016

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$217,861,337
Debt Limit (10% of Full Valuation)	21,786,133
Gross Indebtedness ⁽²⁾	\$24,093,262
Less: Exclusions – Estimated Building Aid ⁽³⁾	18,098,864
Total Net Indebtedness	\$5,994,398
Net Debt Contracting Margin	\$15,791,735
Percentage of Debt Contracting Power Exhausted	27.51%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$7,220,000 School District Bonds to DASNY in connection with the refunding of \$8,245,262 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the gross indebtedness of the School District is not within the debt limit, the District is required to apply for a Building Aid Estimate. The District applied for a Building Aid Estimate from the New York State Department of Education and received the exclusion on July 11, 2014 in the amount of \$18,098,864. The District anticipates State Building Aid of 98% on existing bonded debt service. The District has no reason to believe that it will not ultimately receive all of the Building Aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
St. Lawrence	\$37,575,000	\$10,000,000	\$27,575,000	3.75%	\$1,034,063
Franklin	9,905,000	9,905,000	0	0.01	0
Towns of:					
Brasher	1,962,363	1,822,563	139,800	78.96	110,386
Hopkinton	0	0	0	6.55	0
Lawrence	292,981	74,400	218,581	84.60	184,920
Massena	11,103,968	2,679,568	8,424,400	0.02	168,488
Norfolk	3,459,244	489,500	2,969,744	0.05	148,487
Stockholm	130,000	0	130,000	54.03	70,239
Bombay	84,302	84,302	0	0.29	0
Dickinson	190,830	0	190,830	0.16	305
Total					<u>\$1,716,888</u>

- (1) Bonds and bond anticipation notes as of close of the 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015 ⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$24,093,262	\$4,126.97	11.06%
Gross Indebtedness Plus Net Overlapping Indebtedness	25,810,150	4,421.06	11.85

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District's current estimated population of 5,838.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2014-15 of \$217,861,337.
- (4) The District expects to deliver \$7,220,000 School District Bonds to DASNY in connection with the refunding of \$8,245,262 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note (“TAN”) and Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2014-2015	\$2,000,000	RAN	March 10, 2015	March 10, 2016

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Brasher Falls Central School District
<http://emma.msrb.org/ER802664-ER622091-ER1026315.pdf>
Base CUSIP: 105529

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

The District received a designation of “susceptible to fiscal stress” under the most current applicable report of the State Comptroller relating to its Fiscal Stress Monitoring Test. See “PART 4 – THE SCHOOL DISTRICTS – Fiscal Stress Monitoring.”

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 2nd to November 1st. On or about November 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

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Appendix C

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Brasher	\$66,979,132	\$67,496,126	\$68,100,247	\$68,866,207	\$69,536,550
Hopkinton	5,430,888	5,417,722	7,613,449 ⁽¹⁾	7,580,152	7,582,319
Lawrence	42,940,609	43,843,854	43,704,023	56,964,696	56,572,670
Massena	114,900	114,900	114,900	114,900	114,900
Norfolk	71,889	70,542	72,069	69,035	68,303
Stockholm	65,031,994	65,455,736	65,661,592	66,609,864	77,650,079
Bombay	5,602	5,584	5,605	5,599	5,557
Dickinson	73,900	73,900	79,505	71,667	72,150
Total Assessed Valuation	<u>\$180,648,914</u>	<u>\$182,478,364</u>	<u>\$185,351,390</u>	<u>\$200,282,120</u>	<u>\$211,602,528</u>

⁽¹⁾ Significant change due to revaluation.

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Brasher	93.00%	89.00%	90.00%	88.00%	92.00%
Hopkinton	80.00	72.00	100.00 ⁽¹⁾	100.00	100.00
Lawrence	100.00	94.36	94.00	100.00	100.00
Massena	100.00	100.00	100.00	100.00	100.00
Norfolk	82.00	82.00	82.00	82.00	82.00
Stockholm	93.20	95.00	92.00	92.00	100.00
Bombay	3.12	3.12	3.12	2.74	2.74
Dickinson	100.00	99.06	99.28	100.00	100.13
Taxable Full Valuation	\$191,982,629	\$199,182,684	\$201,607,845	\$215,679,027	\$217,861,337

⁽¹⁾ Significant change due to revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$3,853,352	\$4,315,583	\$4,457,134	\$4,630,859	\$4,803,359
% Uncollected When Due ⁽¹⁾	9.5%	9.8%	9.5%	9.8%	10.5%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2010-2011	\$13,077,531	\$17,630,547	74.18%
2011-2012	12,975,876	18,040,416	71.93
2012-2013	12,689,370	17,776,451	71.38
2013-2014	13,525,565	18,543,399	72.94
2014-2015 (Budgeted)	15,010,138	20,503,197	73.21
2015-2016 (Proposed)	15,627,564	21,855,723	71.50

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$238,772	\$453,405
2011-2012	257,202	546,640
2012-2013	402,134	613,624
2013-2014	434,535	852,012
2014-2015 (Budgeted)	401,000	895,000
2015-2016 (Proposed)	385,000	742,410

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$67,176,060. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$67,176,060. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$17,851,884. The District's annual OPEB expense was \$6,877,242 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,569,124 to the Plan for the fiscal year ending June 30, 2014 to 292 employees, resulting in a net increase to its unfunded OPEB obligation of \$5,308,118, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$23,160,002. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Appendix C

Recent Operating Results

The District's expenditures exceeded its revenues by \$266,841 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$532,034 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On March 5, 2013, the District issued refunding bonds, the proceeds of which were used to advance refund bonds issued in 2005 and 2006. The applicable refunding escrow agreement was posted on EMMA in a "timely manner," but no separate event notice was filed in connection with the refunding.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,116,975	-	\$2,116,975
2015-2016	2,743,844	\$705,599	3,449,443
2016-2017	2,672,400	719,700	3,392,100
2017-2018	2,685,231	720,950	3,406,181
2018-2019	2,679,456	716,200	3,395,656
2019-2020	2,684,775	720,700	3,405,475
2020-2021	362,688	718,950	1,081,638
2021-2022	360,375	716,200	1,076,575
2022-2023	352,538	717,450	1,069,988
2023-2024	359,288	717,450	1,076,738
2024-2025	164,800	716,200	881,000
2025-2026	-	718,700	718,700
2026-2027	-	719,700	719,700
2027-2028	-	719,200	719,200
2028-2029	-	717,200	717,200
2029-2030	-	368,700	368,700
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

**APPENDIX C-2
DESCRIPTION OF
BROCTON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-2 a brief description of the Brocton Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located within the Towns of Pomfret, Portland and Stockton and the Village of Brocton in Chautauqua County.

The District provides public education for grades Pre-K through 12 in one building. The New York State Thruway provides easy access to the City of Buffalo, approximately 40 miles northeast of the District. Opportunities for higher education are available in nearby Buffalo and Fredonia, New York and in Erie, Pennsylvania. The District is essentially rural in character, with many residents commuting to Buffalo, Jamestown and Fredonia, New York and Erie, Pennsylvania for employment.

Population

The current estimated population of the District is 4,719. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lakeview Shock	Government Incarceration Facility	520
Brocton Central School District	Public Education	213
Jamestown Plastics	Manufacturer	84
Town of Portland	Government	28
Village of Brocton	Government	22

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$2,684,500
National Fuel Gas	Utility	2,016,649
CSX Railway	Railroad	1,349,599
Norfolk Southern	Railroad	1,215,350
Level (3) Communications ⁽¹⁾	Utility	948,908

⁽¹⁾ Filed tax certiorari.

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 12.6% of the tax base of the District.

Appendix C

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Chautauqua County.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Chautauqua County	8.8%	7.9%	8.5%	7.9%	6.8%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	705	650	631	605	618	628	631

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
57.5	Brocton Teachers' Association #2521	June 30, 2017
10	Teamster Local #264	June 30, 2016
11	CSEA, Inc. Local 807, AFSCME Local 1000	June 30, 2017

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$181,602,725
Debt Limit (10% of Full Valuation)	18,160,273
Gross Indebtedness ⁽²⁾	\$24,039,429
Less: Exclusions – Estimated Building Aid ⁽³⁾	20,179,187
Total Net Indebtedness	\$3,860,242
Net Debt Contracting Margin	\$14,300,031
Percentage of Debt Contracting Power Exhausted	21.26%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$8,560,000 School District Bonds to DASNY in connection with the refunding of \$10,053,299 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the gross indebtedness of the School District is not within the debt limit, the District is required to apply for a Building Aid Estimate. The District applied for a Building Aid Estimate from the New York State Department of Education and received the exclusion on November 13, 2014 in the amount of \$20,179,187. The District anticipates State Building Aid of 93.7% on existing bonded debt service. The District has no reason to believe that it will not ultimately receive all of the Building Aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Chautauqua	\$53,112,694	\$48,000	\$53,064,694	2.43%	\$1,289,472
Town of:					
Pomfret	3,401,731	3,341,731	60,000	4.23	2,538
Portland	1,742,700	1,364,700	378,000	75.20	284,256
Stockton	0	0	0	1.22	0
Village of:					
Brocton	5,531,434	4,995,834	535,600	100.00	535,600
				Total	\$2,111,866

⁽¹⁾ Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$24,039,429	\$5,094.18	13.24%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	26,151,295	5,541.70	14.40

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 4,719.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$181,602,725.
- (4) The District expects to deliver \$8,560,000 School District Bonds to DASNY in connection with the refunding of \$10,053,299 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has occasionally found it necessary to issue revenue anticipation notes, but not in recent years. The last such borrowing was for \$2,450,000 in anticipation of 2003-04 State aid.

Capital Project Plans

On February 15, 2011 the voters of the District approved a \$16,000,000 capital project consisting of the reconstruction and renovation, in part, and the construction of improvements to various District buildings and facilities and the sites thereof. The School District has \$10,149,429 in outstanding bond anticipation notes maturing June 5, 2015, which will be renewed, in part, through the District’s issuance of a \$10,053,299 bond anticipation note to be dated June 4, 2015 (the “Note”). Later that same month, the Note (less any scheduled principal reductions), will be converted to long term financing through the issuance of School District Bonds.

Other than the project described above, there are no other capital projects authorized by the District, nor are any contemplated.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Brocton Central School District
<http://emma.msrb.org/EA655350-EA513003-EA909167.pdf>
Base CUSIP: 112012

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

The District has made two delinquent debt service payments with respect to the District’s outstanding indebtedness. The first, related to a portion of the December 15, 2013 interest payment due with respect to the District’s outstanding \$2,930,000 School District Refunding (Serial) Bonds, 2013 and the second related to the April

15, 2015 interest payment due with respect to the District's outstanding \$485,330 School District Serial Bonds, 2011. Such failures were not the result of the District's inability to timely pay such amounts but were the result of clerical errors. The District has instituted payment procedures in order to avoid future delinquent payments on its indebtedness.

Real Estate Property Tax Collection Procedure

Property taxes for the District are levied by Chautauqua County and are collected by the District tax receiver. Such taxes are due and payable on September 1, but may be paid without penalty by September 30. Penalties on unpaid taxes are 2% from October 1 through October 31 and 3% per month thereafter.

On or about November 1, the tax receiver files a report of any uncollected school taxes with Chautauqua County. The County thereafter on or before April 30 pays to the District the amount of its uncollected taxes. Thus, the District receives its full levy prior to the end of its fiscal year.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Pomfret	\$5,341,152	\$5,347,043	\$5,364,542	\$5,480,371	\$5,441,408
Portland	86,793,932	87,712,851	87,621,658	87,315,827	87,401,142
Stockton	1,260,627	1,255,590	1,232,349	1,356,608	1,343,054
Total Assessed Valuation	<u>\$93,395,711</u>	<u>\$94,315,484</u>	<u>\$94,218,549</u>	<u>\$94,152,806</u>	<u>\$94,185,604</u>
State Equalization Rates Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Pomfret	20.44%	20.44%	20.21%	20.21%	20.21%
Portland	64.00	62.00	54.00	54.00	57.00
Stockton	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$163,007,027	\$168,887,632	\$190,038,677	\$190,169,709	\$181,602,725
Total District Property Tax Collections Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$3,932,957	\$4,313,320	\$4,399,586	\$4,486,946	\$4,552,172
% Uncollected When Due ⁽¹⁾	9.02%	8.80%	9.70%	9.40%	11.14%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

Appendix C

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2010-2011	\$ 8,702,374	\$13,278,279	65.54%
2011-2012	9,186,556	13,978,188	65.72
2012-2013	9,469,531	14,198,442	66.69
2013-2014	9,848,082	14,820,265	66.45
2014-2015 (Budgeted)	11,033,242	16,094,423	68.55
2015-2016 (Proposed)	11,876,103	16,627,910	71.42

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$139,560	\$366,324
2011-2012	166,581	385,898
2012-2013	204,377	444,518
2013-2014	235,322	511,110
2014-2015 (Budgeted)	228,206	761,394
2015-2016 (Proposed)	188,858	626,126

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with The Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability ("AAL"), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$21,828,520. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$21,828,520. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$1,630,157. The District's annual OPEB expense was \$1,543,417 and is equal to the adjusted annual required contribution ("ARC"). The District is on a pay-as-you-go funding basis and paid \$638,584 to the Plan for the fiscal year ending June 30, 2014 to 96 employees, resulting in a net increase to its unfunded OPEB obligation of \$904,833, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$4,132,868. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$139,263 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,139,078 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

Due to clerical oversight, the District failed to file within a "timely manner" a material event notice related to a rating downgrade of the District's general obligation debt as rated by Moody's Investors Service ("Moody's"). On July 13, 2011, Moody's downgraded its rating of the District's underlying general obligation debt to "A3" from "A2". The District also failed to file its 2009 Annual Financial Information and Operating Data, and the 2009 Audited Financial Statements were not filed within the timeframe stated in the applicable Disclosure Undertaking. The District's 2009 Audited Financial Statements were filed on January 4, 2011 and the District's 2009 Annual Financial Information and Operating Data was filed on July 1, 2014. Additionally, the District made a delinquent interest payment related to a portion of the December 15, 2013 interest payment relating to the District's \$2,930,000 School District Refunding (Serial) Bonds, 2013. A notice of failure to file related to all of the aforementioned was filed on June 26, 2014. In addition, the District made a delinquent interest payment related to the April 15, 2015 interest payment relating to the District's \$485,330 School District Serial Bonds, 2011. A material events notice related to the April 15, 2015 interest payment delinquency was filed on April 29, 2015.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Litigation

Damon Janes, a student at Brocton High School, left the playing field in a high school football game on Sept. 13, 2013, lost consciousness, and died from a brain injury three days later. The parents of Damon Janes are seeking compensatory and punitive damages in a lawsuit filed against the District and numerous other parties. The complaint alleges that the District and the Westfield Central School District failed to protect their son and other players in the combined football program. The lawsuit also names as defendants Olean General Hospital and one of its doctors, the Section VI Athletic Association, the ambulance squads and the New York State Association of Certified Football Officials Inc. The lawsuit is being vigorously defended, and in any event the District anticipates that any judgment rendered against the District would be covered by applicable insurance policies.

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

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Series 2015 Bonds or the levy and collection of taxes or assessments to pay the same, or in any way contesting or affecting the validity of the Series 2015 Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Series 2015 Bonds or contesting the corporate existence or boundaries of the District.

Appendix C

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,430,616	-	\$2,430,616
2015-2016	2,446,274	\$647,341	3,093,615
2016-2017	2,447,752	855,350	3,303,102
2017-2018	2,341,505	853,350	3,194,855
2018-2019	2,348,530	855,350	3,203,880
2019-2020	471,868	856,100	1,327,968
2020-2021	475,068	855,600	1,330,668
2021-2022	471,893	853,850	1,325,743
2022-2023	472,493	855,850	1,328,343
2023-2024	471,413	856,350	1,327,763
2024-2025	473,913	855,350	1,329,263
2025-2026	470,413	857,850	1,328,263
2026-2027	471,163	853,600	1,324,763
2027-2028	470,406	857,850	1,328,256
2028-2029	473,625	855,100	1,328,725
2029-2030	-	690,600	690,600
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

**APPENDIX C-3
DESCRIPTION OF
DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI**

There follows in this Appendix C-3 a brief description of the Delaware Academy Central School District at Delhi (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, formally known as the Delhi Central School District, is located in Delaware County, 19 miles southeast of the City of Oneonta. The City of Albany lies 85 miles to the northeast, Binghamton 75 miles southwest and Kingston 80 miles to the east. The District encompasses approximately 196 square miles.

On July 18, 2012, Governor Cuomo signed into law Senate Bill S.6513, relating to changing the name of the School District from Delhi Central School District to the Delaware Academy Central School District at Delhi as Chapter #218 of the laws of 2012.

Founded in 1820, the District is one of the oldest educational institutions in the State. Originally, a private academy, limited public education began in 1903 with the present Central School District being created by referendum in 1936.

The District is primarily a farming and residential community in nature. Besides farming, residents are engaged in industry, commerce, education and professions in and around the City of Oneonta. Oneonta and surrounding shopping centers accommodate the residents with their retail shopping requirements.

The Village of Delhi is considered the hub of the District, and is part of the western gateway to the historic and picturesque Catskill Mountains. It is the County Seat of Delaware County and is located in the winding valley of the Delaware River, at the junction of State Routes 10 and 28.

Various colleges located within and in close proximity to the District are available to the residents. Delhi College is located on a 1000-acre campus overlooking the Village. It is one of the most modern and best equipped two-year colleges in the State SUNY system. The school can offer its 2,000 students Associate Degrees in Science, Applied Science, Applied Science and Arts. Other schools include Hartwick College and State University College of Oneonta, both located in Oneonta.

In addition, the countryside throughout the District is one of New York State's major year-round recreation areas which attract a substantial amount of tourist trade.

Commercial banking facilities are provided by the Delaware National Bank of Delhi and Wilber National Bank. The area is served by volunteer fire departments and receives police protection from local and state agencies.

Population

The current estimated population of the District is 7,933. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Amphenol Corp.	Manufacturing	1,500
Mead Westvaco	Organizers/Planners	1,100
Tyco Health Care	Pharmaceutical Preparations	750
Granite Capital Holdings	Fuel/Gas Stations	650
SUNY Delhi	State University	500

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYS Electric & Gas	Utility	\$30,291,462
City of New York	City	9,547,019
Burkditz Delhi LLC	Commercial	3,662,191
Delhi Telephone Company	Utility	2,915,880
Saputo Dairy Foods USA, LLC	Commercial	2,509,350

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.4% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Delaware County.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Delaware County	8.9%	8.7%	8.7%	8.0%	6.5%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	765	780	770	764	758	758	760

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
81	Delaware Academy Faculty Association	June 30, 2016
26	Delaware Academy Educational Support Staff Association	June 30, 2018
33	CSEA Non-Teaching Association	June 30, 2018
3	Administrators	June 30, 2015 ⁽¹⁾
4	Supervisors	June 30, 2018
4	Employees – Confidential	Updated Yearly ⁽²⁾

⁽¹⁾ Currently under negotiations.

⁽²⁾ The working conditions for the Confidential staff are typically reviewed in May of each year by the Board of Education and awards raises as needed.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$669,662,318
Debt Limit (10% of Full Valuation)	66,966,232
Gross Indebtedness ⁽²⁾	\$10,995,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$10,995,000
Net Debt Contracting Margin	\$55,971,232
Percentage of Debt Contracting Power Exhausted	16.42%

(1) The District has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$6,780,000 School District Bonds to DASNY in connection with the refunding of \$7,750,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Delaware	\$18,527,847	\$977,847	\$17,550,000	13.35%	\$2,342,925
Towns of:					
Andes	2,104,487	532,020	1,572,467	0.01	157
Bovina	411,122	64,455	346,667	61.67	213,790
Delhi	413,150	413,150	0	99.11	0
Franklin	0	0	0	23.74	0
Hamden	162,415	162,415	0	45.94	0
Kortright	188,360	188,360	0	2.05	0
Meredith	0	0	0	83.61	0
Villages of:					
Delhi	4,657,540	4,407,540	250,000	100.00	250,000
Franklin	1,608,000	1,608,000	0	100.00	0
				Total	\$2,806,872

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$10,995,000	\$1,385.98	1.64%
Gross Indebtedness Plus Net Overlapping Indebtedness	13,801,872	1,739.80	2.06

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 7,933.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$669,662,318.
- (4) The District expects to deliver \$6,780,000 School District Bonds to DASNY in connection with the refunding of \$7,750,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District in the past has issued revenue anticipation notes in anticipation of State aid. The District issued \$1,750,000 against 2002-2003 State aid which was paid in full on June 27, 2003. The District also issued \$2,000,000 against 2003-2004 State aid which was paid in full on June 25, 2004. The District has not issued revenue anticipation notes since the 2003-2004 fiscal year and does not anticipate issuing any such notes in the 2015-2016 fiscal year. The District has not issued tax anticipation notes in the past and has no future plans to do so in the foreseeable future.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Delaware Academy and Central School District at Delhi
<http://emma.msrb.org/EA652217-EA510448-EA906612.pdf>
Base CUSIP: 246797

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to Delaware County for collection. The District receives this amount of uncollected taxes from Delaware

County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by Delaware County.

Approximately 3.5% of the taxable full valuation of the District is comprised of State owned forest lands. State tax payments on such lands generally are received after the current collection period, but always in the same year as the year of levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Andes	\$28,181	\$28,181	\$28,181	\$28,181	\$29,600
Bovina	20,444,785	20,915,647	21,182,873	21,387,380	21,475,566
Delhi	185,041,556	184,806,862	185,327,961	185,995,984	186,957,672
Franklin	41,838,997	42,102,753	43,896,014	44,081,320	44,429,983
Hamden	12,937,516	13,035,836	13,140,704	13,204,074	13,251,311
Kortright	3,377,097	3,380,760	3,382,352	3,348,934	3,312,943
Meredith	125,304,393	124,474,072	123,185,456	122,586,964	124,495,062
Total Assessed Valuation	<u>\$388,972,524</u>	<u>\$388,744,111</u>	<u>\$390,143,541</u>	<u>\$390,632,837</u>	<u>\$393,952,137</u>

State Equalization Rates Years Ending June 30,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Andes	100.00%	100.00%	100.00%	100.00%	100.00%
Bovina	23.91	23.50	23.75	24.35	24.85
Delhi	57.25	54.25	53.95	56.00	56.20
Franklin	84.00	90.00	90.27	92.00	92.00
Hamden	17.75	18.00	18.25	18.50	17.80
Kortright	100.00	100.00	100.00	100.00	100.00
Meredith	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$660,129,362	\$676,745,724	\$679,936,357	\$665,220,799	\$669,662,318

Total District Property Tax Collections Years Ending June 30,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$8,072,514	\$8,424,175	\$8,528,635	\$8,868,840	\$8,998,294
% Uncollected When Due ⁽¹⁾	10.38%	11.09%	10.38%	9.20%	8.70%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

Appendix C

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$8,581,949	\$18,068,273	47.50%
2011-2012	8,319,729	17,405,579	47.80
2012-2013	8,438,337	17,910,189	47.11
2013-2014	8,672,787	18,095,645	47.93
2014-2015 (Budgeted)	8,240,561	18,055,131	45.64
2015-2016 (Proposed)	9,055,154	19,713,649	45.93

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$320,273	\$454,010
2011-2012	340,742	591,247
2012-2013	325,511	602,219
2013-2014	367,279	834,641
2014-2015 (Budgeted)	446,475	878,905
2015-2016 (Proposed)	399,059	699,788

See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (“AAL”), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$35,621,903. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$35,621,903. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$10,498,082. The District’s annual OPEB expense was \$3,691,429 and is equal to the adjusted annual required contribution (“ARC”). The District is on a pay-as-you-go funding basis and paid \$850,072 to the Plan for the fiscal year ending June 30, 2014 to 242 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,841,357, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$13,339,439. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*”

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$132,400 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$786,688 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

Due to clerical oversight, the District had failed to file within a "timely manner" a material event notice related to a rating upgrade of the District's general obligation debt as rated by Standard & Poor's Credit Market Services ("S&P"). On July 31, 2012, S&P upgraded its rating of the District's underlying general obligation debt to "A+" with a stable outlook from "A". The District, on occasion, also did not file within a "timely manner" certain material event notices relating to rating actions taken by S&P to the various bond insurers of the District's \$11,100,000 School District (Serial) Bonds, 2004, required by the District's existing continuing disclosure agreements. The underlying rating of the District was not affected by these rating actions. A material event notice relating to such bond insurance rating changes not previously filed for was provided to EMMA on July 14, 2014.

For the 2010 and 2011 years when the District filed its annual disclosure statement, the "Litigation" section was left out of the statement itself. The litigation was addressed in the filed audit which stated there was no material litigation.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Appendix C

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,230,168	-	\$2,230,168
2015-2016	2,233,393	\$472,764	2,706,157
2016-2017	2,009,968	674,575	2,684,543
2017-2018	1,481,480	672,325	2,153,805
2018-2019	980,860	674,325	1,655,185
2019-2020	982,640	675,325	1,657,965
2020-2021	986,680	675,325	1,662,005
2021-2022	987,670	674,325	1,661,995
2022-2023	556,400	672,325	1,228,725
2023-2024	-	674,325	674,325
2024-2025	-	670,075	670,075
2025-2026	-	674,825	674,825
2026-2027	-	673,075	673,075
2027-2028	-	675,075	675,075
2028-2029	-	670,575	670,575
2029-2030	-	669,825	669,825
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

⁽¹⁾ Schedule does not include remaining payments of \$916,254.96 due under a bus lease.

In addition to the foregoing, the District recently implemented a plan to lease buses with the vendor Matthews Buses, Inc. The District is on a 5-year replacement course with leasing in order to gain more continuity in budgeting for the expense each year. Such lease obligation will not constitute debt in the calculation of the District's debt limit and debt contracting margin described above. The table below shows the amortization schedule for the current bus lease financing:

<u>Date</u>	<u>Lease Payment</u>	<u>Balloon</u>	<u>Principal</u>	<u>Interest</u>
July 30, 2015	\$147,063.74	\$0.00	\$127,767.16	\$19,296.58
July 30, 2016	147,063.74	0.00	130,669.54	16,394.20
July 30, 2017	147,063.74	0.00	133,637.86	13,425.88
July 30, 2018	147,063.74	0.00	136,673.61	10,390.13
July 30, 2019	<u>0.00</u>	<u>328,000.00</u>	<u>320,714.57</u>	<u>7,285.43</u>
Grand Totals:	\$588,254.96	\$328,000.00	\$916,254.96	\$66,792.22

Interest Rate: 2.272%

Source: District officials.

**APPENDIX C-4
DESCRIPTION OF
GENESEE VALLEY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-4 a brief description of the Genesee Valley Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, with an estimated population of 4,234, is located in the central portion of Allegany County, just outside of the Village of Belmont on County Road 48. The District includes a major portion of the Towns of Angelica and Amity, and fully encompasses the Villages of Angelica and Belmont. The District is located approximately 75 miles southeast of the City of Buffalo and approximately 90 miles south of the City of Rochester. It was created in 1996 through the merger of the Angelica and Belmont School Districts.

Major highways through the District are State Route 19 and Interstate 86, which provide easy access to the surrounding cities. Bus service is provided by Allegany County. Major airlines operate from the Buffalo-Niagara International Airport and Greater Rochester International Airport.

There are many higher education institutions in the area including Alfred University, SUNY Alfred, Houghton College, St. Bonaventure University, Jamestown Community College, and several others in the Buffalo and Rochester areas.

The District is rural in nature, with residents having the usual commercial and professional services available. Police service is provided by the New York State Police and County Sheriff. Fire protection is provided by individual volunteer departments in each municipality. Community Bank and Steuben Trust Company have one or more offices within the District.

Population

The current estimated population of the District is 4,234. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees (estimated)</u>
Allegany County	Government	500
Genesee Valley Central School District	Public Education	130
Board of Cooperative Educational Services	Public Education	40
Angelica Enterprises	Pallet Manufacturing/Trucking	25
East End Market	Grocery Store	20

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Dominion Resources	Gas Transmission	\$7,094,063
Hyland Facilities	Landfill	3,700,000
Rochester Gas & Electric	Utility	3,475,821
State of New York	Forest Land	2,127,700
Belvidere Trust	Financial Institution	1,230,500

Appendix C

The total full valuation of the top **ten (10)** taxpayers represents approximately 12.33% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Allegany County.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Allegany County	9.1%	8.8%	8.3%	7.6%	6.2%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	660	633	612	600	575	593	599

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
75	Genesee Valley Central Educators' Association	June 30, 2020
46	Genesee Valley Central Employees' Association	June 30, 2016

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DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$177,744,560
Debt Limit (10% of Full Valuation)	17,774,456
Gross Indebtedness ⁽²⁾	\$26,766,283
Less: Exclusions – Estimated Building Aid ⁽³⁾	23,697,095
Total Net Indebtedness	\$3,069,188
Net Debt Contracting Margin	\$14,705,268
Percentage of Debt Contracting Power Exhausted	17.27%

(1) The District has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$4,620,000 School District Bonds to DASNY in connection with the refunding of \$6,100,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the gross indebtedness of the School District is not within the debt limit, the District is required to apply for a Building Aid Estimate. The District applied for a Building Aid Estimate from the New York State Department of Education and received the exclusion on November 14, 2014 in the amount of \$23,697,095. The District anticipates State Building Aid of 88.53% on existing bonded debt service. The District has no reason to believe that it will not ultimately receive all of the Building Aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Allegany	\$29,310,000	\$0	\$29,310,000	9.67%	\$2,834,277
Towns of:					
Allen	0	N/A	0	36.09	0
Amity	0	N/A	0	92.89	0
Angelica	115,556	N/A	115,556	98.71	114,065
Belfast	1,442,000	N/A	1,442,000	1.96	28,263
Birdsall	0	N/A	0	33.81	0
Friendship	1,485,484	N/A	1,485,484	4.86	72,194
Ward	0	N/A	0	0.37	0
West Almond	0	N/A	0	59.94	0
Villages of:					
Angelica	3,089,250	N/A	3,089,250	100.00	3,089,250
Belmont	5,475,022	N/A	5,475,022	100.00	5,475,022
				Total	\$11,613,071

- (1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.
- N/A Information not available.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$26,766,283	\$6,321.75	15.06%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	38,379,354	9,064.56	21.59

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 4,234.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$177,744,560.
- (4) The District expects to deliver \$4,620,000 School District Bonds to DASNY in connection with the refunding of \$6,100,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Genesee Valley Central School District
<http://emma.msrb.org/EA662259-EA518648-EA914855.pdf>
 Base CUSIP: 371744

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 30th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 2nd to November 1st. On or about November 1st, uncollected taxes are returnable to Allegany County for collection. The District receives this amount from the County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Allen	\$11,687,685	\$11,298,678	\$11,515,827	\$11,611,171	\$11,574,828
Amity	45,990,324	69,972,475	69,564,635	69,329,786	68,029,540
Angelica	57,023,906	57,206,193	66,874,971	67,243,480	67,560,106
Belfast	888,330	888,330	888,641	888,469	888,469
Birdsall	8,534,707	8,867,231	8,917,867	9,000,680	8,984,063
Friendship	1,816,489	1,815,976	1,786,958	2,856,334 ⁽¹⁾	2,842,552
Ward	77,524	77,524	77,524	77,524	92,514
West Almond	<u>16,771,689</u>	<u>16,799,484</u>	<u>16,915,958</u>	<u>16,918,359</u>	<u>16,943,945</u>
Total Assessed Valuation	<u>\$142,790,654</u>	<u>\$166,925,891</u>	<u>\$176,542,381</u>	<u>\$177,925,803</u>	<u>\$176,916,017</u>

⁽¹⁾ Significant change due to revaluation.

Appendix C

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Allen	100.00%	100.00%	100.00%	100.00%	100.00%
Amity	70.00	100.00	100.00	100.00	100.00
Angelica	96.00	94.00	100.00	100.00	100.00
Belfast	88.00	90.00	94.00	92.00	88.00
Birdsall	100.00	100.00	100.00	100.00	98.00
Friendship	73.00	70.00	70.00	100.00 ⁽¹⁾	100.00
Ward	100.00	98.00	98.00	96.00	100.00
West Almond	100.00	100.00	100.00	100.00	97.00
Taxable Full Valuation	<u>\$165,669,777</u>	<u>\$171,455,911</u>	<u>\$177,366,524</u>	<u>\$178,006,291</u>	<u>\$177,744,560</u>

⁽¹⁾ Significant change due to revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$1,986,305	\$2,068,118	\$2,133,453	\$2,199,848	\$2,261,125
% Uncollected When Due ⁽¹⁾	19.60%	9.02%	12.45%	12.04%	12.41%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2009-2010	\$9,685,892	\$13,031,865	74.32%
2010-2011	9,735,676	12,811,014	75.99
2011-2012	9,727,511	12,754,751	76.27
2012-2013	9,729,268	12,902,281	75.41
2013-2014	10,060,053	13,248,249	75.93
2014-2015 (Budgeted)	11,493,239	14,704,585	78.16
2015-2016 (Proposed)	11,169,359	14,748,736	75.73

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2009-2010 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2009-2010	\$115,184	\$350,293
2010-2011	146,108	290,692
2011-2012	270,106	422,374
2012-2013	245,758	498,970
2013-2014	243,015	656,687
2014-2015 (Budgeted)	259,662	633,009
2015-2016 (Proposed)	260,691	579,664

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Nyhart Actuary & Employee Benefits to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$877,634. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$877,634. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$5,666. The District's annual OPEB expense was \$115,292 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$115,406 to the Plan for the fiscal year ending June 30, 2014 to 93 current employees and 37 retirees, resulting in a net increase to its unfunded OPEB obligation of \$(-114), for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$5,552. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$206,864 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$604,891 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

The District failed to file within a "timely manner" a material event notice related to a bond insurer rating upgrade as rated by Standard & Poor's ("S&P"). On March 18, 2014, S&P upgraded its rating of Assured Guaranty Municipal, Assured Guaranty Corp., Assured Guaranty Re Ltd., and Municipal Assurance Corp. from "AA-" to "AA/Stable Outlook," which affected the insured rating of the District's Series 2012 School District Refunding Serial Bonds. The District failed to file the required material event notice within ten days of the rating upgrade. A notice of failure to file related to the aforementioned was filed on June 12, 2014.

Appendix C

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2014-2015	\$1,668,250	-	\$1,668,250
2015-2016	1,677,450	\$452,257	2,129,707
2016-2017	1,679,850	448,581	2,128,431
2017-2018	1,685,650	452,081	2,137,731
2018-2019	1,689,650	449,831	2,139,481
2019-2020	1,696,150	452,081	2,148,231
2020-2021	1,699,650	453,581	2,153,231
2021-2022	1,700,150	449,331	2,149,481
2022-2023	1,711,088	449,581	2,160,669
2023-2024	1,708,888	449,081	2,157,969
2024-2025	1,719,688	452,831	2,172,519
2025-2026	1,722,088	450,581	2,172,669
2026-2027	1,723,138	452,581	2,175,719
2027-2028	1,727,838	453,581	2,181,419
2028-2029	1,734,088	448,581	2,182,669
2029-2030	1,731,600	77,831	1,809,431
2030-2031	-	75,331	75,331
2031-2032	-	77,975	77,975
2032-2033	-	75,438	75,438
2033-2034	-	77,813	77,813
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

**APPENDIX C-5
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF GENEVA**

There follows in this Appendix C-5 a brief description of the City School District of the City of Geneva (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, formed in 1839, is located in the Towns of Geneva, Seneca and Phelps in Ontario County, the Town of Benton in Yates County and the Town of Waterloo in Seneca County. The aforesaid towns are hereinafter referred to as the “Towns.” The aforesaid counties are hereinafter referred to as the “Counties.” The District also includes the City of Geneva (the “City”), located in Ontario County. The District covers approximately 43 square miles and has an estimated population of 17,666. The District lies mid-way between the cities of Rochester and Syracuse, approximately five miles south of Exit 42 of the New York State Thruway.

New York State Routes 5, 14, 14A, 20, 245, 96 and 96A, and Interstate Route 90 (NYS Thruway) serve the District. Commercial air transportation is available at the Greater Rochester International Airport and the Syracuse International Airport. Bus transportation is available in the City.

The District is primarily a residential/rural area with the population concentrated in the City. Many residents are employed locally, while others commute to the Rochester and Syracuse areas for employment.

Water and sewer services are provided primarily by the City, with outlying areas using private wells and septic systems. Electricity and natural gas are supplied by New York State Electric & Gas Corporation. Telephone service is provided by Verizon New York Inc. The City also provides police protection, fire protection and ambulance service to areas within the City. Areas outside the City are provided fire protection and ambulance service by volunteer organizations. County Sheriffs and New York State Police provide police protection throughout the District.

Residents find commercial services and recreational facilities primarily in the City. Banking services are provided by JP Morgan Chase Bank, NA and Five Star Bank.

The District provides public education for grades Pre-K-12, or students in all grades may elect to attend parochial school within the District boundaries. Opportunities for higher education are available locally at Hobart and William Smith Colleges and at the many colleges and universities in the Rochester, Syracuse and Ithaca areas.

Population

The current estimated population of the District is 17,666. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Finger Lakes Health	Health Care Facility	927
Hobart & William Smith Colleges	Higher Education	690
Geneva City School District	Public Education	566
Zoto’s International	Manufacturer	335
Guardian Glass	Manufacturer	320

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Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYS Electric & Gas	Utility	\$27,619,835
DRR, LP	Various	8,857,000
Centro NP	Retail	8,597,400
Wal-Mart	Retail	8,175,000
Wegmans Food Markets	Retail	7,500,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.9% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Ontario, Seneca and Yates Counties.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Ontario County	7.6%	7.2%	7.4%	6.6%	5.3%
Seneca County	8.1	7.7	7.8	6.9	5.7
Yates County	6.9	7.0	7.1	6.1	5.6
New York State	8.6	8.3	8.5	7.7	6.5

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	2,260	2,234	2,161	2,306	2,130	2,300	2,300

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
298	Geneva Teachers' Association (NYSUT)	June 30, 2014 ⁽¹⁾
15	Instructional Supervision Negotiating Unit (ISNU)	June 30, 2015 ⁽¹⁾
243	Civil Service Employees Association (CSEA)	June 30, 2015 ⁽¹⁾
4	Confidential	June 30, 2016

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin As of May 5, 2015⁽¹⁾		
	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$792,058,425	\$841,295,916
Debt Limit (5% of full valuation) ⁽²⁾	\$39,602,921	\$42,064,796
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$34,101,665	\$34,101,665
Bond Anticipation Notes ⁽⁴⁾	12,300,000	12,300,000
Total Inclusions.....	<u>\$46,401,665</u>	<u>\$46,401,665</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	3,442,665	3,442,665
Total Exclusions.....	<u>\$3,442,665</u>	<u>\$3,442,665</u>
Total Net Indebtedness.....	\$42,959,000	\$42,959,000
Net Debt Contracting Margin.....	\$(3,356,079)	\$(894,204)
Percentage of Debt Contracting Power Exhausted ⁽⁴⁾	108.47%	102.13%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$9,945,000 School District Bonds to DASNY in connection with the refunding of \$12,300,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

(4) The District has satisfied the requirements contained in Section 104.00 of the Local Finance Law to exceed its debt limit to provide for the issuance of \$12,300,000 serial bonds (of which \$12,300,000 in bond anticipation notes has been issued to date), including receiving the consents of the Board of Regents and the Office of the State Comptroller.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

Unit	Outstanding Indebtedness⁽¹⁾	Exclusions⁽²⁾	Net Indebtedness	% Within District	Applicable Net Indebtedness
Counties of:					
Ontario	\$32,549,013	\$104,013	\$32,445,000	12.57%	\$4,078,337
Seneca	13,810,000	13,810,000	0	0.18	0
Yates	15,906,393	0	15,906,393	0.47	74,760
Towns of:					
Geneva	480,989	480,989	0	99.88	0
Seneca	0	0	0	27.27	0
Phelps	678,000	678,000	0	4.72	0
Benton	1,966,000	1,875,000	91,000	4.34	3,949
Waterloo	1,964,806	1,964,806	0	0.91	0
City of:					
Geneva	43,994,137	33,510,137	10,484,000	100.00	10,484,000
				Total	\$14,641,046

- (1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	Amount	Per Capita⁽²⁾	Percentage of Full Value⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$46,401,665	\$2,626.61	5.32%
Gross Indebtedness Plus Net Overlapping Indebtedness	61,042,711	3,455.38	7.26

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 17,666.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$841,295,916.
- (4) The District expects to deliver \$9,945,000 School District Bonds to DASNY in connection with the refunding of \$12,300,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note (“TAN”) and Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2010-2011	\$6,000,000	RAN	June 24, 2010	June 24, 2011
2011-2012	4,000,000	RAN	June 24, 2011	June 22, 2012
2012-2013	6,000,000	RAN	June 21, 2012	June 21, 2013
2013-2014	6,000,000	RAN	June 20, 2013	June 20, 2014
2014-2015	6,000,000	RAN	June 19, 2014	June 19, 2015

Capital Project Plans

On March 9, 2010 the District voters approved an additional authorization for various improvements to District buildings at a total estimated cost of \$12,300,000. Bond anticipation notes in the amount of \$6,000,000 were issued September 11, 2013 and represent the first borrowing against this authorization. A second series of bond anticipation notes in the amount of \$6,300,000 were issued March 15, 2014. The District may renew the Notes or issue bonds in August 2015.

The District is currently reviewing its Five Year Building Condition Survey for potentially a new project.

With the exception of the current issuance, the District has no other projects authorized or contemplated at this time.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Geneva
<http://emma.msrb.org/EA659630-EA516462-EA912644.pdf>
 Base CUSIP: 372172

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

The Board of Education annually levies real property taxes no later than September 1. Taxes are collected during the period September 1 to February 28. Uncollected taxes are subsequently enforced by the City and the Counties. An amount representing uncollected real property taxes must be transmitted by the District within two years from the return of unpaid taxes to such counties. Real property taxes receivable expected to be collected within six months subsequent to June 30, less similar amounts collected during this period in the preceding year, are recognized as revenues. Otherwise, real property taxes receivable are offset by deferred revenues.

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Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Geneva	\$ 358,533,789	\$ 361,305,326	\$ 369,021,465	\$ 377,270,809	\$ 375,977,326
Towns of:					
Geneva	308,696,886	308,483,206	356,346,375	357,345,568	358,665,324
Seneca	48,088,230	48,452,558	48,747,457	49,757,503	51,296,375
Phelps	17,030,645	17,332,488	17,414,202	17,268,335	17,589,446
Benton	7,608,032	7,420,735	7,428,551	7,432,642	7,385,191
Waterloo	2,188,376	2,373,659	2,343,693	2,336,861	2,333,200
Total Assessed Valuation	<u>\$742,145,958</u>	<u>\$745,367,972</u>	<u>\$801,301,743</u>	<u>\$811,411,718</u>	<u>\$813,246,862</u>

State Equalization Rates					
Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Geneva	100.00%	100.00%	99.00%	100.00%	100.00%
Towns of:					
Geneva	93.00%	94.00%	100.00%	100.00%	100.00%
Seneca	100.00%	100.00%	100.00%	100.00%	100.00%
Phelps	100.00%	100.00%	100.00%	100.00%	100.00%
Benton	100.00%	100.00%	100.00%	100.00%	100.00%
Waterloo	93.00%	100.00%	100.00%	100.00%	100.00%
Taxable Full Valuation	\$765,545,924	\$765,058,389	\$805,029,233	\$811,411,718	\$813,246,862

Special State Equalization Ratios					
Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Geneva	99.14%	97.80%	96.69%	95.13%	95.36%
Towns of:					
Geneva	92.21%	83.22%	83.66%	95.20%	91.26%
Seneca	94.99%	94.92%	98.49%	95.45%	92.54%
Phelps	94.57%	93.83%	94.31%	94.52%	90.76%
Benton	92.48%	92.46%	99.23%	97.51%	95.95%
Waterloo	87.94%	87.92%	97.69%	93.06%	88.68%
Taxable Full Valuation	\$775,768,049	\$820,360,410	\$885,445,150	\$852,479,933	\$872,426,037

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$15,888,530	\$17,055,200	\$17,385,620	\$17,859,297	\$17,706,565
% Uncollected When Due ⁽¹⁾	7.67%	6.89%	7.76%	6.84%	8.86%

⁽¹⁾ See “Real Estate Property Tax Collection Procedure.”

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$24,345,140	\$41,190,000	59.10%
2011-2012	24,002,089	43,179,544	55.59
2012-2013	24,424,459	42,780,787	57.09
2013-2014	25,526,509	44,658,960	57.16
2014-2015 (Budgeted)	26,640,997	46,274,500	57.57
2015-2016 (Proposed)	27,979,079	48,825,170	57.30

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$328,046	\$1,344,132
2011-2012	444,529	1,758,050
2012-2013	649,900	1,938,000
2013-2014	690,591	2,670,000
2014-2015 (Budgeted)	789,502	2,668,850
2015-2016 (Proposed)	872,136	2,558,620

See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with Dermody, Burke and Brown to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of May 8, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$82,393,416. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$82,393,416. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$20,568,421. The District’s annual

Appendix C

OPEB expense was \$7,487,564 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,705,000 to the Plan for the fiscal year ending June 30, 2014 to 338 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,782,564, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$25,350,985. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$966,000 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,870,886 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

The District did not file within a "timely manner" its audited financial statements for the fiscal year ending in 2007. The 2007 audited financial statements were uploaded to EMMA on September 2, 2014.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$5,060,825	-	\$5,060,825
2015-2016	5,208,733	\$667,371	5,876,104
2016-2017	5,199,661	1,001,263	6,200,924
2017-2018	5,040,330	1,000,513	6,040,843
2018-2019	4,068,451	1,003,513	5,071,964
2019-2020	3,907,998	1,005,013	4,913,011
2020-2021	3,747,828	1,000,013	4,747,841
2021-2022	3,727,978	1,003,763	4,731,741
2022-2023	2,038,853	1,000,763	3,039,616
2023-2024	730,815	1,001,263	1,732,078
2024-2025	717,284	1,000,013	1,717,297
2025-2026	447,834	1,002,013	1,449,847
2026-2027	303,684	1,002,013	1,305,697
2027-2028	299,871	1,000,013	1,299,884
2028-2029	270,328	1,001,013	1,271,341
2029-2030	221,265	604,763	826,028
2030-2031	223,221	217,613	440,834
2031-2032	224,406	-	224,406
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

⁽¹⁾ Schedule does not include remaining payments of \$1,347,223.73 due under an energy performance contract.

In addition to the foregoing, the District entered into a \$2,656,326 lease purchase agreement in the fiscal year ending June 30, 2010 to finance work related to an Energy Performance Contract. The balance outstanding as of May 5, 2015 is \$1,347,223.73. The final payment against this lease purchase agreement will take place in 2027. Such obligation does not constitute debt in the calculation of the District's debt limit and debt contracting margin described above.

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**APPENDIX C-6
DESCRIPTION OF
HONEOYE FALLS-LIMA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-6 a brief description of the Honeoye Falls-Lima Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District covers approximately 75 square miles in the Towns of Avon, Lima, and Livonia in Livingston County; Henrietta, Mendon and Rush in Monroe County; and Richmond, Victor and West Bloomfield in Ontario County. The District was created in 1969 through the merger of the former Honeoye Falls and Lima Central School Districts.

The District is served by New York State Routes 5, 15A and 65 and U.S. Routes 20 and 20A. Route 15A provides easy access to downtown Rochester, some 25 miles to the north, and to the New York State Thruway at exit 45. Bus transportation is available locally, while air transportation is available at the Greater Rochester International Airport.

The District is primarily a suburban/rural area, with larger population in the Villages of Honeoye Falls and Lima. Residents are employed in farming and at various local manufacturing firms as well as in the Rochester area.

Water and sewer services are provided by the Villages and by some Town systems, as well as by private wells and septic systems. Telephone service is provided by Frontier Telephone Corporation. Natural Gas and Electricity are provided by Rochester Gas and Electric Corporation, National Grid Power Corporation and National Fuel Gas. Police protection is provided by the Livingston, Monroe and Ontario County Sheriff’s Departments and the New York State Police. Various volunteer fire and ambulance companies also serve the area.

The District provides education for grades K-12. Students may also elect to attend the Lima Christian School. Higher education is available at many of the colleges and universities in the Rochester area.

Residents are afforded all the usual commercial services in and around the District. Banking facilities include Five Star Bank, M&T Bank, The Canandaigua National Bank & Trust Company and Bank of America. Recreational facilities are plentiful due to the District’s location in the Finger Lakes Region and its proximity to Rochester.

Source: District Officials

Population

The current estimated population of the District is 13,554. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Honeoye Falls-Lima Central School District	Public Education	458
Southco, Inc	Fasteners/Latches	260
Honeoye Falls Marketplace	Grocery Store	150
Bristol ID	Manufacturing of RFID Cards	70
Lakeland Concrete	Manufacturing—Concrete Part	62

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric	Utility	\$10,975,640
Ten Carriage Street	Manufacturing	7,289,000
Niagara Mohawk	Utility	5,911,864
Empire State Pipeline	Utility	3,795,530
Frontier Telephone	Utility	3,409,116

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.00% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Livingston, Monroe and Ontario Counties.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Livingston County	8.5%	8.0%	8.2%	7.4%	5.8%
Monroe County	8.0	7.6	7.8	7.0	5.8
Ontario County	7.6	7.2	7.4	6.6	5.3
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	2,537	2,495	2,398	2,324	2,259	2,222	2,131

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
213	Honeoye Falls-Lima Teachers' Association	June 30, 2015 ⁽¹⁾
41	Honeoye Falls-Lima Transportation Association	June 30, 2015 ⁽¹⁾
28	Honeoye Falls-Lima Buildings and Grounds Association	June 30, 2015 ⁽¹⁾
17	Honeoye Falls-Lime Educational Secretaries Association	June 30, 2015 ⁽¹⁾
15	Honeoye Falls-Lime Food Service Association	June 30, 2015 ⁽¹⁾
72	Honeoye Falls-Lima Para-Professionals/Nurses	June 30, 2015 ⁽¹⁾
10	Honeoye Falls-Lima Administrators	June 30, 2016

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,132,225,553
Debt Limit (10% of Full Valuation)	113,222,555
Gross Indebtedness ⁽²⁾	\$34,460,404
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$34,460,404
Net Debt Contracting Margin	\$78,762,151
Percentage of Debt Contracting Power Exhausted	30.44%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$7,895,000 School District Bonds to DASNY in connection with the refunding of \$9,010,404 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

Unit	Outstanding Indebtedness⁽¹⁾	Exclusions⁽²⁾	Net Indebtedness	% Within District	Applicable Net Indebtedness
Counties of:					
Livingston	\$58,092,383	\$3,349,900	\$54,742,483	9.52%	\$5,211,484
Monroe	528,579,061	N/A	528,579,061	2.57	13,584,482
Ontario	32,445,000	-	32,445,000	0.49	158,981
Towns of:					
Avon	1,958,000	N/A	1,958,000	3.46	67,747
Henrietta	1,040,000	N/A	1,040,000	0.06	624
Lima	467,000	N/A	467,000	91.62	427,865
Livonia	1,544,648	N/A	1,544,648	0.88	13,593
Mendon	2,742,800	N/A	2,742,800	95.19	2,610,871
Richmond	1,850,000	N/A	1,850,000	0.01	185
Rush	550,000	N/A	550,000	8.73	48,015
Victor	3,335,300	N/A	3,335,000	0.14	4,669
West Bloomfield	656,560	N/A	656,560	25.52	167,554
Villages of:					
Honeoye Falls	1,586,062	N/A	1,586,062	100.00	1,586,062
Lima	2,218,000	N/A	2,218,000	100.00	2,218,000
Total					\$26,100,132

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
 (2) Sewer and water debt.
 N/A Information not available

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Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 5, 2015.

Debt Ratios As of May 5, 2015⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$34,460,404	\$2,542.45	3.04%
Gross Indebtedness Plus Net Overlapping Indebtedness	60,560,536	4,468.09	5.35

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 13,554.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2014-15 of \$1,132,225,553.

(4) The District expects to deliver \$7,895,000 School District Bonds to DASNY in connection with the refunding of \$9,010,404 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

The District has \$10,203,932 of authorized and unissued indebtedness, pursuant to a bond resolution that was duly adopted by the Board of Education on February 23, 2010 authorizing the issuance of \$29,572,000 serial bonds. The District does not anticipate borrowing these funds in the near future.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Honeoye Falls-Lima Central School District
<http://emma.msrb.org/EA659610-EA516439-EA912621.pdf>
 Base CUSIP: 438209

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the month of October. A 3% penalty is charged for the first half of November. On or about November 15th, uncollected taxes are returnable to the Counties for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Appendix C

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Avon	\$12,635,986	\$12,524,427	\$12,655,021	\$12,796,619	\$12,984,757
Henrietta	1,244,649	1,257,837	1,272,606	1,563,676	1,567,255
Lima	205,129,166	205,858,797	208,487,716	209,204,075	212,497,217
Livonia	4,196,663	4,304,056	4,348,682	4,388,876	4,631,028
Mendon	815,420,923	815,598,339	818,617,538	832,561,300	835,185,764
Richmond	29,628	54,974	55,145	34,282	34,965
Rush	23,661,575	23,767,683	23,708,611	23,676,776	24,299,594
Victor	1,816,176	2,347,915	2,305,106	2,303,246	2,306,093
West Bloomfield	<u>33,899,041</u>	<u>34,708,326</u>	<u>35,025,112</u>	<u>36,787,572</u>	<u>37,458,511</u>
Total Assessed Valuation	<u>\$1,098,033,807</u>	<u>\$1,100,422,354</u>	<u>\$1,106,475,537</u>	<u>\$1,123,316,422</u>	<u>\$1,130,965,184</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Avon	100.00%	100.00%	100.00%	100.00%	100.00%
Henrietta	100.00	100.00	100.00	100.00	100.00
Lima	100.00	100.00	100.00	100.00	100.00
Livonia	100.00	100.00	100.00	100.00	100.00
Mendon	100.00	100.00	100.00	100.00	100.00
Richmond	100.00	100.00	100.00	100.00	100.00
Rush	100.00	100.00	100.00	100.00	98.00
Victor	100.00	100.00	100.00	100.00	100.00
West Bloomfield	100.00	99.00	97.00	100.00	98.00
Taxable Full Valuation	\$1,098,033,807	\$1,100,772,943	\$1,107,558,788	\$1,123,316,422	\$1,132,225,553

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$23,588,111	\$24,048,780	\$24,575,448	\$25,755,070	\$26,332,062
% Uncollected When Due ⁽¹⁾	5.58%	4.70%	4.35%	4.78%	4.64%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

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

revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2009-2010	\$12,602,072	\$40,205,470	31.34%
2010-2011	12,635,616	39,730,805	31.80
2011-2012	13,209,456	40,221,749	32.84
2012-2013	13,988,790	41,535,061	33.68
2013-2014	14,225,865	43,301,759	32.85
2014-2015 (Budgeted)	14,225,865	43,028,400	34.56
2015-2016 (Proposed)	16,215,619	45,616,328	35.55

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2009-2010 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2009-2010	\$389,831	\$890,847
2010-2011	599,712	1,258,862
2011-2012	752,795	1,557,409
2012-2013	867,111	1,749,385
2013-2014	953,714	2,393,514
2014-2015 (Budgeted)	975,738	2,684,212
2015-2016 (Proposed)	975,783	2,274,965

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Burke Group LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$53,285,705. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$53,285,705. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$11,558,929. The District's annual OPEB expense was \$3,676,058 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,076,144 to the Plan for the fiscal year ending June 30, 2014 to 184 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,599,914, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$14,158,843. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Appendix C

Recent Operating Results

The District's expenditures exceeded its revenues by \$100,393 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,833,936 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

The District failed to file within a "timely manner" a material event notice related to a bond insurer rating withdrawal by Moody's Investors Service ("Moody's"). On November 8, 2012, Moody's withdrew the rating of Syncora Guarantee Inc. (formerly XL Capital Assurance Inc.) which affected the insured rating of the District's Series 2005 School District Serial Bonds. The District failed to file the required material event notice within ten days of the rating withdrawal.

In addition, the District failed to file within a "timely manner" material event notices related to two bond calls. The District's 2002 School District Refunding Serial Bonds, Series A were called on April 15, 2012. The District's 2002 School District Refunding Serial Bonds, Series B were called on June 15, 2012. The District failed to file the required material event notices within ten days of the bond calls.

Notices of failures to file related to the aforementioned events were filed on September 23, 2014.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$4,032,848	-	\$4,032,848
2015-2016	4,036,101	\$786,758	4,822,859
2016-2017	3,789,326	784,356	4,573,682
2017-2018	3,786,213	781,106	4,567,319
2018-2019	2,904,363	806,706	3,711,069
2019-2020	2,281,013	760,206	3,041,219
2020-2021	2,074,213	764,806	2,839,019
2021-2022	2,058,813	763,056	2,821,869
2022-2023	2,036,763	770,056	2,806,819
2023-2024	2,043,263	730,306	2,773,569
2024-2025	1,082,213	751,056	1,833,269
2025-2026	1,042,363	749,306	1,791,669
2026-2027	805,350	764,356	1,569,706
2027-2028	-	762,481	762,481
2028-2029	-	294,081	294,081
2029-2030	-	289,800	289,800
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

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**APPENDIX C-7
DESCRIPTION OF
LANSING CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-7 a brief description of the Lansing Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, established in 1948, covers 64 square miles in the Towns of Lansing, Dryden and Groton in Tompkins County and is bordered by Cayuga Lake on the west.

Transportation is provided by New York State Routes 34 and 34B. The area is served by USAir at Tompkins County Airport, with jet flights to New York City, Pittsburgh and Chicago providing direct passenger, mail and cargo service.

The area is served by Greyhound Bus Lines with a terminal located in the City of Ithaca. The District is both agricultural and industrial in nature.

Natural gas and electricity are provided by New York State Electric & Gas Corporation. Police protection is provided by the Tompkins County Sheriff's Department and the New York State Police. Fire protection is provided by a volunteer department.

The District provides public education for grades K-12 in three buildings located in the Town of Lansing. Higher educational opportunities are available at nearby Wells College, Ithaca College, Tompkins Community College and Cornell University. The District is located within 12 miles of each of these colleges/university.

Population

The current estimated population of the District is 7,494. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cornell University	Education	9,480
Ithaca College	Education	1,525
Borg Warner	Manufacturing	1,500
Ithaca City School District	Public School	1,200
Dairy One	Agriculture	255

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
AES Eastern Energy LP	Utility	\$60,000,000
New York State Electric & Gas Corporation	Utility	18,655,796
Cornell University	Education	15,604,600
Borg-Warner Automotive	Manufacturing	8,358,000
EJ Delmonte Corp	Industrial	7,020,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 18.7% of the tax base of the District.

Appendix C

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Tompkins County.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tompkins County	6.2%	6.1%	6.1%	5.2%	4.3%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	1,229	1,180	1,190	1,161	1,182	1,185	1,185

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
133	Lansing Faculty Association	June 30, 2016
98	Lansing School Service Association	June 30, 2017
7	Lansing Administrators’ & Supervisors’ Organization	June 30, 2014 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾

Full Valuation of Taxable Real Property	\$776,851,895
Debt Limit (10% of Full Valuation)	77,685,190
Gross Indebtedness ⁽²⁾	\$9,675,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$9,675,000</u>
Net Debt Contracting Margin	\$68,010,190
Percentage of Debt Contracting Power Exhausted	12.45%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,215,000 School District Bonds to DASNY in connection with the refunding of \$2,350,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Tompkins	\$63,247,379	\$4,866,594	\$58,380,785	11.56%	\$6,748,819
Towns of:					
Dryden	113,308	53,308	60,000	0.62%	372
Groton	0	0	0	0.27%	0
Lansing	1,743,777	1,278,696	465,081	62.24%	289,466
Village of:					
Dryden	4,220,581	246,581	3,974,000	100.00%	3,974,000
				Total	<u><u>\$11,012,657</u></u>

⁽¹⁾ Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$9,675,000	\$1,291.03	1.25%
Gross Indebtedness Plus Net Overlapping Indebtedness	20,687,657	2,760.56	2.66

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 7,494.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$776,851,895.
- (4) The District expects to deliver \$2,215,000 School District Bonds to DASNY in connection with the refunding of \$2,350,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

Capital Project Plans

On June 9, 2014, the District authorized the issuance of \$4,100,000 serial bonds for a capital improvement project consisting of replacement of septic systems at the Elementary, Middle and High School buildings. Borrowings will occur upon receipt of State Education Department approval and as the project’s cash flow needs warrant.

On December 9, 2014, the District authorized the issuance of \$6,450,000 serial bonds for a capital improvement consisting of infrastructure (*i.e.* boilers, ventilation), and programmatic improvements (*i.e.* auditorium, music department teaching space), with work being done in all buildings. Borrowings will occur upon receipt of State Education Department approval and as the project’s cash flow needs warrant.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Lansing Central School District
<http://emma.msrb.org/EA659761-EA516601-EA912778.pdf>
Base CUSIP: 516462

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge during the month of September, but a 2% penalty is charged for the next 30 days. A 3% penalty is charged between November 1st and 15th. After November, uncollected taxes are returned to the County for collection. The District receives these amounts from the County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Dryden	\$5,776,963	\$5,660,526	\$5,639,338	\$5,650,593	\$5,725,592
Groton	590,546	630,446	684,188	819,039	818,935
Lansing	716,981,317	724,546,129	735,774,689	752,108,741	770,307,368
Total Assessed Valuation	<u>\$723,348,826</u>	<u>\$730,837,101</u>	<u>\$742,098,215</u>	<u>\$758,578,373</u>	<u>\$776,851,895</u>
State Equalization Rates Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Dryden	100.00%	100.00%	100.00%	100.00%	100.00%
Groton	100.00	100.00	100.00	100.00	100.00
Lansing	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$723,348,826	\$730,837,101	\$742,098,215	\$758,578,373	\$776,851,895

Total District Property Tax Collections Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$13,366,484	\$13,953,321	\$14,724,973	\$15,695,538	\$16,433,255
% Uncollected When Due ⁽¹⁾	2.54%	2.44%	4.28%	3.76%	5.92%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

Appendix C

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid since the 2010-2011 fiscal year, the budgeted figure for the current fiscal year and the proposed figure for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$6,353,894	\$23,962,510	26.52%
2011-2012	6,342,673	23,769,805	26.68
2012-2013	6,638,154	24,430,804	27.17
2013-2014	7,132,688	25,952,629	27.48
2014-2015 (Budgeted)	7,024,384	26,536,296	26.47
2015-2016 (Proposed)	8,399,913	27,370,000	30.69

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$385,554	\$618,090
2011-2012	299,127	911,142
2012-2013	263,489	1,015,453
2013-2014	348,446	1,403,793
2014-2015 (Budgeted)	385,100	1,528,151
2015-2016 (Proposed)	465,000	1,316,000

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$64,205,229. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$64,205,229. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$18,050,303. The District's annual OPEB expense was \$6,603,625 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,535,715 to the Plan for the fiscal year ending June 30, 2014 to 126 active members and 90 retirees, resulting in a net increase to its unfunded OPEB obligation of \$5,067,910, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$23,118,213. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$353,223 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,564,556 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

The District failed to file a material event notice relating to a rating upgrade made by Standard & Poor's Ratings Services on April 16, 2010 as required by a previous continuing disclosure undertaking. The District on occasion did not file in a "timely manner" certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the District. The underlying rating of the District was not affected by such bond insurer rating changes.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Appendix C

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,001,724	-	\$2,001,724
2015-2016	1,947,436	\$204,770	2,152,206
2016-2017	827,670	208,994	1,036,664
2017-2018	744,176	207,994	952,170
2018-2019	690,878	207,994	898,872
2019-2020	372,675	206,494	579,169
2020-2021	370,263	206,094	576,357
2021-2022	247,431	209,094	456,525
2022-2023	249,431	206,594	456,025
2023-2024	250,844	208,844	459,688
2024-2025	251,825	205,594	457,419
2025-2026	212,406	207,094	419,500
2026-2027	211,406	206,694	418,100
2027-2028	-	205,913	205,913
2028-2029	-	199,738	199,738
2029-2030	-	98,325	98,325
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

This Schedule does not include remaining payments of \$3,405,000 due under an energy performance contract. Such obligation does not constitute debt in the calculation of the District's debt limit and debt contracting margin described above.

**APPENDIX C-8
DESCRIPTION OF
LANSINGBURGH CENTRAL SCHOOL DISTRICT AT TROY**

There follows in this Appendix C-8 a brief description of the Lansingburgh Central School District at Troy (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in the northern portion of the City of Troy (the “City”) and in the Towns of Brunswick, Schaghticoke and Pittstown (the “Towns”), all in Rensselaer County. The District covers approximately 13 square miles.

The District is served by New York State Routes 4, 40 and 142. Commercial air transportation is available at the Albany International Airport and bus service is provided in the City and throughout the Capital District by the Capital District Transportation Authority.

The District is a mixture of residential and commercial areas, with many of its residents commuting to the Troy and Albany areas for employment.

Water and sewer services are provided by the City and the Towns, as well as private wells and septic systems. Police protection is provided by the City, the County’s Sheriff’s Department and the New York State Police. Fire and ambulance service is provided by the City, as well as various volunteer fire and ambulance companies.

The District provides public education for grades Pre-K-12. Opportunities for higher education include Rensselaer Polytechnic Institute, Russell Sage, the Hudson Valley Community College and the many colleges and universities in the Capital District.

District residents find commercial and financial services in the City and in nearby Albany. Recreational and cultural facilities are available in the Capital District and the Adirondack Mountains.

Population

The current estimated population of the District is 17,204. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Hannaford	Supermarket	100
Price Chopper	Supermarket	100
La Corte	Construction	100
Standard Manufacturing	Manufacturer	65
National Grid	Utility	50

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$15,243,983
Harvest Troy Retirement	Retirement Residence	6,050,000
New Turnpike Road	Commercial	5,387,755
Gurley Housing Associates	Commercial	4,400,000
869 Second Avenue LLC/Rite Aid Corp.	Drug Store	4,280,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.4% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Rensselaer County.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Rensselaer County	7.8%	7.6%	7.7%	6.7%	5.3%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	2,471	2,585	2,453	2,497	2,497	2,500	2,503

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
213	Lansingburgh Teachers' Association	June 30, 2013 ⁽¹⁾
49	Lansingburgh CSD Teaching Assistants	June 30, 2017
47	Civil Service Employees' Association	June 30, 2018
10	Lansingburgh Administrative Association	June 30, 2015

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$788,241,558	\$798,139,905
Debt Limit (5% of full valuation) ⁽²⁾	\$39,412,078	\$39,906,995
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$19,480,000	\$19,480,000
Bond Anticipation Notes.....	17,144,378	17,144,378
Total Inclusions.....	<u>\$36,624,378</u>	<u>\$36,624,378</u>
<u>Exclusions</u>		
Appropriations.....	<u>\$2,400,000</u>	<u>\$2,400,000</u>
Total Exclusions.....	\$2,400,000	\$2,400,000
Total Net Indebtedness.....	\$34,224,378	\$34,224,378
Net Debt Contracting Margin.....	\$5,187,700	\$5,682,617
Percentage of Debt Contracting Power Exhausted.....	86.84%	85.76%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$15,215,000 School District Bonds to DASNY in connection with the refunding of \$17,144,378 of the District's outstanding bond anticipation notes and financing of the District's capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Rensselaer	\$202,530,684	\$81,820,831	\$120,709,853	7.86%	\$9,487,794
Towns of:					
Brunswick	2,072,725	270,000	1,802,725	12.11	218,310
Schaghticoke	4,547,165	3,914,330	632,835	30.94	195,799
Pittstown	900,000	0	900,000	0.01	90
City of:					
Troy	54,190,186	48,810,186	5,380,000	27.70	1,490,260
				Total	<u>\$11,392,253</u>

- (1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$34,224,378	\$1,989.33	4.29%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	45,616,631	2,651.51	5.72%

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 17,204.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$797,381,083.
- (4) The District expects to deliver \$15,215,000 School District Bonds to DASNY in connection with the refunding of \$17,144,378 of the District’s outstanding bond anticipation notes and financing of the District’s capital construction project. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District, historically, does not issue tax anticipation notes or revenue anticipation notes

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Lansingburgh Central School District at Troy
<http://emma.msrb.org/ER824208-ER642385-ER1044299.pdf>
 Base CUSIP: 516498

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Property taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. In November, a list of all unpaid taxes is given to the County Treasurer for relevy on County/Town tax rolls with an additional 7% penalty. The District is reimbursed by the County for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Troy	\$72,109,439	\$71,787,758	\$71,416,092	\$ 440,625,574 ⁽¹⁾	\$437,748,788
Towns of:					
Brunswick	31,027,987	31,095,877	31,202,297	31,484,910	31,812,897
Schaghticoke	42,358,878	42,493,902	42,469,925	42,494,809	42,425,136
Pittstown	10,400	10,400	10,400	10,400	10,400
Total Assessed Valuation	<u>\$145,506,704</u>	<u>\$145,387,937</u>	<u>\$145,098,714</u>	<u>\$514,615,692</u>	<u>\$511,997,221</u>

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Appendix C

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Troy	13.25%	13.80%	14.00%	100.00 % ⁽¹⁾	100.00%
Towns of:					
Brunswick	25.30	25.30	25.81	27.78	26.70
Schaghticoke	23.50	23.00	24.00	24.50	24.40
Pittstown	61.50	61.00	64.00	66.50	66.00
Taxable Full Valuation	\$847,129,901	\$827,882,895	\$807,981,492	\$727,426,022	\$730,787,481

⁽¹⁾ Significant change due to revaluation.

**Special State Equalization Ratios
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Troy	13.95%	14.02%	13.93%	94.77% ⁽¹⁾	90.51%
Towns of:					
Brunswick	25.46	27.39	26.28	25.65	25.15
Schaghticoke	23.89	24.33	24.13	23.37	22.66
Pittstown	63.48	65.88	65.36	63.67	61.94
Taxable Full Valuation	\$816,107,459	\$800,240,439	\$807,429,110	\$769,541,434	\$797,381,083

⁽¹⁾ Significant change due to revaluation.

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$13,329,128	\$13,596,941	\$13,872,402	\$14,158,767	\$14,485,049
% Uncollected When Due ⁽¹⁾	9.1%	9.2%	7.2%	7.4%	7.8%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

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State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2010-2011	\$21,715,329	\$36,907,139	58.84%
2011-2012	21,906,879	36,845,141	59.46
2012-2013	22,522,746	37,879,163	59.46
2013-2014	23,185,812	38,905,317	59.60
2014-2015 (Budgeted)	24,371,722	41,141,040	59.24
2015-2016 (Proposed)	26,399,126	43,550,151	60.62

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$283,622	\$1,086,397
2011-2012	378,799	1,611,941
2012-2013	433,035	1,759,230
2013-2014	450,481	1,879,310
2014-2015 (Budgeted)	502,754	2,694,063
2015-2016 (Proposed)	477,074	2,083,937

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Questar III to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$34,940,000. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$34,940,000. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$9,418,652. The District's annual OPEB expense was \$3,610,000 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$788,652 to the Plan for the fiscal year ending June 30, 2014 to 199 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,821,348, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$12,240,000. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Appendix C

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,534,925 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,336,651 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

The District failed to file the audited report for the fiscal year ending June 30, 2010 within six months of the end of the fiscal year under a previous continuing disclosure undertaking. Such information was filed to EMMA on December 30, 2011. The District failed to file annual financial information ("Annual Information") for the fiscal year ending June 30, 2010 within six months of the end of the fiscal year under a previous continuing disclosure undertaking. Such information was filed to EMMA on June 25, 2014.

The District failed to file a material event notice relating to a rating upgrade by Standard & Poor's Ratings Services on February 7, 2012 as required by a previous continuing disclosure undertaking. A failure to file notice has since been filed with EMMA on June 30, 2014.

The District's Annual Information for 2010-2014 did not include the information of a type contained under the caption and "Building Aid Estimate" as it was required to do so under certain of its existing continuing disclosure undertakings, however, the building aid estimate information is contained within the section entitled "Debt Statement Summary."

The District's Annual Information for 2011 did not include the information of a type contained under the caption "School District Officials" and the Annual Information for 2012-2014 did not include the information of a type contained under the caption "Major Employers" as it was required to do so under certain of its existing continuing disclosure undertakings.

On March 22, 2012, the District issued refunding bonds, the proceeds of which were used to refund the District's 2003 Series A and 2003 Series B bonds. No separate event notice was filed in connection with the refunding. A bond call notice was not submitted on EMMA for the District's 2003 Series A and 2003 Series B bonds which were redeemed on June 15, 2012.

The District on occasion did not file in a "timely manner" certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the District.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2014-2015	\$3,221,881	-	\$3,221,881
2015-2016	3,216,406	\$1,470,873	4,687,279
2016-2017	3,225,900	1,469,125	4,695,025
2017-2018	2,515,350	1,471,625	3,986,975
2018-2019	2,131,550	1,467,125	3,598,675
2019-2020	2,131,350	1,470,875	3,602,225
2020-2021	2,127,700	1,467,375	3,595,075
2021-2022	2,125,700	1,471,875	3,597,575
2022-2023	1,715,050	1,468,875	3,183,925
2023-2024	1,111,900	1,468,625	2,580,525
2024-2025	250,800	1,470,875	1,721,675
2025-2026	-	1,470,375	1,470,375
2026-2027	-	1,467,125	1,467,125
2027-2028	-	1,471,125	1,471,125
2028-2029	-	1,471,875	1,471,875
2029-2030	-	1,464,375	1,464,375
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

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**APPENDIX C-9
DESCRIPTION OF
MANCHESTER-SHORTSVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-9 a brief description of the Manchester-Shortsville Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, centralized in 1950, covers an area of approximately 25 square miles north of the City of Canandaigua and approximately 30 miles south east of the City of Rochester. The District comprises a portion of the Towns of Farmington, Hopewell and Manchester.

The District is located in the heart of the Finger Lakes Region and is primarily a rural community. Light manufacturing within the District, in addition of widely diversified industries of the Rochester area, provide employment for many District residents.

Hospital, banking and utility facilities are available to the residents of the District, either within the District or in nearby areas. Police protection is provided by the Ontario County Sheriff’s Department and the New York State Police. Fire protection is provided by several volunteer fire departments.

The District is crossed by major highways including State Route 96 and U.S. Route 21. The New York State Thruway Exit 43 is located near the geographic center of the District and provides easy access to the Finger Lakes, Lake Ontario and the Cities of Rochester, Syracuse, Buffalo and Albany. Railroad facilities are provided by Conrail and Amtrak. Airline services are provided by the Rochester and Syracuse International Airports.

Institutions of higher education in the surrounding area include Finger Lakes Community College in Canandaigua, Hobart & William Smith Colleges in Geneva and several colleges in the Cities of Rochester and Syracuse.

Recreational activities in the area include skiing, swimming, camping, boating, theatre, summer concerts and professional and college sports.

Population

The current estimated population of the District is 6,080. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Manchester-Shortsville School District	Public Education	150
Red Jacket Education Center	Public Education	135
Rochester Insulated Glass, Inc.	Manufacturing	54
McDonalds	Restaurant	53
Bliss Shurfine Markets	Retail	52

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corporation	Utility	\$10,232,784
Manchester-Mink MHP	Mobile Home Park	7,819,500
Lake County MHP, LLC	Mobile Home Park	3,027,600
GLK Foods, LLC	Corporation	2,709,300
Village of Newark	Municipal (Water Plant)	2,245,459

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 13.07% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Ontario County.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Ontario County	7.6%	7.3%	7.5%	6.6%	5.3%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
	K-12	900	881	883	834	850	850

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
82	Red Jacket Teachers’ Association	June 30, 2016
63	Civil Service Employees’ Association	June 30, 2015 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$263,398,485
Debt Limit (10% of Full Valuation)	26,339,849
Gross Indebtedness ⁽²⁾	5,700,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	5,700,000
Net Debt Contracting Margin	\$20,639,849
Percentage of Debt Contracting Power Exhausted	21.64%

(1) The District has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,410,000 School District Bonds to DASNY in connection with the refunding of \$2,571,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Ontario	\$32,549,013	\$104,013	\$32,445,000	3.40%	\$1,103,130
Towns of:					
Farmington	11,078,529	11,078,529	0	7.79	0
Hopewell	1,975,000	1,680,000	295,000	7.25	21,388
Manchester	3,543,000	3,273,000	270,000	52.19	140,913
Villages of:					
Manchester	160,000	160,000	0	100.00	0
Shortsville	730,000	0	730,000	100.00	730,000
				Total	\$1,995,431

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$5,700,000	\$937.50	2.16%
Gross Indebtedness Plus Net Overlapping Indebtedness	7,695,431	4,265.70	2.92

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 6,080.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$263,398,485.
- (4) The District expects to deliver \$2,410,000 School District Bonds to DASNY in connection with the refunding of \$2,571,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the recent past, nor does the District expect to issue either in the reasonably foreseeable future.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Manchester-Shortsville Central School District
<http://emma.msrb.org/EA656153-EA513583-EA909749.pdf>
Base CUSIP: 562390

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Taxes are payable to the District Tax Collector during the month of September without penalty. Payments made during October carry a penalty of 2%. Taxes paid prior to November 5th carry a 3% penalty. On November 15th, all unpaid taxes are turned over to the Ontario County Treasurer’s Office for relevy on County/Town tax rolls.

Ontario County reimburses the District for all unpaid taxes in April of the year following the year of levy, and the District is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Farmington	\$54,273,642	\$55,799,917	\$55,820,877	\$56,358,455	\$56,536,562
Hopewell	15,379,842	15,446,132	15,905,624	16,182,913	16,304,498
Manchester	191,653,774	188,109,724	188,289,773	191,099,324	190,557,425
Total Assessed Valuation	<u>\$261,307,258</u>	<u>\$259,355,773</u>	<u>\$260,016,274</u>	<u>\$263,640,692</u>	<u>\$263,398,485</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Farmington	100.00%	100.00%	100.00%	100.00%	100.00%
Hopewell	100.00	98.00	100.00	98.00	100.00
Manchester	98.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$265,218,560	\$259,671,000	\$260,016,274	\$263,970,956	\$263,398,485

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$6,715,600	\$6,965,600	\$6,965,600	\$7,097,950	\$7,232,811
% Uncollected When Due ⁽¹⁾	5.4%	6.1%	5.7%	5.3%	7.0%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

Appendix C

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2010-2011	\$ 6,728,037	\$ 14,585,830	46.1%
2011-2012	6,525,839	14,294,867	45.7
2012-2013	6,710,656	14,564,161	46.1
2013-2014	7,163,022	15,044,882	47.6
2014-2015 (Budgeted)	7,560,141	15,992,000	47.3
2015-2016 (Proposed)	8,141,770	16,615,700	49.0

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$172,400	\$459,082
2011-2012	238,765	568,508
2012-2013	266,437	594,436
2013-2014	296,756	795,195
2014-2015 (Budgeted)	434,000	685,000
2015-2016 (Proposed)	259,000	700,000

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Lifetime Benefit Solutions to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability ("AAL"), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$1,284,290. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$1,284,290. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$0. The District's annual OPEB expense was \$120,772 and is equal to the adjusted annual required contribution ("ARC"). The District is on a pay-as-you-go funding basis and paid \$120,772 to the Plan for the fiscal year ending June 30, 2014 to 21 employees, resulting in a net increase to its unfunded OPEB obligation of \$0, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$0. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$659,633 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$636,861 at the end of the fiscal year. The

District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

Historical Continuing Disclosure Compliance

The District has certified to DASNY that it has in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$1,283,000	-	\$1,283,000
2015-2016	1,283,519	\$135,506	1,419,025
2016-2017	1,287,675	224,600	1,512,275
2017-2018	640,113	228,350	868,463
2018-2019	640,750	227,950	868,700
2019-2020	279,250	225,950	505,200
2020-2021	279,406	225,150	504,556
2021-2022	284,125	227,650	511,775
2022-2023	283,188	224,650	507,838
2023-2024	281,813	226,400	508,213
2024-2025	-	227,650	227,650
2025-2026	-	223,400	223,400
2026-2027	-	227,700	227,700
2027-2028	-	226,450	226,450
2028-2029	-	224,788	224,788
2029-2030	-	227,700	227,700
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

In addition to the foregoing, the District entered into a \$1,714,506 lease purchase agreement in 2015 to finance work related to an Energy Performance Contract. The balance outstanding as of May 5, 2015 is \$1,714,506. The final payment against this lease purchase agreement will take place in 2031. Such obligation does not constitute debt in the calculation of the District’s debt limit and debt contracting margin described above.

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**APPENDIX C-10
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ONEONTA**

There follows in this Appendix C-10 a brief description of the City School District of the City of Oneonta (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District includes all of the City (the “City”) and Town of Oneonta and portions of the Towns of Davenport, Laurens, Maryland and Milford, and has a land area of approximately 61.9 square miles. The U.S. Census reports the populations of the City as 13,946 in 2013 and of the Town of Oneonta as 5,229 in 2010.

Major highways serving the District include State Routes 23, 28 and Interstate 88, which traverses northeast to southeast providing easy access to the Cities of Albany and Binghamton. Air transportation is provided by the Albany and Binghamton Airports. Other modes of transportation include the Adirondack-Pine Hill Trailways and Greyhound buses, Oneonta Public Transit buses and the Otsego Express (countywide buses).

The major economic activities within the area surrounding the District are retail-related and institutional. There are two institutions of higher learning in the District: Hartwick College and the State University at Oneonta (SUNY). Together they have a total enrollment of approximately 7,000 students.

Tourism boosts the economy with the Cooperstown Baseball World All-Star Village in Oneonta which has recently expanded. Restaurants, lodges and retail stores have developed to handle the influx of visitors in the region. Recent changes include the purchase of the Soccer Hall of Fame, which had been vacant and is now being used as an electronics manufacturing facility, and the opening of a new strip mall. Springbrook, a residential and day service facility for the developmentally disabled, has purchased the St. Mary’s School Building, which closed June 30, 2011. Dicks Sporting Goods and Metro Mattress have opened on the southside. Oneonta Theater has been remodeled and reopened bringing celebrity acts to the area. A new Marriott has opened on the southside with a Buffalo Wild Wings anticipated in the near future.

Population

The current estimated population of the District is 20,222. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Bassett Healthcare	Teaching Hospital	3,852
SUNY College at Oneonta	Public College	1,181
New York Central Mutual Fire Insurance Company	Insurance	1,000
County of Otsego	Manufacturing	850
Wal-Mart	Retail	450

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYSEG	Utility	\$24,850,738
Route 23	Mall	20,000,000
Bettiol	Real Estate	18,183,600
C. Bears	Discount Store	11,850,000
LONY	Retail	9,852,000

Appendix C

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.6% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Otsego and Delaware Counties.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Otsego County	7.6%	7.7%	7.9%	6.8%	5.7%
Delaware County	8.8	8.7	8.7	7.9	6.5
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	1,836	1,790	1,814	1,738	1,743	1,704	1,710

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
231	Oneonta Teachers' Association	June 30, 2016
27	Civil Service Employees' Association	June 30, 2015
16	Oneonta City Schools Clerical Association	June 30, 2016
6	Oneonta Principals' Association	June 30, 2015 ⁽¹⁾
15	Non-Union/Confidential	N/A

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,041,966,330	\$1,066,640,777
Debt Limit (5% of full valuation) ⁽²⁾	\$52,098,316	\$53,332,039
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$16,592,000	\$16,592,000
Bond Anticipation Notes.....	5,122,099	5,122,099
Total Inclusions.....	<u>\$21,714,099</u>	<u>\$21,714,099</u>
<u>Exclusions</u>		
Appropriations.....	<u>\$740,000</u>	<u>\$740,000</u>
Total Exclusions.....	\$740,000	\$740,000
Total Net Indebtedness.....	\$20,974,099	\$20,974,099
Net Debt Contracting Margin.....	\$31,124,217	\$32,357,940
Percentage of Debt Contracting Power Exhausted.....	40.26%	39.33%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$4,025,000 School District Bonds to DASNY in connection with the refunding of \$4,611,976 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Otsego	\$16,672,060	\$267,060	\$16,405,000	21.83%	\$3,581,212
Delaware	18,527,847	977,847	17,550,000	0.80	140,400
Towns of:					
Davenport	0	0	0	21.40	0
Laurens	92,055		92,055	4.56	4,198
Maryland	0	0	0	0.00	0
Milford	25,637	0	25,637	23.83	6,109
Oneonta	220,000	220,000	0	99.33	0
City of:					
Oneonta	15,944,599	6,949,129	8,995,470	100.00	8,995,470
				Total	<u>\$12,727,389</u>

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$21,714,099	\$1,073.79	1.93%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	34,441,488	1,703.17	3.06%

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District’s current estimated population of 20,222.

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$1,126,268,360.

(4) The District expects to deliver \$4,025,000 School District Bonds to DASNY in connection with the refunding of \$4,611,976 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note (“TAN”) and Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2010-2011	\$3,000,000	RAN	August 13, 2010	August 12, 2011
2011-2012	3,500,000	RAN	August 23, 2011	August 23, 2012
2012-2013	3,500,000	RAN	August 10, 2012	December 10, 2012
2012-2013	3,500,000	RAN	May 15, 2013	August 15, 2013
2013-2014	3,500,000	RAN	August 9, 2013	December 10, 2013
2014-2015	3,500,000	RAN	August 8, 2014	December 8, 2014

The District has no short-term cash flow indebtedness outstanding at this time.

Capital Project Plans

On July 8, 2014, District voters approved a pool renovation project in the amount of \$1,450,000. The local share is expected to be paid by donations to the District’s foundation.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Oneonta
<http://emma.msrb.org/EA656268-EA513681-EA909853.pdf>
 Base CUSIP: 682726

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Taxes are due and payable on September 1st of each year. There is no penalty if paid through September 30th and a 2% penalty if paid from October 1st through October 31st. On November 1st all uncollected taxes are returned to the respective County of Otsego and County of Delaware tax enforcement officers who are required to enforce collection of such unpaid taxes, with an additional 6% charge of the principal and interest added thereto.

The Counties of Otsego and Delaware only pay to the District what is actually collected for a period of two years. At the end of the second successive year, both entities pay to the District any remaining unpaid taxes, thereby assuring 100% tax collection in that fiscal year. Beginning in 2015-16, Otsego County will be paying in full at the end of one year rather than the second year.

Appendix C

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Oneonta	\$321,122,544	\$321,144,275	\$319,845,521	\$319,742,726	\$319,083,607
Towns of:					
Davenport	33,051,749	32,543,322	32,306,161	32,371,626	33,511,789
Laurens	6,470,606	6,470,351	6,479,351	6,572,326	6,666,626
Maryland	700	700	700	700	700
Milford	29,420,518	29,515,364	29,588,869	29,569,855	29,742,022
Oneonta	<u>279,443,699</u>	<u>495,130,151</u>	<u>490,979,328</u>	<u>488,519,076</u>	<u>489,904,389</u>
Total Assessed Valuation	<u>\$669,509,816</u>	<u>\$884,804,163</u>	<u>\$879,199,930</u>	<u>\$876,776,309</u>	<u>\$878,909,133</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Oneonta	66.50%	70.00%	77.00%	73.00%	70.28%
Towns of:					
Davenport	74.00	72.50	72.66	72.66	74.66
Laurens	100.00	100.00	100.00	100.00	108.47
Maryland	100.00	100.00	106.25	110.43	116.54
Milford	54.00	54.00	54.00	54.00	54.00
Oneonta	56.57	100.00	100.00	100.00	105.86
Taxable Full Valuation	\$1,082,487,925	\$1,059,924,160	\$1,012,099,432	\$1,032,406,957	\$1,022,913,173

**Special State Equalization Ratios
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Oneonta	76.19%	72.34%	69.47%	66.96%	64.60%
Towns of:					
Davenport	72.05	72.58	74.69	72.30	70.35
Laurens	98.42	98.75	106.99	103.67	100.46
Maryland	103.44	107.33	113.44	106.81	100.36
Milford	53.06	53.00	53.08	51.16	49.28
Oneonta	53.65	98.82	105.20	100.51	94.63
Taxable Full Valuation	\$1,050,236,427	\$1,052,059,933	\$1,032,172,735	\$1,072,466,430	\$1,126,268,360

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$18,180,287	\$18,706,537	\$19,045,125	\$19,559,343	\$19,887,922
% Uncollected When Due ⁽¹⁾	8.8%	7.4%	8.2%	7.0%	6.9%

⁽¹⁾ See “Real Estate Property Tax Collection Procedure.”

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$13,109,401	\$33,042,208	39.67%
2011-2012	12,079,213	32,348,369	37.34
2012-2013	12,451,442	32,876,012	37.87
2013-2014	12,634,575	33,664,540	37.53
2014-2015 (Budgeted)	13,214,178	34,186,927	38.65
2015-2016 (Proposed)	14,682,228	36,069,159	40.71

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$281,536	\$1,555,769
2011-2012	342,608	1,361,659
2012-2013	397,171	1,453,566
2013-2014	422,543	2,047,057
2014-2015 (Budgeted)	455,786	2,339,464
2015-2016 (Proposed)	429,281	1,836,956

See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$72,133,532. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$72,133,535. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$18,998,262. The District’s annual

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OPEB expense was \$5,793,071 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,735,221 to the Plan for the fiscal year ending June 30, 2014 to 206 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,057,850, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$23,056,112. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$331,141 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$819,352 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

Although the District has made annual continuing disclosure filings with the MSRB as required by Rule 15c2-12, certain filings may not appear under every individual series of bonds or notes as shown on EMMA for which such disclosure was required.

The District on occasion did not file in a "timely manner" certain material event notices relating to rating changes of the various insurers of certain outstanding bonds of the District.

On April 3, 2013, the District issued refunding bonds, the proceeds of which were used to refund bonds issued in 2000, 2002 and 2005. The refunding escrow agreement which details the transaction, which CUSIPs were impacted and call dates, was posted on EMMA in a "timely manner," but no separate event notice was filed in connection with the refunding.

A bond call notice was submitted on EMMA on July 17, 2013 for the District's 2000 bonds which were redeemed on July 15, 2013. The redemption notice was required to be filed not more than sixty days nor less than thirty days prior to the redemption date.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,629,260	-	\$2,629,260
2015-2016	2,611,963	\$401,564	3,013,527
2016-2017	2,608,979	401,750	3,010,729
2017-2018	2,604,707	401,250	3,005,957
2018-2019	2,567,372	400,250	2,967,622
2019-2020	2,535,163	398,750	2,933,913
2020-2021	1,378,809	401,750	1,780,559
2021-2022	1,277,284	399,000	1,676,284
2022-2023	1,274,200	400,750	1,674,950
2023-2024	1,278,163	396,750	1,674,913
2024-2025	90,656	397,250	487,906
2025-2026	83,575	397,000	480,575
2026-2027	86,400	401,000	487,400
2027-2028	84,150	399,000	483,150
2028-2029	86,775	401,250	488,025
2029-2030	89,144	202,500	291,644
2030-2031	86,381	-	86,381
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

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**APPENDIX C-11
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ROME**

There follows in this Appendix C-11 a brief description of the City School District of the City of Rome (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is situated in central New York State in the central portion of Oneida County, about 15 miles northwest of the City of Utica. It encompasses approximately 130 square miles, and is located primarily within the City of Rome (the "City"), however, it does not include the entire geographic boundaries of the City. Additionally, the District encompasses various portions of the Towns of Annsville, Lee, Verona and Western (collectively, the "Towns"). The District lies within the Utica-Rome Standard Metropolitan Statistical Area.

The character of the District is both urban and suburban residential. The District is comprised of multi-family and single-family residences, and there has recently been co-operative and condominium development. There has been moderate development of the industrial and commercial sectors. A portion of the District has been zoned for industrial development and expansion. The West Rome Industrial Park, developed in the late 1960's under a grant from the Economic Development Administration, has over 66 acres of industrial development. Commercial activity within the District is concentrated in several commercially zoned areas and in shopping malls. Within the District there are also tourism and recreational facilities, including several parks, Fort Stanwix, and Erie Canal Village.

Transportation is provided to and from the District by bus companies and a network of highways. The District is served by the New York State Thruway, and New York State Routes 12B, 26, 46, 69, 233 and 365. Rail passenger service to and from the District is provided by Amtrak. The State Barge Canal also serves the District. Major airline service is provided at the Syracuse Hancock International Airport.

Electricity and natural gas are supplied throughout the District by National Grid and Griffiss Utility Services Corporation. The City and Towns maintain water supply and distribution systems, entirely supported from user charges, and they provide sanitary sewage collection and treatment facilities. These services are supported from user charges and special benefit assessments.

Police protection is provided by the State Police, the Rome Police Department, the County Sheriff's Office, and by Police Departments of the respective Towns. Fire protection service is provided by the Rome Fire Department and by local volunteer units. Ambulance service is provided by private companies.

Source: District Officials

Population

The current estimated population of the District is 38,891. (Source: 2013 U.S. Census Bureau estimate)

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Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Turning Stone Casino ⁽¹⁾	Casino / Hotel	4,800
Central New York Developmental Service	Social Services	3,000
Rome Memorial Hospital	Healthcare	1,460
Wal-Mart	Retail	1,400
Air Force Research Lab Rome Research Site	IT	1,209

⁽¹⁾ Turning Stone Casino is not located within the District; it is located in the Town of Verona, which is located approximately 12 miles from the City.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Family Dollar Services, Inc.	Industrial	\$50,056,000
National Grid	Utility	36,451,275
Centro NP Holdings 11 SPE, LLC	Retail	9,059,935
DDR GLH Freedom Plaza	Shopping Complex	8,506,304
Wal-Mart Real Estate Business Trust	Retail	8,085,825

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 13% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Oneida County.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Oneida County	8.6%	8.3%	8.5%	7.7%	6.3%
New York State	8.6	8.3	8.5	7.7	6.5

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	5,661	5,598	5,669	5,664	5,590	5,600	5,600

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District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
24	Rome City School District Administrators' Association	June 30, 2015 ⁽¹⁾
508	Rome City School District Teachers' Association	June 30, 2016
313	Rome City School District Aides, Monitors & Cafeterias' Employees	June 30, 2016
94	Local200B – SEIU – AFL-CIO (The Custodial Unit)	June 30, 2016
30	Rome City School District C.S.E.A.	June 30, 2016
265	Rome City School District Substitute Teachers	June 30, 2011 ⁽¹⁾
9	Rome City School District UPSEU	June 30, 2016

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS**Debt Limit**

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,473,668,501	\$1,503,301,392
Debt Limit (5% of full valuation) ⁽²⁾	\$73,683,425	\$75,165,070
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds	\$60,120,000	\$60,120,000
Bond Anticipation Notes	14,269,825	14,269,825
Total Inclusions.....	\$74,389,825	\$74,389,825
<u>Exclusions</u>		
Bonds Previously Refunded	\$14,400,000	\$14,400,000
Appropriations.....	6,206,000	6,206,000
Total Exclusions.....	\$20,606,000	\$20,606,000
Total Net Indebtedness	\$53,783,825	\$53,783,825
Net Debt Contracting Margin	\$19,899,600	\$21,381,245
Percentage of Debt Contracting Power Exhausted	78.04%	71.55%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$6,870,000 School District Bonds to DASNY in connection with the refunding of \$14,269,825 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽²⁾ The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

⁽³⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

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Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Oneida	\$139,705,140	\$14,245,263	\$125,459,877	13.83%	\$17,351,101
Towns of:					
Annsville	104,900	66,000	38,900	5.45	2,120
Lee	0	0	0	87.87	0
Western	0	0	0	57.76	0
Verona	523,000	175,000	348,000	1.31	4,559
City of:					
Rome	50,451,930	15,314,723	35,137,207	93.97	33,018,433
				Total	<u><u>\$50,376,213</u></u>

- (1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$74,389,825	\$1,912.78	5.00%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	124,766,038	3,208.10	8.38

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 38,891.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$1,488,361,771.
- (4) The District expects to deliver \$6,870,000 School District Bonds to DASNY in connection with the refunding of \$14,269,825 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

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Cash Flow Borrowing

The following is a history of Tax Anticipation Note (“TAN”) and Revenue Anticipation Note (“RAN”) borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2010-2011	\$10,000,000	RAN	June 24, 2010	June 24, 2011
2011-2012	8,000,000	RAN	June 23, 2011	June 22, 2012
2012-2013	0			
2013-2014	0			
2014-2015	0			

The District has not issued Tax or Revenue Anticipation Notes for the last three fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

A resolution adopted by the District’s Board of Education on April 23, 2008 and approved by the District’s voters on June 17, 2008 authorizes the issuance of bonds and other obligations to finance renovations, improvements and additions to various District facilities at a total estimated cost of \$36,884,000. Due to the District’s debt limitations as noted under the section titled “Debt Limit” above, the District was forced to proceed in phases over a number of years to remain below the debt limit. To date the District has issued \$14,347,000 against such authorization. While future capital plans and borrowings will be dependent on approval from the State Education Department, construction cash flow needs and the ability to borrow under the debt limit, there are currently plans submitted to the State Education Department pending approval.

A resolution adopted by the District’s Board of Education on November 18, 2009 and approved by the District’s voters on January 26, 2010⁽¹⁾ authorizes the issuance of bonds and other obligations to finance renovations, improvements to the Denti, Gansevoort, Joy, Ridge Mills and Clough Elementary Schools including construction, site improvements, original furnishings, fixtures and equipment required for such purposes, at a total estimated cost of \$30,000,000. To date, the District has borrowed \$24,817,448 against said authorization. Future borrowings will be dependent on approval from the State Education Department and construction cash flow needs.

A resolution adopted by the District’s Board of Education on October 19, 2011 and approved by the District’s voters on December 6, 2011⁽¹⁾ authorizes the issuance of bonds and other obligations to finance renovations and improvements to the Lyndon H. Strough Middle School including construction, site improvements, original furnishings, fixtures and equipment required for such purposes, architectural fees and all other necessary costs incidental to such work at a total estimated cost not to exceed \$25,400,000. The project plans are at the NYS Education Department awaiting Commissioners approval. Upon approval and as construction cash flows require the District will borrow against this authorization as construction cash flows require.

⁽¹⁾ The District received super majority approval by the voters. The District applied for and received consent to exceed its debt limit for these projects.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Rome
<http://emma.msrb.org/ER801277-ER623606-ER1025214.pdf>
 Base CUSIP: 776066

Appendix C

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 2nd to November 1st. On or about November 15th, uncollected taxes are returnable to Oneida County for collection. The District receives this amount from Oneida County prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by Oneida County.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District’s real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Rome	\$805,856,568	\$804,267,178	\$853,961,607	\$851,017,247	\$851,112,821
Towns of:					
Lee	9,484,680	9,536,115	9,556,505	9,604,324	9,611,466
Western	42,310,229	42,330,865	42,571,206	42,642,204	42,949,986
Verona	3,158,631	3,180,638	3,182,177	3,180,941	3,191,673
Annsville	<u>3,955,613</u>	<u>3,944,911</u>	<u>3,944,017</u>	<u>4,040,874</u>	<u>4,048,347</u>
Total Assessed Valuation	<u>\$864,765,721</u>	<u>\$863,259,707</u>	<u>\$913,215,512</u>	<u>\$910,485,590</u>	<u>\$910,914,293</u>

State Equalization Rates					
Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Rome	75.00%	73.50%	76.50%	76.00%	76.50%
Towns of:					
Lee	3.40	3.25	3.30	3.30	3.30
Western	63.50	63.50	58.25	58.25	58.25
Verona	74.00	75.00	80.00	80.00	78.00
Annsville	61.50	61.00	58.50	62.00	60.30
Taxable Full Valuation	\$1,430,767,194	\$1,465,030,679	\$1,489,683,989	\$1,494,498,872	\$1,488,361,771

**Special State Equalization Ratios
Years Ending June 30,**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City of:					
Rome	73.09%	76.05%	75.77%	73.44%	70.93%
Towns of:					
Lee	3.22	3.27	3.23	3.10	2.98
Western	63.46	57.35	57.10	54.67	52.36
Verona	73.70	78.72	78.65	76.55	74.48
Annsville	60.48	58.54	62.23	60.28	58.93
Taxable Full Valuation	\$1,466,752,616	\$1,434,236,898	\$1,441,212,253	\$1,559,645,337	\$1,614,659,853

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$29,292,788	\$30,325,302	\$30,832,449	\$32,805,278	\$32,787,985
% Uncollected When Due ⁽¹⁾	36.62%	27.36%	27.28%	27.99%	27.84%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$59,788,619	\$94,188,082	63.48%
2011-2012	59,122,740	94,117,334	62.81
2012-2013	62,555,379	98,066,310	63.79
2013-2014	63,892,506	100,130,078	63.81
2014-2015 (Budgeted)	65,708,523	102,105,931	64.35
2015-2016 (Proposed)	67,138,273	103,876,713	64.63

⁽¹⁾ General Fund only.

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Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$811,578	\$3,733,228
2011-2012	1,029,380	4,262,239
2012-2013	1,320,838	4,232,411
2013-2014	1,490,759	5,570,484
2014-2015 (Budgeted)	1,546,262	6,629,892
2015-2016 (Proposed)	1,537,314	5,348,496

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Questar III BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$242,339,941. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$242,339,941. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$90,182,486. The District's annual OPEB expense was \$20,038,125 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$7,597,019 to the Plan for the fiscal year ending June 30, 2014 to 1,641 current and former employees, resulting in a net increase to its unfunded OPEB obligation of \$12,441,106, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$102,623,592. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's expenditures exceeded its revenues by \$5,612,543 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$4,330,941 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On occasion, the District did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by the District's continuing disclosure agreements for its outstanding bonds. The underlying rating of the District was not affected by such bond insurer rating changes.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness⁽¹⁾

<u>Fiscal Year</u>	<u>Existing Debt Service⁽¹⁾</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$8,166,780	-	\$8,166,780
2015-2016	7,816,956	\$454,282	8,271,238
2016-2017	7,747,675	758,250	8,505,925
2017-2018	7,748,250	757,500	8,505,750
2018-2019	7,674,325	760,750	8,435,075
2019-2020	3,452,925	757,750	4,210,675
2020-2021	2,841,700	758,750	3,600,450
2021-2022	2,782,450	758,500	3,540,950
2022-2023	2,545,325	762,000	3,307,325
2023-2024	2,249,325	759,000	3,008,325
2024-2025	2,254,550	759,750	3,014,300
2025-2026	540,625	759,000	1,299,625
2026-2027	261,375	761,750	1,023,125
2027-2028	-	512,750	512,750
2028-2029	-	514,500	514,500
2029-2030	-	-	-
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

This Schedule does not include remaining payments of \$1,662,825 due under an energy performance contract. Such obligation does not constitute debt in the calculation of the District's debt limit and debt contracting margin.

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**APPENDIX C-12
DESCRIPTION OF
ROMULUS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-12 a brief description of the Romulus Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

Situated in the heart of the Finger Lakes region of New York State, the District is located in the Towns of Fayette, Romulus and Varick in Seneca County. Much of the area is agricultural with vineyards and wineries a major interest along the lakefront property. Nearby Geneva, Seneca Falls, Ithaca, Watkins Glen and other communities around Romulus provide recreation, social opportunities, shopping and other services.

Water and sewer services are provided by various municipal systems. Electricity and natural gas are provided by National Grid and New York State Electric & Gas. Telephone service is provided by Time Warner Cable and Verizon. Police protection is provided by the County Sheriff’s Departments and the New York State Police. Ambulance service and fire protection are provided by various volunteer organizations.

Population

The current estimated population of the District is 5,138. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Five Points Correctional Facility	Correctional Facility	412
Hillside	Residential Facility for Children	139
Seneca County Jail	Correctional Facility	105
Romulus Central School District	Public Education	94
Swedish Hill Winery	Winery	38

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas	Utility	\$3,948,556
Chesapeake Appalachian	Gas Wells	3,648,742
Spring Meadows	Multiple Residences	2,754,000
Martin, Leon	Farm	1,448,315
Castle Hill Properties LLC	Vineyard	1,232,095

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.62% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Seneca County.

Appendix C

Year Average

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Seneca County	8.2%	7.9%	8.0%	6.9%	5.7%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	474	434	389	371	408	410	415

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
50	Romulus Faculty Association	June 30, 2014 ⁽¹⁾
35	Civil Service Employees’ Association, Local 1000	June 30, 2014 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$303,274,798
Debt Limit (10% of Full Valuation)	30,327,480
Gross Indebtedness ⁽²⁾	\$10,665,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$10,665,000
Net Debt Contracting Margin	\$19,662,480
Percentage of Debt Contracting Power Exhausted	35.17%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$4,470,000 School District Bonds to DASNY in connection with the refunding of \$5,385,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Seneca	\$13,810,000	\$13,810,000	\$0	15.48%	\$0
Towns of:					
Fayette	1,635,817	1,506,923	128,894	22.47	28,962
Romulus	15,000	15,000	0	44.95	0
Varick	4,477,000	3,136,000	1,341,000	100.00	1,341,000
				Total	<u>\$1,369,962</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 5, 2015.

Debt Ratios As of May 5, 2015⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$10,665,000	\$2,075.71	3.52%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	12,034,962	2,342.34	3.97

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 5,138.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2014-15 of \$303,274,798.

(4) The District expects to deliver \$4,470,000 School District Bonds to DASNY in connection with the refunding of \$5,385,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2010-2011	\$1,500,000	RAN	June 17, 2010	June 17, 2011
2011-2012	1,500,000	RAN	June 16, 2011	June 15, 2012
2012-2013	1,500,000	RAN	June 29, 2012	June 28, 2013
2013-2014	0			
2014-2015	0			

The District has not issued Revenue Anticipation Notes in the last fiscal year and does not expect to issue such notes in the current fiscal year.

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Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Romulus Central School District
<http://emma.msrb.org/ER819053-ER637677-ER1039305.pdf>
Base CUSIP: 776204

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

School taxes are due September 1, payable through September 30 without penalty to the School Tax Collector. Payments from October 1 to October 31 carry a 2% penalty, and from November 1 to November 30 carry a 3% penalty. No payments are accepted after November 30. School taxes which remain unpaid after November 30, plus accrued interest and penalties, are relieved on the following year's town and county tax bills. The District is reimbursed by Seneca County for any unpaid taxes in April of the year following the year of levy, and is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Fayette	\$59,586,870	\$58,226,864	\$58,817,849	\$59,360,533	\$59,164,631
Romulus	56,158,143	63,049,761	63,778,069	64,044,622	64,142,188
Varick	127,767,678	147,878,847	147,570,441	147,500,454	146,970,632
Total Assessed Valuation	<u>\$243,512,691</u>	<u>\$269,155,472</u>	<u>\$270,166,359</u>	<u>\$270,905,609</u>	<u>\$270,277,451</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Fayette	89.00%	88.00%	85.00%	88.00%	83.00%
Romulus	84.00	100.00	97.00	95.00	91.00
Varick	84.00	100.00	97.00	95.00	91.00
Taxable Full Valuation	\$285,910,850	\$277,095,499	\$287,082,531	\$290,134,179	\$303,274,798

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$5,167,000	\$5,270,340	\$5,375,747	\$5,470,712	\$5,555,322
% Uncollected When Due ⁽¹⁾	4.9%	4.88%	5.08%	5.31%	6.28%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$5,169,343	\$10,723,018	48.21%
2011-2012	5,158,921	10,800,111	47.77
2012-2013	4,860,924	10,439,701	46.56
2013-2014	5,025,766	10,667,808	47.11
2014-2015 (Budgeted)	5,295,677	11,025,999	48.03
2015-2016 (Proposed)	5,402,341	11,205,999	48.21

⁽¹⁾ General Fund only.

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Appendix C

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$99,727	\$332,265
2011-2012	117,368	379,116
2012-2013	199,953	385,276
2013-2014	165,915	494,465
2014-2015 (Budgeted)	234,788	544,157
2015-2016 (Proposed)	234,766	491,973

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014 the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$3,465,610. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,465,610. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$1,414,326. The District's annual OPEB expense was \$357,037 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$46,000 to the Plan for the fiscal year ending June 30, 2014 to 78 active employees and 19 retirees and beneficiaries, resulting in a net increase to its unfunded OPEB obligation of \$311,037, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$1,725,363. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,344,822 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$446,640 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On occasion, the District did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by the District's continuing disclosure agreements for its outstanding bonds. The underlying rating of the District was not affected by such bond insurer rating changes.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$864,969	-	\$864,969
2015-2016	859,900	\$457,964	1,317,864
2016-2017	862,900	460,000	1,322,900
2017-2018	863,100	457,750	1,320,850
2018-2019	864,650	460,000	1,324,650
2019-2020	870,400	461,500	1,331,900
2020-2021	563,200	457,250	1,020,450
2021-2022	127,000	457,500	584,500
2022-2023	127,400	457,000	584,400
2023-2024	67,600	460,750	528,350
2024-2025	-	458,500	458,500
2025-2026	-	460,500	460,500
2026-2027	-	461,500	461,500
2027-2028	-	456,500	456,500
2028-2029	-	435,750	435,750
2029-2030	-	-	-
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

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**APPENDIX C-13
DESCRIPTION OF
ROSCOE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-13 a brief description of the Roscoe Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District was established in 1939 and is located in rural northwestern Sullivan County, with small portions of the District located in Delaware County. The District encompasses all or portions of the Towns of Rockland, Fremont, Callicoon, Hancock and Colchester.

The District is approximately 60 miles from Binghamton, New York, and Scranton, Pennsylvania, and 125 miles northwest of New York City. The economy of the District is based primarily on agriculture, tourism, and small business. The District encompasses approximately 109 square miles.

Sullivan County Community College, State University of New York at Oneonta, Hartwick College, and The State University of New York at New Paltz and at Binghamton are located within approximately 60 miles of the District. These institutions offer varying aspects of educational and social opportunities for staff, students, and community members. Sullivan County BOCES serves the school and adult population with many educational programs.

Police protection is provided by the New York State Police, which has a substation in Roscoe, and the Sullivan County Sheriff’s department. Banking facilities are provided by Bank of America and M&T Bank who have branches located in Roscoe. Gas and electricity are provided by New York State Electric and Gas Corporation (NYSEG).

Population

The current estimated population of the District is 2,051. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Roscoe Regional Rehab	Nursing Home	120
Villa Roma Resort	Tourism	100
Roscoe Central School	Public School	65
Town of Rockland	Government	40
Tennanah Lake Golf and Tennis Club	Tourism	20

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Loves Tee Time, LLC	Commercial	\$5,193,100
State of New York	State Land	4,246,616
NYSEG	Utility	2,196,522
Timberlake Camp West	Commercial	2,030,700
Blue Mountain Associates, LLC	Commercial	1,900,000

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 12.8% of the tax base of the District.

Appendix C

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Sullivan and Delaware Counties.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sullivan County	9.3%	9.2%	9.6%	8.7%	6.7%
Delaware County	8.9	8.7	8.9	8.0	6.5
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	250	262	274	282	298	290	293

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
36	Roscoe Teachers’ Association	June 30, 2017
18	Civil Service Employees’ Association (CSEA)	June 30, 2018

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$329,982,631
Debt Limit (10% of Full Valuation)	32,998,263
Gross Indebtedness ⁽²⁾	\$2,799,013
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$2,799,013
Net Debt Contracting Margin	\$30,199,250
Percentage of Debt Contracting Power Exhausted	8.48%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table.

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$2,050,000 School District Bonds to DASNY in connection with the refunding of \$2,361,500 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

⁽³⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Sullivan	\$81,075,000	\$9,500,000	\$71,575,000	2.43%	\$1,739,273
Delaware	18,527,847	977,847	17,550,000	2.16	379,080
Town of:					
Colchester	555,213	155,213	400,000	4.43	17,720
Hancock	380,798	380,798	0	11.37	0
Callicoon	734,158	134,427	599,731	36.92	221,421
Fremont	0	0	0	10.50	0
Rockland	860,000	355,000	505,000	25.22	127,361
				Total	\$2,484,855

⁽¹⁾ Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015 ⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$2,799,013	\$1,364.71	0.85%
Gross Indebtedness Plus Net Overlapping Indebtedness	5,283,868	2,576.24	1.60

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 2,051.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$329,982,631.
- (4) The District expects to deliver \$2,050,000 School District Bonds to DASNY in connection with the refunding of \$2,361,500 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the recent past, nor does the District expect to issue either in the reasonably foreseeable future.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Roscoe Central School District
<http://emma.msrb.org/EP837429-EP648033-EP1049594.pdf>
Base CUSIP: 776829

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st, and a 3% penalty is charged from November 1st to November 30th. On or about November 10th, uncollected taxes are returnable to the Counties of Sullivan and Delaware for collection. The District receives this amount of uncollected taxes from said County prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Callicoon	\$8,981,614	\$9,092,479	\$9,116,569	\$9,127,992	\$9,127,166
Fremont	57,012,795	56,895,991	56,819,098	57,215,936	58,375,695
Rockland	66,857,280	66,217,170	66,368,790	66,209,312	66,167,999
Hancock	5,568,052	5,563,240	5,560,298	5,481,033	5,479,551
Colchester	2,820,753	2,826,485	2,847,632	2,858,087	2,854,554
Total Assessed Valuation	<u>\$141,240,494</u>	<u>\$140,595,365</u>	<u>\$140,712,387</u>	<u>\$140,892,360</u>	<u>\$142,004,965</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Callicoon	54.00%	58.00%	62.25%	69.00%	69.5%
Fremont	65.00	66.00	72.00	80.00	79.00
Rockland	60.00	65.00	65.00	68.50	73.00
Hancock	15.00	13.62	13.75	13.90	14.20
Colchester	2.77	2.80	2.45	2.45	2.51
Taxable Full Valuation	\$354,725,996	\$345,547,306	\$352,334,744	\$337,493,328	\$329,982,631

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$4,074,064	\$4,285,612	\$4,394,833	\$4,499,488	\$4,582,525
% Uncollected When Due ⁽¹⁾	10.9%	13.5%	12.7%	10.9%	11.2%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

Appendix C

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2010-2011	\$2,468,160	\$7,112,401	34.70%
2011-2012	2,367,549	7,034,168	33.66
2012-2013	2,427,279	7,236,132	33.54
2013-2014	2,561,816	7,441,000	34.43
2014-2015 (Budgeted)	2,831,793	8,126,409	34.85
2015-2016 (Proposed)	2,903,730	8,286,705	35.04

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$91,743	\$241,329
2011-2012	99,128	242,782
2012-2013	139,976	308,713
2013-2014	164,785	384,135
2014-2015 (Budgeted)	203,789	391,998
2015-2016 (Proposed)	205,308	401,000

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments*."

GASB 45 and OPEB

The District contracted with Cooper Arias, LLP to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability ("AAL"), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$5,875,993. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$5,875,993. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$1,573,786. The District's annual OPEB expense was \$465,551 and is equal to the adjusted annual required contribution ("ARC"). The District is on a pay-as-you-go funding basis and paid \$264,233 to the Plan for the fiscal year ending June 30, 2014 to 26 employees, resulting in a net increase to its unfunded OPEB obligation of \$201,318, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$1,775,104. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2013 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB*."

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$274,358 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$620,778 at the end of the fiscal year. The

District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

Historical Continuing Disclosure Compliance

The District has certified to DASNY that it has in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District’s debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$368,790	-	\$368,790
2015-2016	366,037	\$207,142	573,179
2016-2017	372,115	208,750	580,865
2017-2018	367,756	208,250	576,006
2018-2019	363,247	212,500	575,747
2019-2020	377,145	211,250	588,395
2020-2021	373,949	209,750	583,699
2021-2022	370,353	213,000	583,353
2022-2023	101,957	210,750	312,707
2023-2024	98,586	208,250	306,836
2024-2025	100,216	210,500	310,716
2025-2026	51,495	212,250	263,745
2026-2027	-	208,500	208,500
2027-2028	-	209,500	209,500
2028-2029	-	210,000	210,000
2029-2030	-	-	-
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

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**APPENDIX C-14
DESCRIPTION OF
TIOGA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-14 a brief description of the Tioga Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District encompasses the Town of Tioga and parts of the Towns of Barton, Candor and Nichols; all located within the County of Tioga. The District is rural and its 94 square miles has a very sparse population concentration.

The towns that are included in the District are governed by their individual policy making boards and elected officials. The one village within the District, Nichols, located within the Town of Nichols, also has its own level of local government. Both at the town and village level, the provision of governmental services is a cooperative and shared venture of the County, Town and Village governments. This interaction also extends to the District whenever such interaction is necessary, or desirable.

Employment for residents is quite diverse and not tied to one particular industry or type of occupation. Sanmina Incorporated and Lockheed-Martin Corporation, located in nearby Owego, and Best Buy, Inc. distribution center located in the Town of Nichols, are three major sources of employment for District residents. Best Buy, Incorporated opened a 7,000 square foot distribution center located in the Town of Nichols in 2003. Within the boundaries of the District, Tioga Downs Racetrack, LLC, including a planned Hotel and Convention Center, and a variety of small service and light manufacturing industries, dairy farming, and the District itself serve as primary employers. In addition, the natural gas industry in nearby Bradford County, Pennsylvania, continues to be a source of employment for those living in the District. However, as production has decreased, so have employment opportunities.

The District is located adjacent to New York Route 17 (interstate 86) and the Conrail Railroad system. Air service is provided at the Chemung County airport. New York State Electric and Gas is the primary provider of utility services. Community Bank and Tioga State Bank and Visions Credit Union are the primary financial institutions.

Source: District Officials.

Population

The current estimated population of the District is 5,541. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Tioga Downs Racetrack	Racing	300
Best Buy, Incorporated	Retail Distribution	202
Tioga Central School District	Public Education	150
Dairy Farming	Dairy	40
Coyne Industries	Industrial Cleaning	25

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Tioga Downs Racetrack LLC	Racetrack	\$33,339,859
NYS Electric & Gas	Utility	8,608,514
Pennsylvania Lines LLC	Railroad	8,073,956
Millennium Pipeline Co, LLC	Commercial	6,728,147
NYS Electric & Gas Utility Shared	Utility	5,257,754

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 21.9% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Tioga County.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tioga County	8.2%	8.1%	8.3%	7.8%	6.1%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	1,093	1,045	1,013	1,024	991	1,001	1,005

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
75	Tioga Central Teachers' Association	June 30, 2017
72	Tioga Central Support Staff	June 30, 2017
4	Administrators	June 30, 2017
1	Superintendent	June 30, 2015 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$323,273,310
Debt Limit (10% of Full Valuation)	32,327,331
Gross Indebtedness ⁽²⁾	\$19,806,712
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$19,806,712
Net Debt Contracting Margin	\$12,520,619
Percentage of Debt Contracting Power Exhausted	61.27%

(1) The District has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$1,060,000 School District Bonds to DASNY in connection with the refunding of \$1,185,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Tioga	\$19,075,000	\$0	\$19,075,000	10.31%	\$1,966,633
Towns of:					
Barton	1,464,419	1,464,419	0	11.00	0
Candor	0	0	0	6.67	0
Nichols	0	0	0	75.07	0
Tioga	0	0	0	58.83	0
Village of:					
Nichols	0	0	0	100.0	0
				Total	\$1,966,633

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$19,806,712	\$3,574.57	6.13%
Gross Indebtedness Plus Net Overlapping Indebtedness	21,773,345	3,929.50	6.74

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 5,541.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$323,273,310.
- (4) The District expects to deliver \$1,060,000 School District Bonds to DASNY in connection with the refunding of \$1,185,000 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the recent past and has no future plans to do so in the foreseeable future.

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Tioga Central School District
<http://emma.msrb.org/IssuerView/IssuerDetails.aspx?cusip=887739>
Base CUSIP: 887739

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

The District received a designation of “moderate fiscal stress” under the most current applicable report of the State Comptroller relating to its Fiscal Stress Monitoring Test. See “PART 4 – THE SCHOOL DISTRICTS – Fiscal Stress Monitoring.”

Real Estate Property Tax Collection Procedure

Taxes are payable to the District Tax Collector beginning September 15 and ending October 15 without penalty. Payments made October 15 through November 15 carry a penalty of 2%. After November 15, all unpaid

taxes are returned to Tioga County Treasurer for collection. Thus the District is assured 100% collection of its tax levy each year.

For the 2015-16 proposed budget, the District has proposed a 30% increase to the tax levy that will increase the District's levy by \$902,438 to \$3,910,566. (A 1% increase is equal to \$30,081). The tax rate on full value will increase from \$9.30 to approximately \$12.10, which is the lowest of all the district components of the Broome-Tioga BOCES. This increase will allow the District to maintain its current programming so that students may remain competitive for college placement and employment opportunities. Secondly, it will be a onetime adjustment to the tax levy to allow the District to operate with less reliance on reserves and fund balance, providing some financial stability. Prior to this effort to mitigate reduction in aid the District closed a building, reduced staff and programs, and used reserves. Further reduction in staff and programs is foreseen to have a negative impact to the District community. The proposed for the 2015-16 fiscal year will be voted on by the qualified voters on May 19, 2015.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Barton	\$36,379,809	\$37,691,965	\$37,177,552	\$38,049,398	\$38,473,848
Candor	543,049	548,306	17,007,934 ⁽¹⁾	16,954,866	17,068,927
Nichols	26,372,290	26,449,497	27,026,893	27,082,846	27,177,905
Tioga	<u>9,229,651</u>	<u>9,302,327</u>	<u>9,284,364</u>	<u>9,383,112</u>	<u>9,412,578</u>
Total Assessed Valuation	<u>\$75,524,799</u>	<u>\$73,992,095</u>	<u>\$90,496,743</u>	<u>\$91,470,222</u>	<u>\$92,133,258</u>

⁽¹⁾ Significant changes from previous year due to revaluation within the Town.

State Equalization Rates Years Ending June 30,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Barton	100.00%	100.00%	95.00%	94.00%	88.00%
Candor	7.35	7.35	100.00 ⁽¹⁾	100.00	97.00
Nichols	26.75	28.00	28.00	26.00	22.00
Tioga	7.50	7.50	7.50	7.00	6.80
Taxable Full Valuation	\$265,418,244	\$263,645,427	\$276,458,337	\$295,642,198	\$323,273,310

⁽¹⁾ Significant changes from previous year due to revaluation within the Town.

Appendix C

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$2,622,575	\$2,688,139	\$2,728,461	\$2,864,884	\$3,008,128
% Uncollected When Due ⁽¹⁾	9.41%	9.54%	8.83%	8.48%	8.59%

⁽¹⁾ See “Real Estate Property Tax Collection Procedure.”

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$12,136,693	\$15,973,189	75.98%
2011-2012	11,772,875	15,120,456	77.86
2012-2013	12,188,857	15,628,917	77.99
2013-2014	12,448,696	15,776,099	78.91
2014-2015 (Budgeted)	12,842,890	16,377,216	78.42
2015-2016 (Proposed)	13,259,802	17,473,856	75.88

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$221,112	\$380,926
2011-2012	235,290	493,974
2012-2013	291,444	544,352
2013-2014	341,070	721,036
2014-2015 (Budgeted)	323,070	875,787
2015-2016 (Proposed)	272,185	683,215

See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of July 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability (“AAL”), the portion of the actuarial present value of the total future benefits

based on the employees' service rendered to the measurement date, is \$54,028,601. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$54,028,601. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$11,119,870. The District's annual OPEB expense was \$5,300,122 and is equal to the adjusted annual required contribution ("ARC"). The District is on a pay-as-you-go funding basis and paid \$1,190,802 to the Plan for the fiscal year ending June 30, 2014 to 117 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,109,320, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$15,229,190. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$1,720,163 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$280,404 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On January 31, 2013, the District filed a material event notices relating to rating actions taken by Moody's Investors Service to the various bond insurers of certain outstanding bonds of the District. The notice erroneously stated that the \$9,265,000 School District Refunding (Serial) Bonds, 2010 were insured by AGM with a rating downgrade to "A2" from "Aa3". The correct bond insurer is AGC with a rating downgrade to "A3" from "Aa3". The underlying rating of the District was not affected by these rating actions.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

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Appendix C

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,756,919	-	\$2,756,919
2015-2016	2,752,009	\$101,954	2,853,963
2016-2017	2,657,337	100,125	2,757,462
2017-2018	2,591,634	102,625	2,694,259
2018-2019	2,488,106	104,875	2,592,981
2019-2020	2,435,409	101,875	2,537,284
2020-2021	1,310,679	103,875	1,414,554
2021-2022	1,317,359	100,625	1,417,984
2022-2023	1,316,581	102,375	1,418,956
2023-2024	1,313,456	103,875	1,417,331
2024-2025	427,919	105,125	533,044
2025-2026	427,669	101,125	528,794
2026-2027	426,919	102,125	529,044
2027-2028	425,669	102,875	528,544
2028-2029	423,919	103,375	527,294
2029-2030	426,669	98,625	525,294
2030-2031	423,669	-	423,669
2031-2032	425,169	-	425,169
2032-2033	425,563	-	425,563
2033-2034	425,188	-	425,188
2034-2035	424,044	-	424,044
2035-2036	427,131	-	427,131
2036-2037	424,194	-	424,194
2037-2038	425,488	-	425,488
2038-2039	425,756	-	425,756
2039-2040	-	-	-
2040-2041	-	-	-

**APPENDIX C-15
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF UTICA**

There follows in this Appendix C-15 a brief description of the City School District of the City of Utica (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The City of Utica (the “City”), the boundaries of which are coterminous with the boundaries of the District, is located in the central part of the State with a land area of 17 square miles.

The City’s principal industries are light manufacturing, electronics, data processing and service industries. Locally owned firms are supplemented by divisions of such nationally known corporations as Lucas Aerospace, Special Metals of Allegheny Ludlum Corporation and West End Brewery, maker of Utica Club and Matts beer.

Major highways serving the City are New York State Routes 5, 8, 12 and 49 as well as the New York State Thruway (I-90). Interstate Routes 81 and 87 provide limited access north-south with connections via Syracuse and Albany short distances away. The City is also served by the Conrail system with switching facilities.

Population

The current estimated population of the District is 61,892. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Oneida Indian Nation	Hospitality	4,777
Mohawk Valley Network	Healthcare	2,131
United Cerebral Palsy	Social Services	1,900
St. Elizabeth’s Med Center	Healthcare	1,761
Resource Center for Independent Living Inc.	Human Services	1,400

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$41,970,330
Riverside Enterprises, LLC	Shopping Mall	25,983,221
Verizon	Utility	7,995,110
New Penn Hospitality	Hotel	5,011,200
125 Business Park Drive	Office Building	5,016,500

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 9.6% of the tax base of the District.

Appendix C

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Oneida County.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Oneida County	7.9%	8.2%	8.5%	7.7%	6.1%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	9,481	9,680	9,935	10,135	10,072	10,200	10,300

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
37	Utica Administrators' Association	June 30, 2016
769	Utica Teachers' Association	June 30, 2014 ⁽¹⁾
8	Mohawk Valley Building & Construction Trades Council	June 30, 2018
101	Teamsters Local 182 (Custodial)	June 30, 2015 ⁽¹⁾
122	Teamsters Local 182 (Secretarial/Nursing)	June 30, 2013 ⁽¹⁾
659	Service Employees International	June 30, 2017

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,492,447,466	\$1,585,333,013
Debt Limit (5% of full valuation) ⁽²⁾	\$74,622,373	\$79,266,651
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$96,160,000	\$96,160,000
Bond Anticipation Notes.....	65,000,000	65,000,000
Total Inclusions.....	<u>\$161,160,000</u>	<u>\$161,160,000</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	5,585,000	5,585,000
Total Exclusions.....	<u>\$5,585,000</u>	<u>\$5,585,000</u>
Total Net Indebtedness.....	\$155,575,000	\$155,575,000
Net Debt Contracting Margin.....	\$(80,952,627)	\$(76,308,349)
Percentage of Debt Contracting Power Exhausted ⁽⁴⁾	208.48%	196.27%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$28,895,000 School District Bonds to DASNY in connection with the refunding of \$34,265,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(2) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. "Conventional" State equalization rates are also established by the State Board, and are used for all other purposes.

(3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

(4) The District has satisfied the requirements contained in Section 104.00 of the Local Finance Law to exceed its debt limit to provide for the issuance of \$187,600,000 serial bonds (of which \$149,500,000 has been issued to date), including receiving the consents of the Board of Regents and the Office of the State Comptroller.

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Appendix C

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Oneida	\$139,705,140	\$14,245,263	\$125,459,877	25.10%	\$31,490,429
City of:					
Utica	70,908,642	23,579,488	47,329,154	100.00	47,329,154
				Total	<u>\$78,819,583</u>

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 5, 2015.

Debt Ratios As of May 5, 2015⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$155,575,000	\$2,513.65	10.72%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	234,394,583	3,787.15	16.54

(1) The District has not incurred any indebtedness since the date of the above table.

(2) Based on the District's current estimated population of 61,892.

(3) Based on the District's full value of taxable real estate using the special State equalization rates for 2013-14 of \$1,451,014,789.

(4) The District expects to deliver \$28,895,000 School District Bonds to DASNY in connection with the refunding of \$34,265,000 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The following is a history of Tax Anticipation Note ("TAN") and Revenue Anticipation Note ("RAN") borrowings for the last five years.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Due Date</u>
2010-2011	\$10,000,000	RAN	June 17, 2010	June 17, 2011
2011-2012	10,000,000	RAN	June 16, 2011	June 15, 2012
2012-2013	10,000,000	RAN	June 15, 2012	June 14, 2013
	1,100,000	TAN	December 7, 2012	December 6, 2013
2013-2014	10,000,000	RAN	June 14, 2013	June 13, 2014
	1,400,000	TAN	December 13, 2013	December 12, 2014
2014-2015	10,000,000	RAN	June 13, 2014	June 12, 2015
	2,100,000	TAN	December 19, 2014	December 11, 2015

Capital Project Plans

The District has no authorized and unissued indebtedness for capital or other purposes other than the issuance of the School District Bonds.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Utica
<http://emma.msrb.org/ER815629-ER634877-ER1036473.pdf>
 Base CUSIP: 917763

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

The District received a designation of “moderate fiscal stress” under the most current applicable report of the State Comptroller relating to its Fiscal Stress Monitoring Test. See “PART 4 – THE SCHOOL DISTRICTS – Fiscal Stress Monitoring.”

Real Estate Property Tax Collection Procedure

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected in two installments; the first due October 1 and the second due December 1. Uncollected real property taxes are subsequently enforced by the City. An amount representing uncollected real property taxes transmitted to the City for enforcement is paid by the City to the District no later than the forthcoming April 1.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District’s real property tax levy for the last five years.

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of:					
Utica	\$1,111,062,395	\$1,106,228,833	\$1,107,319,149	\$1,102,771,240	N/A
Total Assessed Valuation	<u>\$1,111,062,395</u>	<u>\$1,106,228,833</u>	<u>\$1,107,319,149</u>	<u>\$1,102,771,240</u>	<u>N/A</u>

Appendix C

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of: Utica	71.00%	74.00%	75.00%	76.00%	N/A
Taxable Full Valuation	\$1,564,876,613	\$1,494,903,828	\$1,476,425,532	\$1,451,014,789	N/A

**Special State Equalization Ratios
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of: Utica	73.28%	74.29%	70.99%	61.88%	N/A
Taxable Full Valuation	\$1,516,187,766	\$1,489,068,290	\$1,559,824,129	\$1,782,112,540	N/A

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$27,854,981	\$28,836,510	\$29,054,336	\$29,635,423	\$30,005,865
% Uncollected When Due ⁽¹⁾	5.33%	5.05%	7.43%	8.78%	5.22%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$89,785,265	\$127,655,771	70.33%
2011-2012	90,560,813	126,111,147	71.81
2012-2013	99,755,057	133,987,375	74.45
2013-2014	98,879,474	134,541,672	73.49
2014-2015 (Budgeted)	108,984,865	146,709,543	74.29
2015-2016 (Proposed)	117,222,825	152,553,835	76.84

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$1,519,011	\$5,228,372
2011-2012	2,220,566	5,876,258
2012-2013	2,000,513	6,194,077
2013-2014	2,067,873	7,516,630
2014-2015 (Budgeted)	2,156,641	8,753,153
2015-2016 (Proposed)	1,877,968	6,609,194

See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with Armory Associates to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of July 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$258,364,561. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$258,364,561. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$81,058,551. The District’s annual OPEB expense was \$27,067,816 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$6,273,019 to the Plan for the fiscal year ending June 30, 2014 to 680 employees, resulting in a net increase to its unfunded OPEB obligation of \$20,794,797, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$101,853,348. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*”

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District’s expenditures exceeded its revenues by \$1,343,448 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$500,677 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

Historical Continuing Disclosure Compliance

The District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12, except as follows:

- The District did not timely file a material event notice regarding the District’s 2010 credit rating change. The rating change occurred on April 19, 2010; the material event notice was posted on May 12, 2010.
- The District did not timely file a material event notice regarding the rating change for the District’s Bond Anticipation Notes, Series 2012. The District subsequently posted a material event notice regarding its failure to timely file this information.
- The District did not timely file a material event notice regarding the rating change for the District’s Bond Anticipation Notes, Series 2014. The District subsequently posted a material event notice regarding its failure to timely file this information.
- The District did not file material event notices regarding credit rating changes for the bond insurer for the District’s \$2,445,000 (Serial) Bonds, 2004 Series A and \$24,155,000 (Serial) Bonds, 2004 Series B.
- The District’s annual financial and operating data filed for fiscal years 2011, 2012 and 2014 omitted information regarding the ten largest taxpayers in the District as that information was not available when the continuing disclosure filings were made.

Appendix C

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$13,068,098	-	\$13,068,098
2015-2016	13,086,828	-	13,086,828
2016-2017	13,087,425	\$2,961,562	16,048,987
2017-2018	13,088,620	2,960,113	16,048,733
2018-2019	11,449,900	2,961,613	14,411,513
2019-2020	8,024,663	2,962,988	10,987,651
2020-2021	8,027,288	2,963,988	10,991,276
2021-2022	8,021,180	2,959,488	10,980,668
2022-2023	8,026,618	2,963,469	10,990,087
2023-2024	8,023,443	2,959,950	10,983,393
2024-2025	8,019,733	2,960,425	10,980,158
2025-2026	8,024,651	2,960,400	10,985,051
2026-2027	1,576,045	2,960,416	4,536,461
2027-2028	1,113,300	2,955,581	4,068,881
2028-2029	270,300	1,479,553	1,749,853
2029-2030	269,525	-	269,525
2030-2031	273,575	-	273,575
2031-2032	272,275	-	272,275
2032-2033	270,800	-	270,800
2033-2034	273,200	-	273,200
2034-2035	270,200	-	270,200
2035-2036	272,000	-	272,000
2036-2037	273,400	-	273,400
2037-2038	274,400	-	274,400
2038-2039	270,000	-	270,000
2039-2040	270,400	-	270,400
2040-2041	270,400	-	270,400

**APPENDIX C-16
WAVERLY DESCRIPTION OF
CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-16 a brief description of the Waverly Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, centralized in 1957, is located in the Town of Barton, in Tioga County, and the Towns of Ashland, Baldwin and Chemung, all in Chemung County. The District is situated adjacent to the Pennsylvania border, approximately 17 miles southeast of the City of Elmira.

The District is served by New York State Routes 86 (the “Southern Tier Expressway”), 34 and 96, and by Pennsylvania State Route 220. Bus service is available in Waverly, rail service in nearby Sayre, Pennsylvania, and air transportation at the Elmira-Corning Regional Airport.

The District is basically a rural/residential area, with roughly half of its population residing in the Village of Waverly. Residents find employment locally, or commute to Elmira, Owego and Sayre.

Public water and sewer services are provided by the Village of Waverly, with the outlying area using private wells and septic systems. Electricity and natural gas are provided by New York State Electric & Gas Corporation, Pennsylvania Electric and Pennsylvania Southern Gas. Telephone service is provided by NYNEX. Police protection is provided by the Village of Waverly and by the Tioga and Chemung County Sheriffs' departments, supplemented by the New York State Police. Fire protection and ambulance service are provided by volunteer organizations.

The District provides public education for grades Pre-K-12. Opportunities for higher education are available nearby at Elmira College and Corning Community College, as well as in the Ithaca, Binghamton and Cortland areas.

District residents find commercial services in the Village, as well as in Sayre, Elmira and Corning. The Village of Waverly is served by offices of Chemung Canal Trust Company, First Niagara and Tioga State Bank.

Population

The current estimated population of the District is 9,944. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
CVS	Retail/Pharmacy Distribution Center	431
Tioga County	Government	391
Elderwood	Nursing Home	320
Tioga Downs	Racino	300
Vulcraft Steel Fabrication	Manufacturer	240

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Millennium Pipeline	Utility	\$18,044,966
NYSEG	Utility	8,429,641
Norfolk & Southern	Railroad	6,885,520
Leprino Foods	Cheese Manufacturer	6,208,522
37 North Chemung St (Elderwood)	Nursing Facility	5,227,273

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.41% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Tioga and Chemung Counties.

	<u>Year Average</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tioga County	8.0%	7.7%	7.9%	7.2%	6.1%
Chemung County	8.4	7.8	8.4	7.9	6.3
New York State	8.6	8.3	8.5	7.7	6.5

Enrollment

The table below presents the District's historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Projected 2015-16</u>	<u>Projected 2016-17</u>
K-12	1,761	1,736	1,704	1,707	1,713	1,713	1,713

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
124	Waverly CSD Teachers' Association	June 30, 2017
63	Waverly CSD Association of Support Personnel	June 30, 2017
7	Waverly CSD Administrative & Professional Association	June 30, 2017
9	Waverly CSD Food Service Employees' Association	June 30, 2018
4	Waverly CSD Library Clerks' Association	June 30, 2017

DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$462,975,160
Debt Limit (10% of Full Valuation)	46,297,516
Gross Indebtedness ⁽²⁾	\$37,933,329
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$37,933,329
Net Debt Contracting Margin	\$8,364,187
Percentage of Debt Contracting Power Exhausted	81.93%

(1) The District has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$14,150,000 School District Bonds to DASNY in connection with the refunding of \$17,763,329 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
Counties of:					
Tioga	\$19,075,000	\$0	\$19,075,000	10.21%	\$1,947,558
Chemung	51,006,161	54,250	50,951,911	3.13	1,594,795
Towns of:					
Barton	1,464,419	1,464,419	0	84.97	0
Chemung	0	0	0	93.46	0
Baldwin	0	0	0	7.11	0
Ashland	0	0	0	0.46	0
Village of:					
Waverly	4,655,280	2,013,280	2,642,000	100.00	2,642,000
				Total	\$6,184,353

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$37,933,329	\$3,814.70	8.19%
Gross Indebtedness Plus Net Overlapping Indebtedness	44,117,682	4,436.61	9.53

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 9,944.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$462,975,160.
- (4) The District expects to deliver \$14,150,000 School District Bonds to DASNY in connection with the refunding of \$17,763,329 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not issued Tax or Revenue Anticipation Notes for the last five fiscal years and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On May 20, 2014, District voters approved a \$4,600,000 capital project.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Waverly Central School District
<http://emma.msrb.org/ER800422-ER622913-ER1024550.pdf>
Base CUSIP: 943810

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge during the month of September, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes plus penalties are returnable to the Counties of Tioga and Chemung. The District receives these amounts from the respective Counties prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Barton	\$278,362,589	\$286,473,072	\$287,941,774	\$289,391,582	\$301,094,056
Chemung	117,721,508	120,036,449	121,199,524	115,901,568	116,499,574
Baldwin	62,874	63,560	63,094	62,884	62,875
Ashland	4,920	4,928	4,928	6,267	6,297
Total Assessed Valuation	<u>\$396,151,891</u>	<u>\$406,578,009</u>	<u>\$409,209,320</u>	<u>\$405,362,301</u>	<u>\$417,662,802</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Barton	100.00%	100.00%	95.00%	94.00%	88.00%
Chemung	100.00%	100.00%	95.00%	100.00%	100.00%
Baldwin	2.02%	1.85%	1.69%	1.53%	1.60%
Ashland	2.02%	1.85%	1.69%	1.69%	1.60%
Taxable Full Valuation	\$399,440,236	\$410,211,574	\$434,700,021	\$428,245,847	\$462,975,160

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$6,201,312	\$6,201,312	\$6,273,868	\$6,275,362	\$6,329,696
% Uncollected When Due ⁽¹⁾	8.06%	8.13%	8.16%	8.69%	11.75%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

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Appendix C

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

<u>Fiscal Year</u>	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2010-2011	\$14,230,791	\$22,793,154	62.43%
2011-2012	16,490,040	23,590,147	69.90
2012-2013	17,143,181	24,323,176	70.48
2013-2014	17,973,944	25,229,433	71.24
2014-2015 (Budgeted)	19,734,590	26,763,922	73.74
2015-2016 (Proposed)	20,179,967	30,281,193	66.64

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$245,254	\$683,551
2011-2012	294,850	563,426
2012-2013	334,551	1,021,378
2013-2014	328,235	1,384,430
2014-2015 (Budgeted)	333,361	1,455,650
2015-2016 (Proposed)	366,457	1,395,325

See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*”

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$29,941,059. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$29,941,059. For the fiscal year ending June 30, 2014, the District’s beginning year Net OPEB obligation was \$9,414,375. The District’s annual OPEB expense was \$2,607,440 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,056,000 to the Plan for the fiscal year ending June 30, 2014 to 175 retirees, resulting in a net increase to its unfunded OPEB obligation of \$1,551,440, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$10,965,815. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*”

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's expenditures exceeded its revenues by \$1,805,044 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$1,139,236 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On occasion, the District did not file certain material event notices regarding credit rating changes for the bond insurer of certain bond issues as required by the District's continuing disclosure agreements for its outstanding bonds. The underlying rating of the District was not affected by such bond insurer rating changes.

Except as noted above, the District has certified to DASNY that it has otherwise in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$2,573,500	-	\$2,573,500
2015-2016	2,576,000	\$1,485,170	4,061,170
2016-2017	2,249,500	1,484,450	3,733,950
2017-2018	2,245,250	1,483,950	3,729,200
2018-2019	2,242,750	1,481,450	3,724,200
2019-2020	2,241,750	1,481,950	3,723,700
2020-2021	2,242,000	1,485,200	3,727,200
2021-2022	2,243,250	1,480,950	3,724,200
2022-2023	2,245,250	1,484,450	3,729,700
2023-2024	2,242,750	1,485,200	3,727,950
2024-2025	2,245,750	1,483,200	3,728,950
2025-2026	2,178,750	1,403,450	3,582,200
2026-2027	-	1,329,700	1,329,700
2027-2028	-	1,301,700	1,301,700
2028-2029	-	827,200	827,200
2029-2030	-	363,450	363,450
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

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**APPENDIX C-17
DESCRIPTION OF
WILLIAMSON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-17 a brief description of the Williamson Central School District (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, which was centralized in 1930, covers an area of approximately 36 square miles and is located in the Towns of Williamson, Sodus, Marion and Ontario, in Wayne County, New York. The District lies approximately 20 miles east of Rochester and 70 miles west of Syracuse.

The District is primarily agricultural in nature, with such industries as Cadbury Schweppes, Inc. and Seneca Foods Corporation located within its borders. Some residents also commute to Rochester for employment at such industries as the Xerox Corporation and Eastman Kodak Company.

The District is located on a Conrail line, and New York State Routes 104 and 21 intersect in the Town of Williamson.

All of the usual commercial services are available to residents of the District, primarily at the banks and shops in the Town of Williamson.

Population

The current estimated population of the District is 6,753. (Source: 2013 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cadbury Schweppes, Inc.	Food Processor	413
Williamson Central School District	Public Education	332
Town of Williamson	Municipal Government	90
Wayne-Finger Lakes BOCES	Vocational Education	75
Breen's	Supermarket	75

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Whispering Woods ⁽¹⁾	Manufactured Home Community	\$10,362,210
Rochester Gas & Electric	Utility	10,066,186
Cadbury Schweppes ⁽¹⁾	Food Processing	7,000,000
Gladstone Family Partnership	Drugstore	7,000,000
Williamson Orchard Estates	Apartment Complex	3,484,000

⁽¹⁾ Filed tax certiorari to reduce the assessed value.

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 13.72% of the tax base of the District.

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Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are Sullivan and Delaware Counties.

	Year Average				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Wayne County	8.9%	8.3%	8.5%	7.5%	6.7%
New York State	8.6	8.3	8.5	7.7	6.3

Enrollment

The table below presents the District’s historic and projected enrollment.

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	Projected <u>2015-16</u>	Projected <u>2016-17</u>
K-12	1,143	1,121	1,130	1,143	1,166	1,125	1,120

District Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
126	Williamson Teachers’ Association (NYSUT)	June 30, 2015 ⁽¹⁾
100	CSEA (Classified Staff)	June 30, 2017

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

The table below sets forth the computation of the debt limit for the District and its debt contracting margin.

**Net Debt Contracting Margin
As of May 5, 2015⁽¹⁾**

Full Valuation of Taxable Real Property	\$396,862,410
Debt Limit (10% of Full Valuation)	39,686,241
Gross Indebtedness ⁽²⁾	\$11,851,068
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$11,851,068
Net Debt Contracting Margin	\$27,835,173
Percentage of Debt Contracting Power Exhausted	29.86%

(1) The District has not incurred any indebtedness since the date of this table.

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$1,910,000 School District Bonds to DASNY in connection with the refunding of \$2,019,730 of the District's outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. Since the Gross Indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2013 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Wayne	\$29,425,000	\$0	\$29,425,000	8.70%	\$2,559,975
Towns of:					
Williamson	1,325,000	0	1,325,000	93.53	1,239,273
Sodus	3,163,804	3,163,804	0	2.50	0
Marion	3,193,000	3,193,000	0	1.86	0
Ontario	3,533,299	3,173,299	360,000	0.53	1,908
				Total	\$3,801,156

(1) Bonds and bond anticipation notes as of close of 2013 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 5, 2015.

**Debt Ratios
As of May 5, 2015 ⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$11,851,068	\$1,754.93	2.99%
Gross Indebtedness Plus Net Overlapping Indebtedness	15,652,224	2,317.82	3.94

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 6,753.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2014-15 of \$396,862,410.
- (4) The District expects to deliver \$1,910,000 School District Bonds to DASNY in connection with the refunding of \$2,019,730 of the District’s outstanding bond anticipation notes. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the recent past, nor does the District expect to issue either in the reasonably foreseeable future.

Capital Project Plans

The District voters approved a \$2,564,730 million project in March 2012. Approved by the State Education Department in June 2013, the project will provide improvements to District buildings and be financed with bonds and capital reserve monies. This issuance represents a renewal of the first borrowing of the project.

There are presently no other capital projects authorized and unissued by the District.

FINANCIAL FACTORS

General Information

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 such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Williamson Central School District
<http://emma.msrb.org/IssuerView/IssuerDetails.aspx?cusip=970026>
Base CUSIP: 970026

As reflected in such audited financial statements, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged From October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County of Wayne for payments made for collection. The District receives this amount from said County prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually.

Valuations, Rates and Tax Levy

The table below sets forth the assessed and full valuation of taxable real property and the District's real property tax levy for the last five years.

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Williamson	\$353,422,833	\$382,004,441	\$377,789,599	\$378,290,427	\$378,292,768
Sodus	11,104,932	11,136,114	11,165,298	11,149,076	11,450,146
Marion	3,832,524	3,818,734	3,912,714	3,858,145	3,818,896
Ontario	3,442,308	3,443,944	3,337,194	3,348,898	3,300,700
Total Assessed Valuation	<u>\$371,802,597</u>	<u>\$400,403,233</u>	<u>\$396,204,805</u>	<u>\$396,646,546</u>	<u>\$396,862,410</u>

**State Equalization Rates
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Towns of:					
Williamson	95.00%	100.00%	100.00%	100.00%	100.00%
Sodus	100.00	100.00	100.00	100.00	100.00
Marion	98.00	98.00	98.00	98.00	100.00
Ontario	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$390,482,014	\$400,481,166	\$396,284,656	\$396,725,284	\$396,862,410

**Total District Property Tax Collections
Years Ending June 30,**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Tax Levy	\$8,839,346	\$9,232,043	\$9,232,043	\$9,582,184	\$9,830,767
% Uncollected When Due ⁽¹⁾	3.63%	3.68%	3.56%	3.38%	3.46%

⁽¹⁾ See "Real Estate Property Tax Collection Procedure."

Appendix C

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2015-2016 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2010-2011	\$9,214,535	\$19,642,808	46.9%
2011-2012	9,146,426	20,188,675	45.3
2012-2013	9,415,254	19,939,112	47.2
2013-2014	9,848,874	20,618,988	47.8
2014-2015 (Budgeted)	10,100,000	20,815,767	48.5
2015-2016 (Proposed)	10,900,000	21,896,540	49.8

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2010-2011 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2015-2016 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2010-2011	\$172,602	\$745,489
2011-2012	235,451	865,603
2012-2013	357,333	968,468
2013-2014	400,553	1,275,226
2014-2015 (Budgeted)	412,790	1,335,032
2015-2016 (Proposed)	421,103	1,147,306

See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *Pension Payments.*"

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability ("AAL"), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$3,328,970. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$3,328,970. For the fiscal year ending June 30, 2014, the District's beginning year Net OPEB obligation was \$281,884. The District's annual OPEB expense was \$326,768 and is equal to the adjusted annual required contribution ("ARC"). The District is on a pay-as-you-go funding basis and paid \$233,000 to the Plan for the fiscal year ending June 30, 2014 to 299 employees, resulting in a net increase to its unfunded OPEB obligation of \$93,768, for a fiscal year ending June 30, 2014 total net unfunded OPEB obligation of \$375,652. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2014 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 45 and OPEB.*"

Note: This information has been developed pursuant to the most recent audit and information from the District and has not been audited.

Recent Operating Results

The District's revenues exceeded its expenditures by \$14,190 in its General Fund for the fiscal year ended June 30, 2014, resulting in an unassigned General Fund balance of \$833,750 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

The District has certified to DASNY that it has in the previous five years complied, in all material respects, with all prior undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

A schedule of the District's debt service on all outstanding indebtedness, including the School District Bonds, is presented below.

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2014-2015	\$840,376	-	\$840,376
2015-2016	1,269,424	\$108,367	1,377,791
2016-2017	1,289,950	178,856	1,468,806
2017-2018	1,199,025	178,856	1,377,881
2018-2019	1,201,225	179,656	1,380,881
2019-2020	1,199,025	179,156	1,378,181
2020-2021	1,208,725	179,556	1,388,281
2021-2022	372,625	178,556	551,181
2022-2023	300,525	177,306	477,831
2023-2024	164,000	180,806	344,806
2024-2025	-	178,806	178,806
2025-2026	-	181,556	181,556
2026-2027	-	176,906	176,906
2027-2028	-	177,063	177,063
2028-2029	-	181,863	181,863
2029-2030	-	181,125	181,125
2030-2031	-	-	-
2031-2032	-	-	-
2032-2033	-	-	-
2033-2034	-	-	-
2034-2035	-	-	-
2035-2036	-	-	-
2036-2037	-	-	-
2037-2038	-	-	-
2038-2039	-	-	-
2039-2040	-	-	-
2040-2041	-	-	-

(1) Schedule does not include remaining payments of \$1,790,000 due under an energy performance contract.

Appendix C

In addition to the foregoing, the District entered into a \$1,812,106 lease purchase agreement in 2012 to finance work related to an Energy Performance Contract. The balance outstanding as of May 5, 2015 is \$1,790,000. The final payment against this lease purchase agreement will take place in 2030. Such obligation does not constitute debt in the calculation of the District's debt limit and debt contracting margin described above.

**SUMMARY OF CERTAIN PROVISIONS
OF THE FINANCING AGREEMENTS**

Appendix D

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SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS

The following is a brief summary of certain provisions of the Financing Agreements (the “Agreements”) to be executed by each of the School Districts. Such summary does not purport to be complete and reference is made to the Agreements for full and complete statements of such provisions. Defined terms used in the Agreements have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Loan Clauses

(A) **Loan Consummation.** Subject to the conditions and in accordance with the terms of the Agreement, DASNY agrees to make the Loan and the School District agrees to accept and repay the Loan in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate. As evidence of the Loan made to the School District, the School District agrees to issue to or upon the order of DASNY, and to deliver to or upon the order of DASNY, the School District Bonds in an aggregate principal amount of up to the Principal Amount, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in the Agreement.

(B) **Payment to Trustee.** On the dates set forth in the Agreement, the School District will deposit or cause to be deposited with the Trustee the full amount of the payment due on the School District Bonds on such dates, respectively; provided, however that the School District agrees to pay the amount due on such initial payment date on or before the date of issuance of the DASNY Bonds or on such other date as may be set forth in the Agreement. Amounts so deposited by the School District prior to the payment date for the DASNY Bonds will be invested by the Trustee at the direction of DASNY. Investment earnings on such amounts will accrue to the benefit of the School District and will be paid to the School District at the direction of DASNY in accordance with the section of the Agreement described below under the heading “Application of Interest Earnings.”

(C) **Pledge and Assignment.** The School District assigns and pledges to DASNY a sufficient portion of any and all public funds to be apportioned or otherwise to be made payable by the State to the School District to cover the payments required by the Agreement and directs and acknowledges that such amounts will be paid directly to the Trustee as provided in the Act and the Memorandum of Understanding upon the occurrence of any Event of Default under the Agreement. Such assignment and pledge is irrevocable and will continue until the date on which the liabilities of DASNY and the School District with respect to the Project have been discharged and the School District’s Proportionate Share of the DASNY Bonds has been paid or otherwise discharged. The School District agrees that it will not create or suffer to be created any pledge or assignment of the public funds mentioned in the Agreement to be apportioned or otherwise payable by the State other than pledges or assignments to secure subsequent Series of DASNY Bonds or to secure bonds issued by any agency or instrumentality of the United States of America or the State of New York or any authority, agency or political subdivision thereof, or as otherwise consented to in writing by DASNY.

(Section 3.1)

Other Amounts Payable

(A) The School District expressly agrees to pay to DASNY:

(i) Upon the issuance and sale of the DASNY Bonds, the initial financing fee, DASNY’s annual administrative fee and its Proportionate Share (or such other portion thereof as shall be agreed upon by the School District and DASNY) of the costs and expenses of DASNY in the preparation, sale and delivery of the DASNY Bonds, the preparation and delivery of any legal instruments, closing transcripts and documents necessary in connection therewith and with the Agreements and their filing and recording, if required, and all taxes and charges payable in connection with any of the foregoing, all as specified in the Notice of Terms. Such costs are payable from the sources identified in Exhibit C to the Agreement and in the amount specified in the Notice of Terms, subject to the limit set forth in the Agreement;

(ii) Other Costs of Issuance payable to consultants and attorneys utilized by the School District in connection with the issuance of the School District Bonds as set forth in the Notice of Terms;

Appendix D

(iii) As such expenses are incurred, the amount of any DASNY expenses (including but not limited to investment losses and the reasonable fees and expenses of DASNY, the Trustee, the owners of DASNY Bonds, and attorneys representing any of the foregoing) incurred as a result of the School District's failure to make any payment on the School District Bonds when due or failure to otherwise comply with the terms of the Agreement or the School District Bonds; and

(iv) In the event that after the date set forth in the Agreement the School District does not proceed to the closing of the Loan, the fees of DASNY's bond counsel incurred with respect to the School District's Loan.

(B) Indemnification. To the extent permitted by law, the School District agrees to indemnify, defend and hold harmless DASNY and each member, officer and employee of DASNY against any and all liabilities, losses, costs, damages or claims, and will pay any and all judgments or expenses of any and all kinds or nature and however arising, imposed by law, including interest thereon, which it or any of them may sustain, be subject to or be caused to incur by reason of any claim, action, suit, charge or proceeding arising from or out of (1) the making of the Loan by DASNY to the School District, (2) any failure by the School District to deliver the School District Bonds to DASNY or (3) an allegation that an official statement, prospectus, placement memorandum or other offering document prepared in connection with the sale and issuance of the DASNY Bonds contained an untrue or misleading statement of a material fact obtained from the School District relating to the School District or the Project, or omitted to state a material fact relating to the School District or the Project necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading; provided, however, that neither DASNY nor a member, officer or employee of DASNY will be released, indemnified or held harmless from any claim for damages, liability, loss, cost, damage, judgment or expense arising out of the gross negligence or willful misconduct of DASNY, such member, officer or employee.

DASNY agrees to give the School District prompt notice in writing of the assertion of any claim or the institution of each such suit, action or proceeding and to cooperate with the School District in the investigation of such claim and the defense, adjustment, settlement or compromise of any such action or proceeding. DASNY will not settle any such suit, action or proceeding without the prior written consent of counsel to the School District.

Except as provided in the following paragraph, the School District, at its own cost and expense, will defend any and all suits, actions or proceedings which may be brought or asserted against DASNY, its members, officers or employees for which the School District is required to indemnify DASNY or hold DASNY harmless, but this provision will not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in the Agreement from its obligation to defend the School District, DASNY and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy.

DASNY and each member, officer or employee thereof will, at the cost and expense of the School District, be entitled to employ separate counsel in any action or proceeding arising out of any alleged act or omission which occurred or is alleged to have occurred while the member, officer or employee was acting within the scope of his or her employment or duties in connection with the issuance of the DASNY Bonds or the refinancing or use of the Project, and to conduct the defense thereof, in which (i) the counsel to the School District determines, based on his or her investigation and review of the facts and circumstances of the case, that the interests of such person and the interests of the School District are in conflict, or in the event such counsel determines that no conflict exists, a court of competent jurisdiction subsequently determines that such person is entitled to employ separate counsel, or (ii) such person may have an available defense which cannot as a matter of law be asserted on behalf of such person by the School District or by counsel employed by it, or (iii) such person may be subject to criminal liability, penalty or forfeiture, or (iv) the School District has consented to the employment of separate counsel or the counsel retained by the School District pursuant to the Agreement is not reasonably acceptable to DASNY; provided, however, that the School District will not be liable for attorneys' fees of separate counsel so retained or any other expenses incurred in connection with the defense of an action or proceeding described in clause (iii) of this paragraph, unless the member, officer or employee has prevailed on the merits or such action or proceeding was dismissed or withdrawn, or an adverse judgment was reversed upon appeal, and such action or proceeding may not be recommenced. Attorney's fees of separate counsel retained in accordance with this paragraph will be paid only upon the audit of an appropriate School District officer.

(Section 3.2)

Application of Loan Proceeds and Unspent Proceeds

(A) To the extent the proceeds of the Loan are to be used to pay costs of issuance of DASNY Bonds or School District Bonds or any amounts payable to DASNY under the Agreement, the portion of the proceeds to be so used will be held on deposit with the Trustee for the account of the School District. Amounts so deposited will be invested and disbursed in accordance with the Master Resolution and the Series Resolution.

(B) To the extent the proceeds of the Loan are to be used to refinance the Refunded Obligations, DASNY will direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used in a separate account established with the Bank (not commingled with any other funds of the School District) to pay the Refunded Obligations as they become due. Amounts in such account will be held uninvested or invested as directed by DASNY in Government Obligations. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. The School District covenants and agrees to pay directly to the paying agent for the Refunded Obligations any principal and/or interest due on the Refunded Obligations on their redemption date in excess of the amount held pursuant to the Agreement for the payment of the Refunded Obligations.

(C) To the extent that the proceeds of the Loan are to be used to finance the Project, they will be maintained in a separate account established with the Bank (not commingled with any other funds of the School District) pursuant to Section 165.00 of the Local Finance Law and Sections 10 and 11 of the General Municipal Law and maintained in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate. Amounts in such account will be invested as directed by the School District in accordance with the General Municipal Law. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. Disbursements will be made from such account upon delivery to the Bank of a written requisition of the School District stating that such disbursement is (1) for payment to the School District for the reimbursement of costs of the Project previously paid by the School District or (2) for direct payment of Project costs, accompanied by copies of the invoice(s) to be paid.

(D) The School District expressly acknowledges and agrees that, with respect to any remaining unspent proceeds of the Refunded Obligations, either (i) such proceeds are required for the completion of the Project and the School District will, prior to issuance of the DASNY Bonds, unless otherwise directed or agreed to by DASNY, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (C) above to be applied in accordance with such subsection or (ii) to the extent that the unspent proceeds of the Refunded Obligations are not needed to complete the Project the School District will, unless otherwise directed by DASNY, transfer any remaining unspent proceeds of the Refunded Obligations to the account established pursuant to subsection (B) above to be applied in accordance with such subsection.

(E) The School District expressly acknowledges and agrees that DASNY will have the right to obtain and review the records of the Bank relating to accounts established for the School District pursuant to the Agreement and authorizes the Bank to deliver copies of such records to DASNY upon request of DASNY. The School District covenants and agrees to maintain records with respect to the Project costs for a period of not less than six (6) years subsequent to the maturity or earlier redemption of the DASNY Bonds and expressly acknowledges and agrees to provide copies of such records to DASNY upon request.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire on such date as all DASNY Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the School District to DASNY are satisfied.

(Section 3.5)

Appendix D

Trustee; Investment of Loan Proceeds and School District Bond Prepayments

The School District authorizes the Trustee to invest, in accordance with instructions of DASNY, amounts that are held by the Trustee for the account of the School District in accordance with the provisions of the Master Resolution. The School District acknowledges that DASNY and the Trustee will not be liable or responsible for any loss, direct or indirect, resulting from any investment authorized by the Master Resolution and the Agreement or from the redemption, sale or maturity of any such investment as therein authorized or from any depreciation in value of any such investment.

(Section 3.7)

Authorization to Acquire Investments

The School District authorizes DASNY to acquire the investments, if any, required by the Agreement, including forward purchase contracts.

(Section 3.9)

Application of Interest Earnings

DASNY agrees that it will cause to be deposited in the Debt Service Fund the interest earned and paid on the investment of moneys in the Debt Service Fund. Pursuant to the Master Resolution, DASNY agrees that, so long as no event of default has occurred under the Agreement, DASNY will pay to the School District annually the School District's Allocable Portion (as determined by DASNY) of excess amounts in the Debt Service Fund described in the Master Resolution.

(Section 3.10)

Compliance with Laws and Agreements

(A) Compliance. The School District agrees that the Project will at all times during the term of any Loan be in compliance with applicable federal and State laws and regulations. The School District will at all times construct and operate (or cause to be constructed and operated) the Project, in compliance with all applicable federal, State and local laws, ordinances, rules, regulations (including approvals of the State Education Department) and the Agreement, and with all other applicable laws and regulations to the extent necessary to ensure the availability of the Project for its intended purposes and to ensure the safety of the public.

(B) SEQRA. The School District certifies with respect to the Project that it has complied, and agrees to continue to comply, with all requirements of the State Environmental Quality Review Act.

(Section 4.1)

No Warranty Regarding Condition, Suitability or Cost of Project

DASNY makes no warranty, either express or implied, as to the Project or its condition or that it is suitable for the School District's purposes or needs, or that the proceeds of the Loan are sufficient to pay the costs of the Project. Nothing in the Agreement will relieve the School District of its responsibility to properly plan, design, build and effectively operate and maintain the Project as required by laws, regulations, permits and good management practices. The School District acknowledges and agrees that DASNY or its representatives are not responsible for increased costs resulting from defects in the plans, design drawings and specifications or other Project documents.

(Section 4.2)

Construction of Project

(A) Construction. To the extent, if any, that the Project is not yet complete, the School District agrees to ensure that the Project is constructed expeditiously.

(B) Completion Certificate. To the extent, if any, that the Project is not yet complete, the School District will deliver to DASNY a certificate of the School District stating that the Project has been completed in accordance with the Agreement within seven (7) Business Days following such completion.

(Section 4.3)

Application of Loan Proceeds

The School District will apply the proceeds of the Loan solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the DASNY Bonds made available to it as part of the Loan including amounts treated as proceeds of the DASNY Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the DASNY Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the School District covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which, assuming the School District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the School District Bonds to be “private activity bonds,” “private loan bonds,” “arbitrage bonds” or “prohibited advance refunding bonds” within the meaning of Sections 141, 148 or 149 of the Code. The School District (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase DASNY Bonds in an amount related to the amount of any obligation to be acquired from the School District by DASNY. The School District will, on a timely basis, provide DASNY with all necessary information and funds to the extent required to enable DASNY to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

Covenant as to Restrictions on Religious Use

The School District agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or, any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time after the date of the Agreement, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to the Project or any portion thereof. DASNY and its agents may conduct such inspections as DASNY deems necessary to determine whether the Project or any portion of real property thereof refinanced by the DASNY Bonds is being used for any purpose proscribed under the Agreement. The School District further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of DASNY, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the Project is

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sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project will not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction will further provide that such restriction may be enforced at the instance of DASNY or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction will also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction will be without any force or effect. For the purposes of the Agreement an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, will be considered a sale for the fair market value thereof.

(Section 5.3)

Payment of School District Bonds

The School District covenants and agrees that it will duly and punctually pay or cause to be paid the principal installments or redemption price of its School District Bonds and the interest thereon, at the dates and places and in the manner stated in such School District Bonds and in accordance with the section of the Agreement described above under the heading "Loan Clauses" and that such obligation will not be subject to any defense (other than payment) or any rights of setoff, recoupment, abatement, counterclaim or deduction and will be without any rights of suspension, deferment, diminution or reduction it might otherwise have against DASNY, the Trustee or the owner of any DASNY Bond.

(Section 5.4)

Actions Regarding State Aid

The School District covenants and agrees that it will submit to the State all documentation required by the State as a condition to the payment of any State aid in sufficient time to permit such aid to be paid on its scheduled payment date.

(Section 5.5)

Defaults

An "event of default" or a "default" under the Agreement means any one or more of the following events: (a) Failure by the School District to pay or cause to be paid when due the amounts to be paid under the School District Bonds; (b) Failure by the School District to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the School District not less than thirty (30) days prior to the due date thereof; (c) Failure by the School District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this paragraph, which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the School District by DASNY or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the School District has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; (d) Any representation or warranty of the School District contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The School District generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the School District seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the School District authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

Remedies

Whenever any event of default referred to in the Agreement and described under the heading “Defaults” shall have happened and is continuing, DASNY may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School District, including requiring payment to the Trustee of any public funds otherwise payable to the School District by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the School District Bonds and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

No Remedy Exclusive

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or after the date of the Agreement existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle DASNY to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by DASNY to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

The Agreement may not be amended, supplemented or modified except by a written instrument executed by DASNY and the School District and, if such amendment occurs after the issuance of the DASNY Bonds, upon compliance with the provisions of the Master Resolution.

(Section 8.4)

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information

(A) The School District will, at the request of DASNY, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by DASNY, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement and the School District Bonds. The School District also agrees to furnish to DASNY such additional information concerning the financial condition of the School District as DASNY may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the School District agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the DASNY Bonds continues (a) the School District will furnish such information with respect to itself as the Underwriters of the DASNY Bonds may from time to time reasonably

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request and (b) if any event relating to the School District occurs as a result of which it is necessary, in the opinion of Bond Counsel to DASNY, General Counsel of DASNY or counsel for such Underwriters, to amend or supplement the Official Statement of DASNY used in connection with the offering of the DASNY Bonds in order to make such information not misleading in light of the circumstances then existing, the School District will forthwith prepare and furnish to DASNY and the Underwriters such information relating to the School District as may be necessary to permit the preparation of an amendment of or supplement to such Official Statement (in form and substance satisfactory to the Bond Counsel to DASNY and counsel for the Underwriters) which will amend or supplement such Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances then existing, not misleading. Unless the School District has been notified to the contrary in writing by DASNY or the Underwriters, the School District is entitled to presume that the offering by DASNY and that its obligations under this paragraph have ceased twenty-five (25) days after the date of delivery of the DASNY Bonds.

(Section 8.9)

**SUMMARY OF CERTAIN PROVISIONS
OF THE MASTER RESOLUTION**

Appendix E

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

The following is a brief summary of certain provisions of the Master Resolution. Such summary does not purport to be complete and reference is made to the Master Resolution for full and complete statements of such provisions. Defined terms used in the Master Resolution have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Master Resolution and Bonds Constitute Separate Contracts

With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Resolution and under the Applicable Series Resolution by those who hold or own the same from time to time, the Master Resolution and the Applicable Series Resolution are deemed to be and constitute a contract among DASNY, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Master Resolution and the covenants and agreements set forth to be performed by or on behalf of DASNY are for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of an Applicable Series, all of which, regardless of the time or times of their issue or maturity, are of equal rank without preference, priority or distinction of any such Bonds of such Series over any other Bonds except as expressly provided or permitted by the Master Resolution or by the Applicable Series Resolution.

(Section 1.03)

Authorization of Each Series of Bonds

Each Series of Bonds is issued pursuant to the Master Resolution, the applicable Series Resolution and the Act.

The Bonds of DASNY will not be a debt of the State, nor will the State be liable thereon, nor will the Bonds be payable out of any funds other than those of DASNY pledged by the Master Resolution to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds.

(Section 2.01)

Additional Bonds and Other Obligations

DASNY reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of DASNY, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Master Resolution, entitled to a charge or lien or right prior or equal to the charge or lien created by the Master Resolution, or prior or equal to the rights of DASNY and Holders of Bonds or with respect to the moneys pledged pursuant to the Master Resolution or pursuant to an Applicable Series Resolution.

(Section 2.05)

Authorization of Redemption

Bonds subject to redemption prior to maturity will be redeemable at such times, at such Redemption Prices and upon such terms as may be specified in the Master Resolution or in the Applicable Series Resolution authorizing their issuance or the Applicable Bond Series Certificate.

(Section 4.01)

Appendix E

Redemption at Election or Direction of DASNY

The Series, maturities and principal amounts of the Bonds to be redeemed at the election or direction of DASNY will be determined by DASNY in its sole discretion, subject to any limitations with respect thereto contained in the Master Resolution or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate.

(Section 4.02)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee will assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and will select by lot, using such method of selection as it will deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, will equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Master Resolution) which end in the same digit or in the same two digits. In the case, upon any drawing by groups, the total principal amount of Bonds drawn will exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed will be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued will be redeemed as will equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

(Section 4.04)

Notice of Redemption

Whenever Bonds are to be redeemed, the Trustee will give notice of the redemption of the Bonds in the name of DASNY. Such notice, unless the Bonds are Book Entry Bonds, will be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. Such notice, unless the Bonds are Book Entry Bonds, will be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee will promptly certify to DASNY that it has mailed or caused to be mailed such notice to the registered owners of the Bonds to be redeemed in the manner provided in the Master Resolution. Such certificate will be conclusive evidence that such notice was given in the manner required by the Master Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Bonds.

Any notice of redemption, unless moneys are received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, may state that such redemption is conditional upon the receipt of such moneys by the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys are not so received said notice will be of no force and effect, DASNY will not redeem such Bonds and the Trustee will give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If directed in writing by any Authorized Officer of DASNY, the Trustee will also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date; provided, however, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

The Trustee will (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty-five (35) days prior to the redemption, but, if notice of redemption is to be published as described in the preceding paragraph, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof.

(Section 4.05)

Payment of Redeemed Bonds

If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, are held by the Trustee and Paying Agent so as to be available therefor on such date and if notice of redemption has been mailed as stated in the Master Resolution, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption will cease to accrue and such Bonds will no longer be considered to be Outstanding under the Master Resolution. If such moneys are not so available on the redemption date, such Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues, and all funds established by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of DASNY under the Master Resolution and under any Series Resolution, all in accordance with the provisions of the Master Resolution and such Series Resolution. The pledge of the Revenues relates only to the Bonds of an Applicable Series authorized by such Series Resolution and no other Series of Bonds and such pledge will not secure any such other Series of Bonds. The pledge is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution and by the Applicable Series Resolution will immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge will be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against DASNY irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds are special obligations of DASNY payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution, which are pledged by the Master Resolution as provided in the Master Resolution, which pledge will constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one School District may not be used to make up a deficiency caused by the failure of another School District to pay its Basic Debt Service Payment.

(Section 5.01)

Appendix E

Establishment of Funds

Unless otherwise provided by the Applicable Series Resolution, the following funds are authorized to be established, held and maintained for each Applicable Series by the Trustee under the Applicable Series Resolution separate from any other funds established and maintained pursuant to any other Series Resolution:

Construction Fund;
Debt Service Fund; and
Arbitrage Rebate Fund.

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Resolution, an Applicable Bond Series Certificate or upon the direction of DASNY. All moneys at any time deposited in any fund created by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, will be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but will nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided in the Master Resolution.

(Section 5.02)

Application of Bond Proceeds

Upon the receipt of proceeds from the sale of a Series of Bonds, DASNY will apply such proceeds as specified in the Master Resolution and in the Series Resolution authorizing such Series or in the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds will be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Moneys in the Construction Fund

A separate Construction Fund is established by each Series Resolution and separate Construction Accounts are established therein with respect to each School District for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of each Series of Bonds, there will be deposited in the Applicable Construction Account the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, DASNY will deposit in the Applicable Construction Account any moneys paid to DASNY for the acquisition, construction, reconstruction, rehabilitation or improvement of any Project, including without limitation, the equity contribution, if any, provided by a School District. Moneys deposited in the Applicable Construction Account will be used only to pay the School District's allocable portion of the Costs of Issuance of the Bonds and the Costs of the Applicable Project.

(Section 5.04)

Deposit and Allocation of Revenues

Except as provided in the Applicable Series Resolution or Bond Series Certificate, the Applicable Revenues and any other moneys which, by any of the provisions of the Applicable Agreement, are required to be deposited in the Applicable Debt Service Fund, will upon receipt by the Trustee be deposited to the credit of the appropriate account in the Applicable Debt Service Fund. To the extent not required to pay, (a) the School District's Allocable Portion of the interest becoming due on Outstanding Bonds of the Applicable Series on the next succeeding Interest Payment Date of such Bonds; (b) the School District's Allocable Portion of the amount

necessary to pay the principal and Sinking Fund Installments becoming due on the Applicable Series of Outstanding Bonds; and (c) moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund will be paid by the Trustee on or before the business day preceding each Interest Payment Date to DASNY, unless otherwise paid, such amounts as are payable to DASNY relating to such Series for: (i) any expenditures of DASNY for fees and expenses of auditing, and fees and expenses of the Applicable Trustee and Paying Agents, all as required by the Master Resolution, (ii) all other expenditures reasonably and necessarily incurred by DASNY in connection with the financing of the Applicable Project, including expenses incurred by DASNY to compel full and punctual performance of all the provisions of the Applicable Agreement in accordance with the terms thereof, and (iii) any fees of DASNY; but only upon receipt by the Trustee of a certificate of DASNY, stating in reasonable detail the amounts payable to DASNY.

After making the payments required by the preceding paragraph, any balance remaining on the immediately succeeding Interest Payment Date will be paid by the Trustee upon and in accordance with the direction of DASNY to each of the respective Applicable School Districts in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created by the Master Resolution or by any of the Agreements.

(Section 5.05)

Debt Service Fund

Except as provided in the Applicable Series Resolution or Bond Series Certificate, the Trustee will on or before the Business Day preceding each Interest Payment Date pay to itself and any other Paying Agent out of the Applicable Debt Service Fund:

(a) the School District's Allocable Portion of the interest due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date;

(b) the School District's Allocable Portion of the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date; and

(c) the School District's Allocable Portion of the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date.

The amounts paid out pursuant to (a), (b) and (c) above are irrevocably pledged to and applied to such payments.

Notwithstanding the above, DASNY may, at any time subsequent to the first day of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Applicable Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment.

Moneys in the Applicable Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of the Applicable Series payable during the next succeeding Bond Year, the interest on Outstanding Bonds of the Applicable Series payable on and prior to the next succeeding Interest Payment Date, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, will be paid or applied by the Trustee in accordance with the direction of an Authorized Officer of DASNY (i) to the purchase of Outstanding Bonds of the Applicable Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of DASNY will direct or (ii) to the redemption of Bonds of the Applicable Series as provided in the Master Resolution, at the Redemption Prices specified in the Applicable Series Resolution or Applicable Bond Series Certificate.

(Section 5.07)

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Arbitrage Rebate Fund

The Arbitrage Rebate Fund will be maintained by the Trustee as a fund separate from any other fund established and maintained under the Master Resolution. The Trustee will deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable School Districts for deposit therein and, notwithstanding any other provisions of the Master Resolution, will transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of DASNY, moneys on deposit in any other funds held by the Trustee under the Master Resolution at such times and in such amounts as will be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee will maintain such accounts as are required by DASNY in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund will be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and DASNY or the owner of any Bonds will not have any rights in or claim to such money. The Trustee will be deemed conclusively to have complied with the provisions of the Master Resolution concerning the Arbitrage Rebate Fund and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of DASNY including supplying all necessary written information in the manner provided in the Tax Certificate and has no liability or responsibility for compliance (except as specifically set forth in the Master Resolution or in the Tax Certificate) or to enforce compliance by DASNY with the terms of the Tax Certificate.

Upon the written direction of DASNY, the Trustee will deposit in the Arbitrage Rebate Fund funds received from DASNY, so that the balance of the amount on deposit thereto will be equal to the Rebate Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of DASNY in accordance with the Tax Certificate.

The Trustee has no obligation to rebate any amounts required to be rebated pursuant to the Master Resolution, other than from moneys held in the funds and accounts created under the Master Resolution or from other moneys provided to it by DASNY.

The Trustee will invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of DASNY. DASNY, in issuing such directions, will comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided under the Master Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of DASNY, will pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Resolution, including in particular the section of the Master Resolution described under the heading "Tax Covenant," the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Resolution concerning the Arbitrage Rebate Funds, the section of the Master Resolution described under the heading "Tax Covenant" and the Tax Certificate will survive the defeasance or payment in full of the Bonds.

(Section 5.09)

Application of Moneys in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Master Resolution, if at any time the amounts held in the Applicable Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the section of the Master Resolution described below under the heading "Defeasance" for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, DASNY may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee will proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption

of such Bonds by the Master Resolution and by each Applicable Series Resolution as provided in the Master Resolution, or (ii) give the Trustee irrevocable instructions and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance with the Master Resolution.

(Section 5.10)

Transfer of Investments

Whenever moneys in any fund or account established under an Applicable Series Resolution are to be paid in accordance with the Master Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.11)

Security for Deposits

All moneys held under the Master Resolution by the Trustee will be continuously and fully secured, for the benefit of DASNY and the Holders of the Applicable Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it will not be necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys with them pursuant to the sections of the Master Resolution described under the headings “Debt Service Fund” and “Defeasance,” and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which will be represented by obligations purchased or other investments made under the provisions of the Master Resolution as an investment of such moneys.

(Section 6.01)

Investment of Funds and Accounts

Moneys held under the Master Resolution by the Trustee, if permitted by law, will, as nearly as may be practicable, be invested by the Trustee, upon direction of DASNY given or confirmed in writing, signed by an Authorized Officer of DASNY (which direction will specify the amount to be invested) in Government Obligations, Federal Agency Obligations, Exempt Obligations, and, if not inconsistent with the investment guidelines of a Facility Provider or a Rating Agency applicable to funds held under the Master Resolution, any other Permitted Investment; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at which DASNY reasonably believes such moneys will be required for the purposes of the Master Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment has a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral will be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of DASNY, and (z) the Permitted Collateral will be free and clear of claims of any other person.

Permitted Investments purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Master Resolution will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Master Resolution, each Permitted Investment will be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(Section 6.02)

Appendix E

Payment of Principal and Interest

DASNY covenants to pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

(Section 7.01)

Accounts and Audits

DASNY covenants to keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of DASNY by the Trustee, in which complete and correct entries will be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of DASNY, will be subject to the inspection of the Trustee, the Applicable School Districts or of any Holder of a Bond or his representative duly authorized in writing. The Trustee will annually prepare a report which will be furnished to DASNY, each Facility Provider, each Credit Facility Issuer and the Applicable School Districts. Such report will include at least: a statement of all funds and accounts (including investments thereof) held by such Trustee and DASNY pursuant to the provisions of the Master Resolution and of each Applicable Series Resolution; a statement of the Applicable Revenues collected from each Applicable School District in connection with the Master Resolution and with each Applicable Series Resolution; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, will, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book Entry Bond of the Applicable Series requesting the same.

(Section 7.05)

Creation of Liens

DASNY covenants not to create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of the Bonds, the Applicable Revenues, the Applicable Pledged Revenues or the funds and accounts established by the Master Resolution or by any Applicable Series Resolution which are pledged by the Master Resolution; provided, however, that nothing contained in the Master Resolution will prevent DASNY from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution; and provided further, that if DASNY has issued more than one Series of Bonds for the benefit of a School District and the public funds pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such School District is a party, then as provided in the Memorandum of Understanding the Comptroller will pay a proportionate share of such available public funds to each Applicable Trustee.

(Section 7.06)

Enforcement of Obligations of the School Districts

Pursuant to the Applicable Agreement and the Applicable School District Bonds, DASNY covenants to take all legally available action to cause a School District to perform fully its obligation to pay Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that DASNY may delay, defer or waive enforcement of one or more provisions of said Agreement (other than provisions requiring the payment of monies to the Trustee for deposit to any fund or account established under the Master Resolution) if DASNY determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series.

(Section 7.07)

Offices for Payment and Registration of Bonds

DASNY will at all times maintain an office or agency in the State where Bonds may be presented for payment. DASNY may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Master Resolution, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. DASNY will at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is appointed by the Master Resolution as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

Amendment, Change, Modification or Waiver of Agreement

An Applicable Agreement (and the related Applicable School District Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Resolution; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the School District under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Resolution, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Applicable Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained in the Master Resolution or in such Agreement.

An Applicable Series will be deemed to be adversely affected by an amendment, change, modification or alteration of the Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely effected in any material respect by any amendment, change, modification or alteration, and any such determination will be binding and conclusive on DASNY and all Holders of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from DASNY, may consent to an amendment, change, modification, termination or waiver permitted by the Master Resolution with the same effect as a consent given by the Holder of such Bonds.

(Section 7.10)

Notice as to Agreement Default

DASNY covenants to notify the Trustee in writing that an “event of default” under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable School District Bonds), has occurred and is continuing, or that which notice is required to be given within five (5) days after DASNY has obtained actual knowledge thereof.

(Section 7.11)

Appendix E

Basic Debt Service Payment

The Applicable Agreement will provide for the payment of Basic Debt Service Payment which will be sufficient at all times to pay the School District's Allocable Portion of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of the Applicable Series as the same become due and payable.

(Section 7.12)

Tax Covenant

Unless otherwise provided in a Series Resolution, DASNY covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, DASNY covenants that it will comply with the instructions and requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

(Section 7.14)

Modification and Amendment without Consent of Holders

DASNY may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY:

(a) To add additional covenants and agreements of DASNY for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by DASNY which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon DASNY by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;

(d) To confirm, as further assurance, any pledge under the Master Resolution or under the Applicable Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Master Resolution, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions of the Master Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications will not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution will cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Resolution will contain a specific reference to the modifications contained in such subsequent resolutions; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Master Resolution or to insert such provisions clarifying matters or questions arising under the Master Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Master Resolution, as theretofore in effect, or to modify any of the provisions of the Master Resolution or of any previously adopted Applicable Series Resolution or Supplemental Resolution in any other respect, provided that such

modification will not adversely affect the interests of the Bondholders of the Applicable Series in any material respect.

(Section 9.02)

Supplemental Resolutions Effective with Consent of Bondholders

The provisions of the Master Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions of the Master Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY.

(Section 9.03)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Master Resolution will not be modified or amended in any respect except in accordance with and subject to the provisions of the Master Resolution. Nothing contained in the Master Resolution will affect or limit the rights or obligations of DASNY to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Master Resolution or the right or obligation of DASNY to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the Master Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by DASNY, when filed with the Trustee, will be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution and is valid and binding upon DASNY and enforceable in accordance with its terms.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Master Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent will become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section 9.04)

Powers of Amendment

Any modification or amendment of the Master Resolution and of the rights and obligations of DASNY and of the Holders of the Bonds under the Master Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the section of the Master Resolution described below under the heading "Consent of Bondholders," (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds described under this heading. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate

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of interest thereon without the consent of the Holder of such Bond, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment.

(Section 10.01)

Consent of Bondholders

DASNY may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Master Resolution to take effect when and as provided in the Master Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, will promptly after adoption be mailed by DASNY to the Bondholders (but failure to mail such copy and request to any particular Bondholder will not affect the validity of the Supplemental Resolution when consented to as provided in the Master Resolution). Such Supplemental Resolution will not be effective unless and until (i) there has been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the section of the Master Resolution described above under the heading "Powers of Amendment" and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by DASNY in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution, and is valid and binding upon DASNY and enforceable in accordance with its terms, and (ii) a notice has been mailed as provided in the Master Resolution. Each such consent will be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution will be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder will be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution, the Trustee will make and file with DASNY and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by DASNY on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, will be given to the Bondholders by DASNY by mailing such notice to the Bondholders and, at the discretion of DASNY, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for above is filed (but failure to publish such notice will not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). DASNY will file with the Trustee proof of the mailing of such notice, and, if the same has been published, of the publication thereof.

For the purposes of the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from DASNY, may consent to a modification or amendment permitted by the sections of the Master Resolution described herein the headings "Powers of Amendment" or "Modifications by Unanimous Consent" in the manner provided in the Master Resolution, except that no proof of ownership will be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto will be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by DASNY.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Master Resolution and the rights and obligations of DASNY and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by DASNY of a copy of a Supplemental Resolution certified by an Authorized Officer of DASNY and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the section of the Master Resolution described above under the heading “Consent of Bondholders,” except that no notice to the Bondholders either by mailing or publication will be required.

(Section 10.03)

Consent of Facility Provider

Whenever by the terms of the Master Resolution the consent of any of the Holders of the Bonds to a modification or amendment of the Master Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment will not become effective until the written consent of each Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility will not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility was provided. No modification or amendment of the Master Resolution which adversely affects a Facility Provider will be made without the written consent thereto of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby will be given to each Facility Provider by mail at the times and in the manner provided in the Master Resolution with respect to notices thereof required to be given to the Holders of the Bonds. Notice thereof will also be given to each Rating Agency as soon as practical after adoption of such Supplemental Resolution and of the effectiveness thereof.

(Section 10.04)

Events of Default

Events of default under the Master Resolution include: failure by DASNY to pay the principal, Sinking Fund Installments or Redemption Price of any Bond when the same will become due and payable; failure by DASNY to pay an installment of interest on any Bond when the same will become due and payable; DASNY defaults in the due and punctual performance of the tax covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds of a Series is no longer excludable from gross income under Section 103 of the Code (a “Taxability Default”); and default by DASNY in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or in the Bonds or in any Series Resolution on the part of DASNY to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied has been given to DASNY by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, DASNY has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

(Section 11.02)

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the section of the Master Resolution described above under the heading “Events of Default,” then and in every such case, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series will proceed (in each case with the consent of the Facility Provider for such Series) or, in the case of a happening and continuance of a Taxability Default, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Facility Provider for such Series, will proceed (upon receiving compensation, expenses and indemnity

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to its satisfaction), to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider under the Master Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, as the Trustee deems most effectual to protect and enforce such rights.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds has any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Master Resolution, or for any other remedy under the Master Resolution unless such Holder previously has given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Master Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there has been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time.

(Section 11.08)

Defeasance

If DASNY pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Resolution to such Holders of Bonds will be discharged and satisfied.

Notwithstanding any provision of the Master Resolution to the contrary, if any School District prepays the amounts due under its Agreement and in accordance therewith pays or causes to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and the Applicable Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement will be discharged and satisfied. In such event, the Trustee will, upon the request of DASNY, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the School District, and DASNY, and all moneys or other securities held by it pursuant to the Master Resolution and to a Series Resolution which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption will be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of DASNY; second, to DASNY the amount certified by DASNY to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the School District. Such moneys or investments so paid or delivered will be released from any trust, pledge, lien, encumbrance or security interest created by the Master Resolution, by a Series Resolution or by such Agreement.

Bonds for the payment or redemption of which moneys have been set aside and are held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the paragraph above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series will

prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect described in the paragraph above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, DASNY has given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Master Resolution notice of redemption on said date of such Bonds, (b) there has been deposited with the Trustee either moneys in an amount which will be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee has received the written consent of each Facility Provider which has given written notice to the Trustee and DASNY that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, DASNY has given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the provisions of the Master Resolution described in this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. DASNY will give written notice to the Trustee of its selection of the Series and maturity payment of which will be made in accordance with the provisions of the Master Resolution described in this paragraph. The Trustee will select the Bonds of like Series and maturity payment of which will be made in accordance with the Master Resolution. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Master Resolution described in this paragraph nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, must, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

(Section 12.01)

No Recourse under Master Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of DASNY contained in the Master Resolution will be deemed to be the covenants, stipulations, promises, agreements and obligations of DASNY and not of any member, officer or employee of DASNY in his individual capacity, and no recourse will be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Master Resolution or on a Series Resolution against any member, officer or employee of DASNY or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

(Section 14.04)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to DASNY, the School District or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Accreted Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond will not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the

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principal of such Bond on the date the Bonds of the Series of which it is a part were first issued will be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to DASNY or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond will not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued will be deemed not to be accrued and unpaid interest thereon.

(Section 14.07)

**FORMS OF APPROVING OPINIONS
OF CO-BOND COUNSEL**

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Forms of Approving Opinions of Hiscock & Barclay, LLP

[Date of Delivery of the Series 2015D Bonds and Series 2015E Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$99,395,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds
\$84,965,000 Series 2015D (the “Series 2015D Bonds”)
\$14,430,000 Series 2015E (the “Series 2015E Bonds”)

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the “Authority”) in connection with the issuance of \$99,395,000 aggregate principal amount of its above-referenced bonds (the “Bonds”), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law), and the Authority’s Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted on May 29, 2002 (the “Master Resolution”), and the applicable Series Resolutions Authorizing up to \$500,000,000 School Districts Revenue Bond Financing Program Revenue Bonds (the “Series 2015 Resolutions”), adopted April 15, 2015. The Master Resolution and the Series 2015 Resolutions are herein collectively referred to as the “Resolutions.” Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Series 2015D Bonds, the Authority has entered into Financing Agreements, dated as of April 15, 2015 (the “Series 2015D Financing Agreements”), with the school districts identified on Schedule A (the “Series 2015D School Districts”) providing, among other things, for a loan to the Series 2015D School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2015 Resolution. With respect to the Series 2015E Bonds, the Authority has entered into Financing Agreements, dated as of April 15, 2015 (the “Series 2015E Financing Agreements”), with the school districts identified on Schedule A (the “Series 2015E School Districts”) providing, among other things, for a loan to the Series 2015E School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2015 Resolution. Pursuant to the Series 2015D Financing Agreements, the Series 2015D School Districts are required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2015D Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2015D Bonds. Pursuant to the Series 2015E Financing Agreements, the Series 2015E School Districts are required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2015E Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2015E Bonds. The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the respective Bond Series Certificates executed and delivered pursuant to the Resolutions.

The Bonds are to be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the respective Bond Series Certificates.

In such connection, we have reviewed the Resolutions, the Financing Agreements, the Tax Certificate and Agreements of the Authority dated as of the date hereof (the “Tax Certificates”), the Arbitrage and Use of Proceeds Certificates of the School Districts dated as of the date hereof (the “Arbitrage and Use of Proceeds Certificates”), the

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bonds of the School Districts delivered to the Authority to secure the obligations of each respective School District under its respective Financing Agreement, opinions of counsel to the Authority, the Trustee and the School Districts, the opinions of bond counsel to the respective School Districts, certificates of the Authority, the Trustee, the School Districts and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds will be and remain excluded from gross income under Section 103 of the Code. Included among these continuing requirements are certain restrictions and prohibitions on the use of proceeds of the Bonds and the facilities financed or refinanced by such proceeds, restrictions on the investment of such proceeds and other amounts, the rebate to the United States of certain earnings with respect to investments, and required ownership by a governmental unit of the facilities financed or refinanced by the Bonds. Failure to comply with the continuing requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Master Resolution, the Financing Agreements, and in other documents and certificates contained in the transcript of proceedings, the Authority and the School Districts have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code.

In rendering the opinion set forth in paragraph 6 below, we have assumed the accuracy of certain factual certifications of, and continuing compliance with, the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates. In the event of the inaccuracy or incompleteness of any of the certifications made by the Authority or any of the School Districts, or the failure by the Authority or any of the School Districts to comply with the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates, interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of the original execution and delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs. We render no opinion as to the exclusion from gross income of interest on the Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hiscock & Barclay, LLP. In addition, we have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Further, although interest on the Bonds is excluded from gross income for purposes of federal income taxation, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Bond depending upon the tax status of such holder and such holder’s other items of income and deduction. Except as stated in paragraph 6 below, we express no opinion as to federal or state and local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to

the fact that the rights and obligations under the Bonds, the Resolutions, the Financing Agreements, the Tax Certificates and the Arbitrage and Use of Proceeds Certificates and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto herein.

Based on the foregoing and subject to the further assumptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect, and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Master Resolution and the Series 2015 Resolutions create a valid pledge to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Master Resolution and the applicable Series 2015 Resolutions, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2015 Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2015 Resolutions.

3. The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Bonds are legal, valid and binding special obligations of the Authority payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2015 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2015 Resolution and the Act.

4. The Financing Agreements have been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the respective School Districts, constitute the valid and binding agreement of the Authority enforceable in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof.

6. Under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Authority and the School Districts (and their successors) with the covenants, and the accuracy of the representations (as to which we have made no independent investigation) referenced above, interest on the Bonds is excluded from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not an "item of tax preference" for purposes of computing the individual and corporate alternative minimum taxes imposed under the Code; provided, however, interest on the Bonds owned by corporations will be included in the calculation of adjusted current earnings, a portion of which is an adjustment to corporate alternative minimum taxable income for purposes of calculating the alternative minimum tax imposed on corporations.

7. The interest on the Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York and its political subdivisions thereof (including The City of New York).

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Other than the foregoing, we express no opinion regarding other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

We have also examined an executed Series 2015D Bond and an executed Series 2015E Bond, and the forms of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE A

Series 2015D:

Brasher Falls Central School District
Brocton Central School District
Delaware Academy Central School District at Delhi
Genesee Valley Central School District
City School District of the City of Geneva
Lansingburgh Central School District at Troy
City School District of the City of Oneonta
City School District of the City of Rome
Romulus Central School District
Roscoe Central School District
Tioga Central School District
Waverly Central School District

Series 2015E:

Honeoye Falls - Lima Central School District
Lansing Central School District

Manchester-Shortsville Central School District

Williamson Central School District

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[Date of Delivery of the Series 2015F Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$28,895,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds Series 2015F

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$28,895,000 aggregate principal amount of its above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law), and the Authority's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted on May 29, 2002 (the "Master Resolution"), and the applicable Series Resolution Authorizing up to \$500,000,000 School Districts Revenue Bond Financing Program Revenue Bonds (the "Series 2015 Resolution"), adopted April 15, 2015. The Master Resolution and the Series 2015 Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Bonds, the Authority has entered into a Financing Agreement, dated as of April 15, 2015 (the "Financing Agreement"), with the school district identified on Schedule A (the "School District") providing, among other things, for a loan to the School District for the purposes permitted thereby and by the Master Resolution and the Series 2015 Resolution. Pursuant to the Financing Agreement, the School District is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Bonds. The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the Bond Series Certificate executed and delivered pursuant to the Resolutions.

The Bonds are to be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the Bond Series Certificate.

In such connection, we have reviewed the Resolutions, the Financing Agreement, the Tax Certificate and Agreement of the Authority dated as of the date hereof (the "Tax Certificate"), the Arbitrage and Use of Proceeds Certificate of the School District dated as of the date hereof (the "Arbitrage and Use of Proceeds Certificate"), the bonds of the School District delivered to the Authority to secure the obligations of the School District under its Financing Agreement, opinions of counsel to the Authority, the Trustee and the School District, the opinion of bond counsel to the School District, certificates of the Authority, the Trustee, the School District and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds will be and remain excluded from gross income under Section 103 of the Code. Included among these continuing requirements are certain restrictions and prohibitions on the use of proceeds of the Bonds and the facilities financed or refinanced

by such proceeds, restrictions on the investment of such proceeds and other amounts, the rebate to the United States of certain earnings with respect to investments, and required ownership by a governmental unit of the facilities financed or refinanced by the Bonds. Failure to comply with the continuing requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of their issuance irrespective of the date on which such noncompliance occurs. In the Master Resolution, the Financing Agreement, and in other documents and certificates contained in the transcript of proceedings, the Authority and the School District have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code.

In rendering the opinion set forth in paragraph 6 below, we have assumed the accuracy of certain factual certifications of, and continuing compliance with, the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Financing Agreement and the Tax Certificate and the Arbitrage and Use of Proceeds Certificate. In the event of the inaccuracy or incompleteness of any of the certifications made by the Authority or the School District, or the failure by the Authority or the School District to comply with the covenants, representations, warranties, provisions and procedures set forth in the Resolutions, the Financing Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate, interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of the original execution and delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs. We render no opinion as to the exclusion from gross income of interest on the Bonds for purposes of federal income taxation on or after the date on which any change occurs or action is taken or omitted under the Resolutions, the Financing Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate or under any other relevant documents without the advice or approval of, or upon the advice or approval of any bond counsel other than, Hiscock & Barclay, LLP. In addition, we have not undertaken to determine, or to inform any person, whether any actions taken, or not taken, or events occurring, or not occurring, after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Further, although interest on the Bonds is excluded from gross income for purposes of federal income taxation, receipt or accrual of the interest may otherwise affect the tax liability of a holder of a Bond depending upon the tax status of such holder and such holder's other items of income and deduction. Except as stated in paragraph 6 below, we express no opinion as to federal or state and local tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the Financing Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Financing Agreement, the Tax Certificate and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto herein.

Based on the foregoing and subject to the further assumptions and qualifications hereinafter set forth, we are of the opinion that:

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1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect, and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Master Resolution and the Series 2015 Resolution create a valid pledge to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Master Resolution and the Series 2015 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the Series 2015 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the Series 2015 Resolution.

3. The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Bonds are legal, valid and binding special obligations of the Authority payable solely from the sources provided therefor in the Master Resolution and the Series 2015 Resolution, and will be entitled to the benefit of the Master Resolution, the Series 2015 Resolution and the Act.

4. The Financing Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the School District, constitutes the valid and binding agreement of the Authority enforceable in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof.

6. Under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Authority and the School District (and their successors) with the covenants, and the accuracy of the representations (as to which we have made no independent investigation) referenced above, interest on the Bonds is excluded from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not an "item of tax preference" for purposes of computing the individual and corporate alternative minimum taxes imposed under the Code; provided, however, interest on the Bonds owned by corporations will be included in the calculation of adjusted current earnings, a portion of which is an adjustment to corporate alternative minimum taxable income for purposes of calculating the alternative minimum tax imposed on corporations.

7. The interest on the Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York and its political subdivisions thereof (including The City of New York).

Other than the foregoing, we express no opinion regarding other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

We have also examined an executed Bond, and the form of said bonds and its execution are regular and proper.

Very truly yours,

SCHEDULE A

Series 2015F:

City School District of the City of Utica

Forms of Approving Opinions of Marous & Marous, P.C.

[Date of Delivery of the Series 2015D Bonds and Series 2015E Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

*Re: \$99,395,000 Dormitory Authority of the State of New York School Districts
 Revenue Bond Financing Program Revenue Bonds
 \$84,965,000 Series 2015D (the "Series 2015D Bonds")
 \$14,430,000 Series 2015E (the "Series 2015E Bonds")*

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$99,395,000 aggregate principal amount of its above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law), and the Authority's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted on May 29, 2002 (the "Master Resolution"), and the applicable Series Resolutions Authorizing up to \$500,000,000 School Districts Revenue Bond Financing Program Revenue Bonds (the "Series 2015 Resolutions"), adopted April 15, 2015. The Master Resolution and the Series 2015 Resolutions are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Series 2015D Bonds, the Authority has entered into Financing Agreements, dated as of April 15, 2015 (the "Series 2015D Financing Agreements"), with the school districts identified on Schedule A (the "Series 2015D School Districts") providing, among other things, for a loan to the Series 2015D School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2015 Resolution. With respect to the Series 2015E Bonds, the Authority has entered into Financing Agreements, dated as of April 15, 2015 (the "Series 2015E Financing Agreements"), with the school districts identified on Schedule A (the "Series 2015E School Districts") providing, among other things, for a loan to the Series 2015E School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2015 Resolution. Pursuant to the Series 2015D Financing Agreements, the Series 2015D School Districts are required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2015D Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2015D Bonds. Pursuant to the Series 2015E Financing Agreements, the Series 2015E School Districts are required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Series 2015E Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Series 2015E Bonds. The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the respective Bond Series Certificates executed and delivered pursuant to the Resolutions.

The Bonds are to be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the respective Bond Series Certificates.

In such connection, we have reviewed the Resolutions, the Financing Agreements, the bonds of the School Districts delivered to the Authority to secure the obligations of each respective School District under its respective Financing Agreement, opinions of counsel to the Authority, the Trustee and the School Districts, the opinions of bond counsel to the respective School Districts, certificates of the Authority, the Trustee, the School Districts and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. We call attention to the fact that the rights and obligations under the Bonds, the Resolutions and the Financing Agreements and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto herein.

Based on the foregoing and subject to the further assumptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect, and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Master Resolution and the Series 2015 Resolutions create a valid pledge to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Master Resolution and the applicable Series 2015 Resolutions, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2015 Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2015 Resolutions.

3. The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Bonds are legal, valid and binding special obligations of the Authority payable solely from the sources provided therefor in the Master Resolution and the applicable Series 2015 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2015 Resolution and the Act.

4. The Financing Agreements have been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the respective School Districts, constitute the valid and binding agreement of the Authority enforceable in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof.

Appendix F

6. The interest on the Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York and its political subdivisions thereof (including The City of New York).

Other than the foregoing, we express no opinion regarding other state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

We have also examined an executed Series 2015D Bond and an executed Series 2015E Bond, and the forms of said bonds and their execution are regular and proper.

Very truly yours

SCHEDULE A

Series 2015D:

Brasher Falls Central School District
Brocton Central School District
Delaware Academy Central School District at Delhi
Genesee Valley Central School District
City School District of the City of Geneva
Lansingburgh Central School District at Troy
City School District of the City of Oneonta
City School District of the City of Rome
Romulus Central School District
Roscoe Central School District
Tioga Central School District
Waverly Central School District

Series 2015E:

Honeoye Falls - Lima Central School District
Lansing Central School District
Manchester-Shortsville Central School District
Williamson Central School District

Appendix F

[Date of Delivery of the Series 2015F Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

*Re: \$28,895,000 Dormitory Authority of the State of New York School Districts
Revenue Bond Financing Program Revenue Bonds Series 2015F*

Ladies and Gentlemen:

We have acted as co-bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$28,895,000 aggregate principal amount of its above-referenced bonds (the "Bonds"), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law), and the Authority's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution adopted on May 29, 2002 (the "Master Resolution"), and the applicable Series Resolution Authorizing up to \$500,000,000 School Districts Revenue Bond Financing Program Revenue Bonds (the "Series 2015 Resolution"), adopted April 15, 2015. The Master Resolution and the Series 2015 Resolution are herein collectively referred to as the "Resolutions." Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

With respect to the Bonds, the Authority has entered into a Financing Agreement, dated as of April 15, 2015 (the "Financing Agreement"), with the school district identified on Schedule A (the "School District") providing, among other things, for a loan to the School District for the purposes permitted thereby and by the Master Resolution and the Series 2015 Resolution. Pursuant to the Financing Agreement, the School District is required to make payments scheduled to be sufficient to pay the principal, sinking fund installments and redemption price of and interest on the Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders of the Bonds. The Bonds are to mature on the dates and in the years and amounts and interest on the Bonds is payable at the rates and in the amounts set forth in the Bond Series Certificate executed and delivered pursuant to the Resolutions.

The Bonds are to be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds are payable, subject to redemption prior to maturity, exchangeable, transferable and secured upon such terms and conditions as are contained in the Resolutions and the Bond Series Certificate.

In such connection, we have reviewed the Resolutions, the Financing Agreement, the bonds of the School District delivered to the Authority to secure the obligations of the School District under its Financing Agreement, opinions of counsel to the Authority, the Trustee and the School District, the opinion of bond counsel to the School District, certificates of the Authority, the Trustee, the School District and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and certificates, and of the legal conclusions contained in the opinions, referred to above. We call

attention to the fact that the rights and obligations under the Bonds, the Resolutions and the Financing Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto herein.

Based on the foregoing and subject to the further assumptions and qualifications hereinafter set forth, we are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Bonds thereunder.

2. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect, and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms. The Master Resolution and the Series 2015 Resolution create a valid pledge to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Master Resolution and the Series 2015 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the Series 2015 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the Series 2015 Resolution.

3. The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Bonds are legal, valid and binding special obligations of the Authority payable solely from the sources provided therefor in the Master Resolution and the Series 2015 Resolution, and will be entitled to the benefit of the Master Resolution, the Series 2015 Resolution and the Act.

4. The Financing Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the School District, constitutes the valid and binding agreement of the Authority enforceable in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and said State is not liable for the payment thereof.

6. The interest on the Bonds is exempt under existing statutes from personal income taxes imposed by the State of New York and its political subdivisions thereof (including The City of New York).

Other than the foregoing, we express no opinion regarding other state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

We have also examined an executed Bond, and the form of said bonds and its execution are regular and proper.

Very truly yours

Appendix F

SCHEDULE A

Series 2015F:

City School District of the City of Utica

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

Appendix G

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “Nonpayment” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “Notice” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Appendix G

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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