

**SUPPLEMENT DATED JUNE 14, 2017
TO
OFFICIAL STATEMENT DATED MAY 11, 2017
RELATING TO**

\$302,510,000

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

| | | | | |
|---------------------|----------------------|---------------------|---------------------|---------------------|
| \$92,135,000 | \$131,050,000 | \$39,485,000 | \$22,150,000 | \$17,690,000 |
| SERIES | SERIES | SERIES | SERIES | SERIES |
| 2017A | 2017B | 2017C | 2017D | 2017E |

1. The “DAC Bond” logo is hereby deleted from the cover of the Official Statement.
2. The fourth paragraph under the heading “**PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS – Bond Insurance** – *Build America Mutual Assurance Company – BAM*” on page 11 of the Official Statement is hereby amended and restated in its entirety to read as follows:

“BAM’s financial strength is rated “AA” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). On June 6, 2017, S&P placed its financial strength rating on BAM on CreditWatch with negative implications. If S&P determines that a downgrade of BAM is appropriate, it does not expect to lower BAM’s ratings by more than one notch. 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 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 BAM 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 BAM Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the BAM 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 BAM Policy), and BAM does not guarantee the market price or liquidity of the BAM Insured Bonds, nor does it guarantee that the rating on the BAM Insured Bonds will not be revised or withdrawn.”

3. The third paragraph under the heading “**PART 16 - RATINGS**” on page 38 of the Official Statement is hereby amended and restated in its entirety to read as follows:

“S&P has assigned a rating of “AA” to the BAM Insured Bonds, based on the understanding that the BAM Policy insuring the scheduled repayment of principal and interest due with respect to the BAM Insured Bonds will be issued by BAM upon the issuance of the BAM Insured Bonds. However, on June 6, 2017, S&P placed BAM’s financial strength rating of “AA” on CreditWatch with negative implications. See “**PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS – Bond Insurance** – *Build America Mutual Assurance Company – BAM*.””

* The Series 2017E Bonds maturing October 1, 2022 through and including October 1, 2029 are insured by Build America Mutual Insurance Company.



DAC Bond

| | | | | |
|---|----------------------|---------------------|--|---------------------|
| \$302,510,000 | | | | |
| DORMITORY AUTHORITY OF THE STATE OF NEW YORK | | | | |
| SCHOOL DISTRICTS REVENUE BOND | | | | |
| FINANCING PROGRAM REVENUE BONDS | | | | |
| \$92,135,000 | \$131,050,000 | \$39,485,000 | \$22,150,000 | \$17,690,000 |
| SERIES | SERIES | SERIES | SERIES | SERIES |
| 2017A | 2017B | 2017C | 2017D | 2017E |
| Dated: Date of Delivery | | | Due: As shown on the inside cover | |

Payment and Security: The School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017A (the "Series 2017A Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017B (the "Series 2017B Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017C (the "Series 2017C Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017D (the "Series 2017D Bonds"), and the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017E (the "Series 2017E Bonds") and, together with the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds and the Series 2017D Bonds, the "Series 2017 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 (collectively the "Agreements"), dated as of March 8, 2017, 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 Revenue Bond Resolution adopted May 29, 2002, as amended and supplemented (the "Master Resolution"), and established by DASNY's Series Resolutions, adopted March 8, 2017 authorizing such Series (individually, the "Series 2017A Resolution," the "Series 2017B Resolution," the "Series 2017C Resolution," the "Series 2017D Resolution" and the "Series 2017E Resolution" and, together, the "Series 2017 Resolutions"). The Master Resolution and the Series 2017 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 2017 Bonds and no real property of any School District secures the Series 2017 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 2017 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 consisting primarily of State aid payable 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 2017 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 under its respective Agreement could cause a default on the Series of the Series 2017 Bonds secured by such Agreement. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS."

The Series 2017 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 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds as set forth on the inside cover page of this Official Statement (collectively, the "AGM Insured Bonds") when due will be guaranteed under the municipal bond insurance policies (collectively, the "AGM Policy") to be issued concurrently with the delivery of the AGM Insured Bonds by Assured Guaranty Municipal Corp. ("AGM"). The scheduled payment of principal of and interest on certain maturities of the Series 2017E Bonds as set forth on the inside cover page of this Official Statement (collectively, the "BAM Insured Bonds" and, together with the AGM Insured Bonds, the "Insured Bonds") when due will be guaranteed under the municipal bond insurance policy (the "BAM Policy" and, together with the AGM Policy, collectively, the "Policy" or "Policies") to be issued concurrently with the delivery of the BAM Insured Bonds by Build America Mutual Assurance Company ("BAM" and, together with AGM, collectively, the "Insurer" or "Insurers").



Description: The Series 2017 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2017A Bonds, Series 2017B Bonds, Series 2017C Bonds and Series 2017D Bonds due each April 1 and October 1, commencing April 1, 2018 and interest on the Series 2017E Bonds due each April 1 and October 1, commencing October 1, 2018 will be payable by check or draft mailed to the registered owners of the Series 2017 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 2017 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 2017 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 2017 Bonds, by wire transfer to the owner of such Series of Series 2017 Bonds as more fully described herein.

The Series 2017 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 2017 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2017 Bonds, payments of the principal of and interest on such Series of Series 2017 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 2017 BONDS – Book-Entry Only System" herein.

Redemption: The Series 2017 Bonds are subject to redemption prior to maturity as more fully described herein.

Tax Exemption: In the opinion of Barclay Damon, LLP, Co-Bond Counsel, 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 2017 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") and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed under the Code. Such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Barclay Damon, LLP, and Marous Law Group P.C., Co-Bond Counsel, are of the opinion that, under existing statutes, interest on the Series 2017 Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). See "Part 10- TAX MATTERS" herein.

The Series 2017 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2017 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 Barclay Damon, LLP, Albany, New York, and Marous Law Group, 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, Katten Muchin Rosenman 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 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds and the Series 2017D Bonds in Albany, New York, on or about June 8, 2017, and the Series 2017E Bonds in Albany, New York, on or about July 12, 2017.

| | |
|----------------------------------|--------------------------|
| RBC Capital Markets | Raymond James |
| Drexel Hamilton | Fidelity Capital Markets |
| Goldman, Sachs & Co. LLC | J.P. Morgan |
| Janney Montgomery Scott LLC | Piper Jaffray & Co. |
| Loop Capital Markets | Ramirez & Co., Inc. |
| Oppenheimer & Co. | Stern Brothers & Co. |
| The Williams Capital Group, L.P. | |
| Roosevelt & Cross Incorporated | |

\$302,510,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$92,135,000
SERIES 2017A

| <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> | <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> |
|--------------------|---------------|----------------------|--------------|----------------------------|--------------------|---------------|----------------------|----------------------|----------------------------|
| 2018 | \$3,730,000 | 5.000% | 1.000% | 64990CVR9 | 2027 [†] | \$7,080,000 | 5.000% | 2.550% | 64990CWA5 |
| 2019 | 5,115,000 | 3.000 | 1.160 | 64990CVS7 | 2028 [†] | 7,460,000 | 5.000 | 2.650 ⁽²⁾ | 64990CWB3 |
| 2020 | 5,245,000 | 4.000 | 1.330 | 64990CVT5 | 2029 [†] | 7,800,000 | 5.000 | 2.770 ⁽²⁾ | 64990CWC1 |
| 2021 | 5,460,000 | 4.000 | 1.490 | 64990CVU2 | 2030 [†] | 8,190,000 | 5.000 | 2.840 ⁽²⁾ | 64990CWD9 |
| 2022 | 5,690,000 | 5.000 | 1.690 | 64990CVV0 | 2031 [†] | 7,115,000 | 5.000 | 2.920 ⁽²⁾ | 64990CWE7 |
| 2023 | 5,965,000 | 4.000 | 1.890 | 64990CVW8 | 2032 [†] | 3,265,000 | 5.000 | 2.990 ⁽²⁾ | 64990CWF4 |
| 2024 | 6,195,000 | 5.000 | 2.080 | 64990CVX6 | 2033 [†] | 590,000 | 3.375 | 3.470 | 64990CWG2 |
| 2025 | 6,400,000 | 5.000 | 2.290 | 64990CVY4 | 2034 [†] | 55,000 | 3.500 | 3.540 | 64990CWH0 |
| 2026 [†] | 6,730,000 | 5.000 | 2.410 | 64990CVZ1 | 2035 [†] | 50,000 | 3.500 | 3.600 | 64990CWI6 |

\$131,050,000
SERIES 2017B

| <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> | <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> |
|--------------------|---------------|----------------------|----------------------|----------------------------|--------------------|---------------|----------------------|-----------------------|----------------------------|
| 2018 | \$3,150,000 | 5.000% | 0.970% | 64990CWL3 | 2029 [†] | \$9,230,000 | 5.000% | 2.750% ⁽²⁾ | 64990CWW7 |
| 2019 | 5,935,000 | 3.000 | 1.130 | 64990CWL1 | 2030 [†] | 9,570,000 | 5.000 | 2.820 ⁽²⁾ | 64990CWX5 |
| 2020 | 6,125,000 | 4.000 | 1.300 | 64990CWM9 | 2031 [†] | 9,450,000 | 5.000 | 2.890 ⁽²⁾ | 64990CWY3 |
| 2021 | 6,370,000 | 4.000 | 1.460 | 64990CWN7 | 2032 [†] | 7,600,000 | 5.000 | 2.960 ⁽²⁾ | 64990CWX0 |
| 2022 | 6,635,000 | 5.000 | 1.640 | 64990CWP2 | 2033 [†] | 2,045,000 | 5.000 | 3.030 ⁽²⁾ | 64990CXA4 |
| 2023 | 6,960,000 | 4.000 | 1.840 | 64990CWQ0 | 2034 [†] | 1,670,000 | 5.000 | 3.100 ⁽²⁾ | 64990CXB2 |
| 2024 | 7,230,000 | 5.000 | 2.030 | 64990CWR8 | 2035 [†] | 1,750,000 | 5.000 | 3.160 ⁽²⁾ | 64990CXC0 |
| 2025 | 7,600,000 | 5.000 | 2.250 | 64990CWS6 | 2036 [†] | 1,835,000 | 5.000 | 3.200 ⁽²⁾ | 64990CXD8 |
| 2026 [†] | 7,970,000 | 5.000 | 2.370 | 64990CWT4 | 2037 [†] | 1,565,000 | 5.000 | 3.240 ⁽²⁾ | 64990CXE6 |
| 2027 [†] | 8,360,000 | 5.000 | 2.490 | 64990CWU1 | 2038 [†] | 1,040,000 | 3.625 | 3.730 | 64990CXF3 |
| 2028 [†] | 8,790,000 | 5.000 | 2.630 ⁽²⁾ | 64990CWW9 | | | | | |

\$4,635,000 5.000% Term Bonds due October 1, 2042[†], Yield: 3.330%⁽²⁾ CUSIP⁽¹⁾ 64990CXG1
\$5,535,000 3.750% Term Bonds due October 1, 2046[†], Yield: 3.850% CUSIP⁽¹⁾ 64990CXH9

\$39,485,000
SERIES 2017C

| <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> | <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> |
|--------------------|---------------|----------------------|--------------|----------------------------|--------------------|---------------|----------------------|----------------------|----------------------------|
| 2018 | \$1,300,000 | 5.000% | 0.970% | 64990CXJ5 | 2026 [†] | \$2,905,000 | 5.000% | 2.370% | 64990CXS5 |
| 2019 | 2,170,000 | 3.000 | 1.140 | 64990CXK2 | 2027 [†] | 3,055,000 | 5.000 | 2.490 | 64990CXT3 |
| 2020 | 2,235,000 | 4.000 | 1.290 | 64990CXL0 | 2028 [†] | 3,205,000 | 5.000 | 2.630 ⁽²⁾ | 64990CXU0 |
| 2021 | 2,320,000 | 4.000 | 1.460 | 64990CXM8 | 2029 [†] | 3,365,000 | 5.000 | 2.750 ⁽²⁾ | 64990CXV8 |
| 2022 | 2,415,000 | 5.000 | 1.640 | 64990CXN6 | 2030 [†] | 3,530,000 | 5.000 | 2.820 ⁽²⁾ | 64990CXW6 |
| 2023 | 2,535,000 | 4.000 | 1.840 | 64990CXP1 | 2031 [†] | 3,710,000 | 5.000 | 2.890 ⁽²⁾ | 64990CXX4 |
| 2024 | 2,635,000 | 5.000 | 2.030 | 64990CXQ9 | 2032 [†] | 1,340,000 | 5.000 | 2.960 ⁽²⁾ | 64990CXY2 |
| 2025 | 2,765,000 | 5.000 | 2.250 | 64990CXR7 | | | | | |

\$22,150,000
SERIES 2017D

| <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> | <u>Due Oct. 1,</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP⁽¹⁾</u> |
|--------------------|---------------|----------------------|--------------|----------------------------|--------------------|---------------|----------------------|----------------------|----------------------------|
| 2018 | \$850,000 | 2.000% | 0.900% | 64990CXZ9 | 2026 | \$1,575,000 | 5.000% | 2.380% | 64990CYH8 |
| 2019 | 1,185,000 | 3.000 | 1.130 | 64990CYA3 | 2027 | 1,655,000 | 5.000 | 2.510 | 64990CYJ4 |
| 2020 | 1,220,000 | 4.000 | 1.280 | 64990CYB1 | 2028 | 1,735,000 | 5.000 | 2.630 ⁽²⁾ | 64990CYK1 |
| 2021 | 1,270,000 | 3.000 | 1.460 | 64990CYC9 | 2029 | 1,820,000 | 5.000 | 2.750 ⁽²⁾ | 64990CYL9 |
| 2022 | 1,305,000 | 5.000 | 1.650 | 64990CYD7 | 2030 | 1,910,000 | 5.000 | 2.820 ⁽²⁾ | 64990CYM7 |
| 2023 | 1,375,000 | 4.000 | 1.830 | 64990CYE5 | 2031 | 2,005,000 | 5.000 | 2.890 ⁽²⁾ | 64990CYN5 |
| 2024 | 1,430,000 | 5.000 | 2.020 | 64990CYF2 | 2032 | 1,320,000 | 5.000 | 2.960 ⁽²⁾ | 64990CYP0 |
| 2025 | 1,495,000 | 5.000 | 2.210 | 64990CYG0 | | | | | |

\$17,690,000
SERIES 2017E

| Due | | | | | Due | | | | |
|----------------|---------------|-----------------|--------------|----------------------------|----------------|---------------|-----------------|----------------------|----------------------------|
| Oct. 1, | Amount | Interest | Yield | CUSIP⁽¹⁾ | Oct. 1, | Amount | Interest | Yield | CUSIP⁽¹⁾ |
| | | Rate | | | | | Rate | | |
| 2018 | \$705,000 | 5.000% | 1.000% | 64990CYQ8 | 2024* | \$1,610,000 | 5.000% | 2.200% | 64990CYW5 |
| 2019 | 1,315,000 | 3.000 | 1.230 | 64990CYR6 | 2025* | 1,690,000 | 5.000 | 2.400 | 64990CYX3 |
| 2020 | 1,365,000 | 4.000 | 1.430 | 64990CYS4 | 2026* | 1,775,000 | 5.000 | 2.560 | 64990CYY1 |
| 2021 | 1,410,000 | 3.000 | 1.650 | 64990CYT2 | 2027* | 1,870,000 | 5.000 | 2.700 | 64990CYZ8 |
| 2022* | 1,470,000 | 5.000 | 1.810 | 64990CYU9 | 2028* | 1,965,000 | 5.000 | 2.810 ⁽²⁾ | 64990CZA2 |
| 2023* | 1,535,000 | 4.000 | 2.000 | 64990CYV7 | 2029* | 980,000 | 5.000 | 2.940 ⁽²⁾ | 64990CZB0 |

⁽¹⁾ Copyright, American Bankers Association (“ABA”). CUSIP is a registered trademark of the ABA. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global 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 2017 Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2017 Bonds.

⁽²⁾ Priced at stated yield to the October 1, 2027 optional redemption date at a redemption price of 100%.

† Insured by Assured Guaranty Municipal Corp.

* 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 2017 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 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

References in this Official Statement to the Act, the Master Resolution, the Series 2017 Resolutions, the Agreements, the School District Bonds and the Policies do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2017 Resolutions, the Agreements, the School District Bonds and the Policies for full and complete details of their provisions. Copies of the Master Resolution, the Series 2017 Resolutions, the Agreements, the School District Bonds and the Policies 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.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain information in this Official Statement has been supplied or authorized by the School Districts, DTC, the Insurers 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.

The Insurers make no representation regarding the Series 2017 Bonds or the advisability of investing in the Series 2017 Bonds. In addition, the Insurers have not independently verified, make no representation regarding, and do 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 the Insurers, supplied by each respective Insurer and presented under the heading “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS – Bond Insurance”, “Appendix H – Specimen of AGM Municipal Bond Insurance Policy” and “Appendix I – Specimen of BAM Municipal Bond Insurance Policy.”

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 2017 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
GERRARD P. BUSHELL – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO

\$302,510,000

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

| | | | | |
|---------------------|----------------------|---------------------|---------------------|---------------------|
| \$92,135,000 | \$131,050,000 | \$39,485,000 | \$22,150,000 | \$17,690,000 |
| SERIES 2017A | SERIES 2017B | SERIES 2017C | SERIES 2017D | SERIES 2017E |

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 \$92,135,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017A (the “Series 2017A Bonds”), \$131,050,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017B (the “Series 2017B Bonds”), \$39,485,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017C (the “Series 2017C Bonds”), \$22,150,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017D (the “Series 2017D Bonds”), and \$17,690,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2017E (the “Series 2017E Bonds” and, together with the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds and the Series 2017D Bonds, the “Series 2017 Bonds”).

The following is a brief description of certain information concerning each Series of the Series 2017 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 2017 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 2017 Bonds are being issued and the proceeds thereof together with other funds available to DASNY will be used (i) (a) to finance all or a portion of the costs of school district capital facilities and school district capital equipment for the School Districts identified in Appendix B and/or (b) 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 2017 Bonds) and (ii) to pay the Costs of Issuance of the Applicable Series of Series 2017 Bonds. The School Districts for which the Series 2017 Bonds are being issued are listed in Appendix B hereto. See “PART 6 – 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 applicable Agreement, will deliver its school district bonds (the “School District Bonds”) to DASNY.

Each Series of the Series 2017 Bonds will be issued pursuant to the Master Resolution, the applicable Series 2017 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 2017 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 the State to the school district consisting primarily of State aid payable 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 2017 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, 2016 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 2017 Bonds

The Series 2017 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 2017A Bonds, Series 2017B Bonds, Series 2017C Bonds and Series 2017D Bonds is payable each April 1 and October 1, commencing April 1, 2018. Interest on the Series 2017E Bonds is payable each April 1 and October 1, commencing October 1, 2018. See “PART 3 – THE SERIES 2017 BONDS – Description of the Series 2017 Bonds.”

Payment of the Series 2017 Bonds

Each Series of the Series 2017 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 securing such Series of Series 2017 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 2017 Bonds from the proceeds of which each School District will receive a Loan. 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 2017 Bonds and the Pledged Revenues in respect of such Series 2017 Bonds have been pledged to the Trustee to secure solely such Series 2017 Bonds and no other Series of Bonds. However, if more than one Series of Bonds has in the past been issued or will in the future 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 2017 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 2017 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 2017 Bonds” below. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to Insured Bonds (defined herein), the only other source of payment for such Insured Bonds will be the payment made by the applicable Insurer (defined herein) under the applicable 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 2017 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 2017 BONDS – Payment of the Series 2017 Bonds” and “– Security for the Series 2017 Bonds.”

Security for the Series 2017 Bonds

Each Series of the Series 2017 Bonds will be secured by the pledge and assignment to the Trustee of payments due under the respective School District’s Agreement in respect of such Series 2017 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 2017 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 2017 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 2017 BONDS – Security for the Series 2017 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 maturities of the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds as set forth on the inside cover page of this Official Statement (collectively, the “AGM Insured Bonds”) when due will be guaranteed under the municipal bond insurance policies (collectively, the “AGM Policy”) to be issued concurrently with the delivery of the AGM Insured Bonds by Assured Guaranty Municipal Corp. (“AGM”). The scheduled payment of principal of and interest on certain maturities of the Series 2017E Bonds as set forth on the inside cover page of this Official Statement (collectively, the “BAM Insured Bonds”) and, together with the AGM Insured Bonds, the “Insured Bonds”) when due will be guaranteed under the municipal bond insurance policy (the “BAM Policy”) and, together with the AGM Policy, collectively, the “Policy” or “Policies”) to be issued concurrently with the delivery of the BAM Insured Bonds by Build America Mutual Assurance Company (“BAM” and, together with AGM, collectively, the “Insurer” or “Insurers”). See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS – Bond Insurance.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 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 2017 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 2017 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 2017 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 2017 Bonds

Each Series of the Series 2017 Bonds will be special obligations of DASNY. The principal and Redemption Price of and interest on each Series of the Series 2017 Bonds are payable solely from the Revenues pledged to such Series 2017 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2017 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2017 Bonds have been pledged to the Trustee for the payment of such Series 2017 Bonds.

Loan Repayments in respect of each Series of the Series 2017 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 2017 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal of and interest on such Series 2017 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 2017 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 Insured Bonds, the only other source of payment for such Insured Bonds will be the payment made by the applicable Insurer under the applicable 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 2017 Bonds will have the right to accelerate the obligation of the defaulting School District under its Agreement. See "-- Bond Insurance" below.

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance or refinance 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 2017 Bonds

Each Series of the Series 2017 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 2017 Bonds, all funds and accounts authorized by the Master Resolution and established by the applicable Series 2017 Resolution (with the exception of the Arbitrage Rebate Fund), and DASNY's security interest in the Pledged Revenues in respect of such Series 2017 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 2017 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2017 Bonds. The Series 2017 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. 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 "-- Additional Bonds and Other Indebtedness" below.

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 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 2017 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 2017 Bonds, the proceeds of such Series 2017 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 2017 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 2017 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 2017 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 primary component of Pledged Revenues is State aid payable to a 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 several factors including but not limited to 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 2017 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.

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In addition to the proposed issuance of the Series 2017 Bonds, DASNY has also previously issued the following Outstanding 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> |
|--|--|
| Akron Central School District | 2012J |
| Averill Park Central School District | 2010A |
| Baldwinsville Central School District | 2012B, 2014D |
| Belleville Henderson Central School District | 2012F ¹ |
| City School District of the City of Binghamton | 2011H, 2012A, 2013A |
| Chazy Central Rural School District | 2011B |
| Churchville-Chili Central School District | 2009B/2016B ² |
| East Rochester Union Free School District | 2013C |
| Fredonia Central School District | 2012F |
| City School District of the City of Fulton | 2011A |
| Greene Central School District | 2011A |
| Indian River Central School District at Philadelphia | 2010A |
| Johnson City Central School District | 2010A |
| LaFayette Central School District | 2011A |
| Lansing Central School District | 2013D, 2015E |
| Lowville Central School District | 2011A |
| Malone Central School District | 2011H, 2013A |
| Marathon Central School District | 2013A |
| North Syracuse Central School District | 2010D |
| City School District of the City of Rome | 2008A/2016A ² , 2010A, 2011A, 2015D |
| Rotterdam-Mohonasen Central School District | 2012A |
| Thousand Islands Central School District | 2009B/2016A ² |
| Union-Endicott Central School District | 2012F |
| City School District of the City of Utica | 2012D, 2013E, 2015F, 2016J |
| Waterville Central School District | 2011H |
| West Genesee Central School District | 2012H |
| Windsor Central School District | 2012A |

The Resolutions and the MOU also provide that, to the extent that (i) DASNY issues more than one Series of Bonds to finance or refinance 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 to evidence their respective obligations under the Agreements, each of the School Districts has the power in accordance with the New York

¹ District is scheduled to make its last debt service payment of \$125,000 on June 1, 2017.

² Callable maturities of the first series of bonds were refunded by the second series of bonds. Non-callable maturities of the first series of bonds remain outstanding.

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 Constitutional and Statutory Debt Provisions.”

General

The Series 2017 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 are 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 “– Security for the Series 2017 Bonds” above. 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 applicable Insurer is not in default under the respective Policy, the Trustee must exercise remedies at the direction of the applicable Insurer and may not exercise remedies at the direction of the applicable Holders without the consent of the applicable Insurer.

Bond Insurance

The following information is not complete and reference is made to Appendix H and Appendix I, respectively, to this Official Statement for a specimen of the Policy of each Insurer.

Assured Guaranty Municipal Corp.

Bond Insurance Policy

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

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

AGM

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 27, 2016, S&P issued a credit rating report in which it affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

On December 14, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Capitalization of AGM

At March 31, 2017, (i) the policyholders' surplus of AGM was approximately \$2,204 million; (ii) the contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,263 million; and (iii) the net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,349 million. The contingency reserve amount set forth above includes (i) 100% of AGM's contingency reserve, and (ii) 60.7% of MAC's contingency reserve. The net unearned premium reserve amount set forth above includes (i) 100% of the net unearned premium reserves of AGM and AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and (ii) 60.7% of the net unearned premium reserve of MAC. The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of Assured Guaranty (Europe) Ltd were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed by AGL with the SEC on February 24, 2017); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (filed by AGL with the SEC on May 5, 2017).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "Bond Insurance – Assured Guaranty Municipal Corp. – AGM" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the AGM Insured Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading “Bond Insurance”.

Build America Mutual Assurance Company

Bond Insurance Policy

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

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

BAM

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 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 BAM 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, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$504.2 million, \$71.5 million and \$432.7 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 BAM Insured Bonds or the advisability of investing in the 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/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles 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 Credit Profiles 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 Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the BAM Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the BAM 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 such Insured Bonds as a voidable preference under applicable bankruptcy law, the Trustee, on behalf of the owners of the applicable Insured Bonds, shall have a claim under the applicable 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 each 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 H – Specimen of AGM Municipal Bond Insurance Policy" and "Appendix I – Specimen of BAM Municipal Bond Insurance Policy."

In the event that an Insurer is unable to make payment of principal or interest as such payments become due under the applicable Policy, the applicable Insured Bonds are payable solely from the moneys available under the applicable Series 2017 Resolution. In the event that an Insurer becomes obligated to make payments with respect to the applicable Insured Bonds, no assurance is given that such event will not adversely affect the market price of such Insured Bonds or the marketability of such Insured Bonds.

The long-term ratings on each of the Insured Bonds are dependent in part on the financial strength of the applicable Insurer and its claims paying ability. Each Insurer's financial strength and claims paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of each Insurer and the ratings of the applicable Insured Bonds will not be subject to downgrade. Any such event could adversely affect the market price or marketability of the applicable Insured Bonds. See “– Bond Insurance – Assured Guaranty Municipal Corp. – AGM”, “– Bond Insurance – Build America Mutual Assurance Company – BAM” and “PART 17 – RATINGS” herein.

The obligations of each of the Insurers under each of the respective Policies are contractual obligations and, in an event of default by either of the Insurers, 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 an independent investigation into the claims paying ability of the Insurers and no assurance or representation regarding the financial strength or projected financial strength of the Insurers is given. See “– Bond Insurance” herein for further information provided by the Insurers and the Policies, which includes further instructions for obtaining current financial information concerning the Insurers.

PART 3 – THE SERIES 2017 BONDS

Description of the Series 2017 Bonds

The Series 2017 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 2017A Bonds, Series 2017B Bonds, Series 2017C Bonds and Series 2017D Bonds is payable each April 1 and October 1, commencing April 1, 2018. Interest on the Series 2017E Bonds is payable each April 1 and October 1, commencing October 1, 2018.

The Series 2017 Bonds will be issued as fully registered bonds. The Series 2017 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2017 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 2017 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2017 Bonds, the Series 2017 Bonds will be exchangeable for other fully registered Series 2017 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 “– Book-Entry Only System” and “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Interest on the Series 2017 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 2017 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 2017 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 2017 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 2017 Bonds, see “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Redemption Provisions

The Series 2017 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2017 Bonds maturing on or before October 1, 2027 are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing after October 1, 2027 are subject to redemption prior to maturity on or after October 1, 2027 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 2017A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2017B Bonds maturing on October 1, 2042 are subject to mandatory sinking fund redemption, in part, on each of the dates and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of Series 2017B Bonds specified for each of the dates shown below:

| Series 2017B Term Bonds Maturing October 1, 2042 | |
|---|--|
| <u>October 1,</u> | <u>Sinking Fund Installment</u> |
| 2039 | \$1,075,000 |
| 2040 | 1,130,000 |
| 2041 | 1,185,000 |
| 2042 † | 1,245,000 |

† Stated maturity.

The Series 2017B Bonds maturing on October 1, 2046 are subject to mandatory sinking fund redemption, in part, on each of the dates and in the respective principal amounts set forth below, at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amounts of Series 2017B Bonds specified for each of the dates shown below:

| Series 2017B Term Bonds Maturing October 1, 2046 | |
|---|--|
| <u>October 1,</u> | <u>Sinking Fund Installment</u> |
| 2043 | \$1,310,000 |
| 2044 | 1,355,000 |
| 2045 | 1,410,000 |
| 2046 † | 1,460,000 |

† Stated maturity.

Notice of Redemption

Whenever the Series 2017 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2017 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 2017 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 2017 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 2017 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2017 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 2017 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 2017 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 2017 Bonds. The Series 2017 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 2017 Bond certificate will be issued for each maturity of each Series of the Series 2017 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. 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 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2017 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 2017 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 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 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 2017 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 2017 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2017 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 BONDS.

So long as Cede & Co. is the registered owner of the Series 2017 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2017 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 2017 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 2017 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, INDIRECT PARTICIPANTS OR 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 2017 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 2017 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 2017 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2017 BONDS; OR (VI) ANY OTHER MATTER.

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Principal and Interest Requirements

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2017A Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period

| <u>Ending October 1,</u> | <u>Principal of the Series 2017A Bonds</u> | <u>Interest on the Series 2017A Bonds</u> | <u>Total Debt Service on the Series 2017A Bonds</u> |
|------------------------------|--|---|---|
| 2018 | \$3,730,000 | \$5,684,655 | \$9,414,655 |
| 2019 | 5,115,000 | 4,140,088 | 9,255,088 |
| 2020 | 5,245,000 | 3,986,638 | 9,231,638 |
| 2021 | 5,460,000 | 3,776,838 | 9,236,838 |
| 2022 | 5,690,000 | 3,558,438 | 9,248,438 |
| 2023 | 5,965,000 | 3,273,938 | 9,238,938 |
| 2024 | 6,195,000 | 3,035,338 | 9,230,338 |
| 2025 | 6,400,000 | 2,725,588 | 9,125,588 |
| 2026 | 6,730,000 | 2,405,588 | 9,135,588 |
| 2027 | 7,080,000 | 2,069,088 | 9,149,088 |
| 2028 | 7,460,000 | 1,715,088 | 9,175,088 |
| 2029 | 7,800,000 | 1,342,088 | 9,142,088 |
| 2030 | 8,190,000 | 952,088 | 9,142,088 |
| 2031 | 7,115,000 | 542,588 | 7,657,588 |
| 2032 | 3,265,000 | 186,838 | 3,451,838 |
| 2033 | 590,000 | 23,588 | 613,588 |
| 2034 | 55,000 | 3,675 | 58,675 |
| 2035 | 50,000 | 1,750 | 51,750 |

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The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2017B Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period

| <u>Ending October 1,</u> | <u>Principal of the Series 2017B Bonds</u> | <u>Interest on the Series 2017B Bonds</u> | <u>Total Debt Service on the Series 2017B Bonds</u> |
|-------------------------------------|---|--|--|
| 2018 | \$3,150,000 | \$8,087,988 | \$11,237,988 |
| 2019 | 5,935,000 | 5,998,263 | 11,933,263 |
| 2020 | 6,125,000 | 5,820,213 | 11,945,213 |
| 2021 | 6,370,000 | 5,575,213 | 11,945,213 |
| 2022 | 6,635,000 | 5,320,413 | 11,955,413 |
| 2023 | 6,960,000 | 4,988,663 | 11,948,663 |
| 2024 | 7,230,000 | 4,710,263 | 11,940,263 |
| 2025 | 7,600,000 | 4,348,763 | 11,948,763 |
| 2026 | 7,970,000 | 3,968,763 | 11,938,763 |
| 2027 | 8,360,000 | 3,570,263 | 11,930,263 |
| 2028 | 8,790,000 | 3,152,263 | 11,942,263 |
| 2029 | 9,230,000 | 2,712,763 | 11,942,763 |
| 2030 | 9,570,000 | 2,251,263 | 11,821,263 |
| 2031 | 9,450,000 | 1,772,763 | 11,222,763 |
| 2032 | 7,600,000 | 1,300,263 | 8,900,263 |
| 2033 | 2,045,000 | 920,263 | 2,965,263 |
| 2034 | 1,670,000 | 818,013 | 2,488,013 |
| 2035 | 1,750,000 | 734,513 | 2,484,513 |
| 2036 | 1,835,000 | 647,013 | 2,482,013 |
| 2037 | 1,565,000 | 555,263 | 2,120,263 |
| 2038 | 1,040,000 | 477,013 | 1,517,013 |
| 2039 | 1,075,000 | 439,313 | 1,514,313 |
| 2040 | 1,130,000 | 385,563 | 1,515,563 |
| 2041 | 1,185,000 | 329,063 | 1,514,063 |
| 2042 | 1,245,000 | 269,813 | 1,514,813 |
| 2043 | 1,310,000 | 207,563 | 1,517,563 |
| 2044 | 1,355,000 | 158,438 | 1,513,438 |
| 2045 | 1,410,000 | 107,625 | 1,517,625 |
| 2046 | 1,460,000 | 54,750 | 1,514,750 |

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2017C Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period

| <u>Ending October 1,</u> | <u>Principal of the Series 2017C Bonds</u> | <u>Interest on the Series 2017C Bonds</u> | <u>Total Debt Service on the Series 2017C Bonds</u> |
|-------------------------------------|---|--|--|
| 2018 | \$1,300,000 | \$2,443,768 | \$ 3,743,768 |
| 2019 | 2,170,000 | 1,794,950 | 3,964,950 |
| 2020 | 2,235,000 | 1,729,850 | 3,964,850 |
| 2021 | 2,320,000 | 1,640,450 | 3,960,450 |
| 2022 | 2,415,000 | 1,547,650 | 3,962,650 |
| 2023 | 2,535,000 | 1,426,900 | 3,961,900 |
| 2024 | 2,635,000 | 1,325,500 | 3,960,500 |
| 2025 | 2,765,000 | 1,193,750 | 3,958,750 |
| 2026 | 2,905,000 | 1,055,500 | 3,960,500 |
| 2027 | 3,055,000 | 910,250 | 3,965,250 |
| 2028 | 3,205,000 | 757,500 | 3,962,500 |
| 2029 | 3,365,000 | 597,250 | 3,962,250 |
| 2030 | 3,530,000 | 429,000 | 3,959,000 |
| 2031 | 3,710,000 | 252,500 | 3,962,500 |
| 2032 | 1,340,000 | 67,000 | 1,407,000 |

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2017D Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period

| <u>Ending October 1,</u> | <u>Principal of the Series 2017D Bonds</u> | <u>Interest on the Series 2017D Bonds</u> | <u>Total Debt Service on the Series 2017D Bonds</u> |
|-------------------------------------|---|--|--|
| 2018 | \$850,000 | \$1,323,020 | \$2,173,020 |
| 2019 | 1,185,000 | 989,950 | 2,174,950 |
| 2020 | 1,220,000 | 954,400 | 2,174,400 |
| 2021 | 1,270,000 | 905,600 | 2,175,600 |
| 2022 | 1,305,000 | 867,500 | 2,172,500 |
| 2023 | 1,375,000 | 802,250 | 2,177,250 |
| 2024 | 1,430,000 | 747,250 | 2,177,250 |
| 2025 | 1,495,000 | 675,750 | 2,170,750 |
| 2026 | 1,575,000 | 601,000 | 2,176,000 |
| 2027 | 1,655,000 | 522,250 | 2,177,250 |
| 2028 | 1,735,000 | 439,500 | 2,174,500 |
| 2029 | 1,820,000 | 352,750 | 2,172,750 |
| 2030 | 1,910,000 | 261,750 | 2,171,750 |
| 2031 | 2,005,000 | 166,250 | 2,171,250 |
| 2032 | 1,320,000 | 66,000 | 1,386,000 |

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2017E Bonds during each twelve-month period ending October 1 of the years shown.

12-Month Period

| <u>Ending October 1,</u> | <u>Principal of the Series 2017E Bonds</u> | <u>Interest on the Series 2017E Bonds</u> | <u>Total Debt Service on the Series 2017E Bonds</u> |
|-------------------------------------|---|--|--|
| 2018 | \$705,000 | \$976,775 | \$1,681,775 |
| 2019 | 1,315,000 | 765,750 | 2,080,750 |
| 2020 | 1,365,000 | 726,300 | 2,091,300 |
| 2021 | 1,410,000 | 671,700 | 2,081,700 |
| 2022 | 1,470,000 | 629,400 | 2,099,400 |
| 2023 | 1,535,000 | 555,900 | 2,090,900 |
| 2024 | 1,610,000 | 494,500 | 2,104,500 |
| 2025 | 1,690,000 | 414,000 | 2,104,000 |
| 2026 | 1,775,000 | 329,500 | 2,104,500 |
| 2027 | 1,870,000 | 240,750 | 2,110,750 |
| 2028 | 1,965,000 | 147,250 | 2,112,250 |
| 2029 | 980,000 | 49,000 | 1,029,000 |

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 counsels 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 relating to each School District is included in Appendix C. The financial statements as of the fiscal year ended June 30, 2016 of each of the School Districts and certain 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 (the “Estoppel Procedure”).

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 school district 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 pledged and assigned by the School Districts to DASNY directly to DASNY for payments of amounts due under any 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 the applicable Agreement. The Commissioner of Education, in turn, is required to include in a 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 under the applicable Agreement 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 has agreed 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 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. See also the financial statements filed by the School Districts with the MSRB through its EMMA system and incorporated by reference herein.

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 its 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, 2020.

The School District Bonds of each School District will be Capital Project Obligations and, therefore, Loan Repayments on the School District Bonds are not subject to a School District’s Tax Cap.

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

Chapter 59 of the Laws of 2014 (“Chapter 59”) included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved “government efficiency plan” which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the Laws of 2015 (“Chapter 20”) introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District (“MCTD”) received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 will vary based on a taxpayer’s personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district’s compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the “Big 4” cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the “Big 4” cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of Chapter 97.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law.

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 \$86,000 or less, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$65,300 for the 2016-17 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.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget includes changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year’s amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year’s STAR credit check or taxpayers also may account for those changes in their State income taxes.

State Aid. Each school district receives appropriations from the State of 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. During the 2011 to 2016 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 2015-2016 Enacted Budget provided for school aid of approximately \$23.5 billion, an increase of \$1.3 billion in school aid spending from the 2014-2015 school year. The State’s 2016-2017 Enacted Budget provided for school aid of approximately \$24.8 billion, an increase of \$1.3 billion in school aid spending from the 2015-2016 school year. The State’s 2017-2018 Enacted Budget provides for school aid of approximately \$25.8 billion, an increase of \$1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State’s usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continues to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor’s plan. 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. The State’s 2017-2018 Budget was adopted on April 9, 2017, a delay

of approximately 8 days. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

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

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions 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 2011-2012 through 2015-2016 fiscal years, the budgeted amount of such payments to be made to the Retirement Systems in the 2016-2017 fiscal year and the proposed amount of such payments to be made to the Retirement Systems in the 2017-2018 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 City School District of the City of Utica which received a designation of "moderate fiscal stress" and the City School District of the City of Fulton, the Indian River Central School District, and the Scio Central School District, each of which received a designation of "susceptible to 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 – THE PLAN OF FINANCE

A portion of the proceeds of each Series of the Series 2017 Bonds will be used to provide for (i)(a) the financing of all or a portion of the costs of school district capital facilities and school district capital equipment of the School Districts and/or (b) 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; and (ii) to pay for the costs of issuance of the applicable Series of the Series 2017 Bonds. Additional information regarding the indebtedness of each School District is included in Appendix C.

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

| Estimated Sources of Funds | Series 2017A | Series 2017B | Series 2017C | Series 2017D | Series 2017E |
|------------------------------------|------------------------|------------------------|----------------------|---------------------|----------------------|
| | <u>Bonds</u> | <u>Bonds</u> | <u>Bonds</u> | <u>Bonds</u> | <u>Bonds</u> |
| Principal Amount | \$92,135,000 | \$131,050,000 | \$39,485,000 | \$22,150,000 | \$17,690,000 |
| Net Original Issue Premium | <u>15,242,834</u> | <u>21,033,041</u> | <u>6,746,383</u> | <u>3,686,457</u> | <u>2,600,824</u> |
| Total Estimated Sources | \$107,377,834 | \$152,083,041 | \$46,231,383 | \$25,836,457 | \$20,290,824 |
| Estimated Uses of Funds | | | | | |
| Deposit to Project Account..... | \$105,284,504 | \$149,166,962 | \$45,444,289 | \$25,420,000 | \$20,000,000 |
| Costs of Issuance * | 1,479,460 [†] | 2,049,148 [†] | 529,677 [†] | 275,885 | 184,110 [†] |
| Underwriter’s Discount | <u>613,870</u> | <u>866,931</u> | <u>257,417</u> | <u>140,572</u> | <u>106,714</u> |
| Total Estimated Uses | \$107,377,834 | \$152,083,041 | \$46,231,383 | \$25,836,457 | \$20,290,824 |

* Includes additional proceeds.
[†] Includes bond insurance premium.

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, 2017, DASNY had approximately \$47.9 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 507 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 46 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 term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

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 expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

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 expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. 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.

PAUL S. ELLIS, ESQ., New York

Paul S. Ellis was appointed as a Member of DASNY by the Speaker of the State Assembly on September 19, 2016. Mr. Ellis is the Managing Member of Paul Ellis Law Group LLC, a law firm with a corporate/securities/capital markets practice with emphasis on private placements, mergers and acquisitions, venture capital/private equity transactions and joint ventures. He previously worked for Donovan Leisure Newton & Irvine and Winston & Strawn and served in staff positions in the U.S. Senate and the Massachusetts House of Representatives. He co-founded the New York Technology Council and serves on the Board of the NY Tech Alliance and as Chairman of the Housing Committee of Bronx Community Board 8. He holds a Bachelor of Arts degree from Harvard University and a Juris Doctor degree from Georgetown University Law Center.

MARYELLEN ELIA, *Commissioner of Education of the State of New York*, Loudonville; *ex-officio*.

MaryEllen Elia was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective July 6, 2015. As Commissioner of Education, Ms. Elia serves as Chief Executive Officer of the State Education Department and as President 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. Prior to her appointment in New York, Ms. Elia served as Superintendent of Schools in Hillsborough County, Florida for 10 years. She began her career in education in 1970 as a social studies teacher in Buffalo's Sweet Home Central School District and taught for 19 years before becoming an administrator. She holds a Bachelor of Arts degree in History from Daemen College in Buffalo, a Master of Education from the University at Buffalo and a Master of Professional Studies from SUNY Buffalo.

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 Juris Doctor degree from Fordham University School of Law and a Master of Laws degree from Columbia Law School.

ROBERT F. MUJICA, JR., *Budget Director of the State of New York*, Albany; *ex-officio*.

Robert F. Mujica Jr. was appointed Director of the Budget by the Governor and began serving on January 14, 2016. He 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. Prior to his appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, he advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his Bachelor of Arts degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration from the University of Pennsylvania and holds a Juris Doctor degree from Albany Law School.

The principal staff of DASNY is as follows:

GERRARD P. BUSHHELL is the President and chief executive officer of DASNY. Mr. Bushell is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Bushell was Director, Senior Institutional Advisor of BNY Mellon's alternative and traditional investment management businesses. Prior thereto, he held a number of senior advisory roles, including Director, Client Partner Group at Kohlberg Kravis Roberts & Co. (KKR), Managing Director, Institutional Sales at Arden Asset Management LLC and Head of Institutional Sales at ClearBridge: a Legg Mason Company (formerly Citi Asset Management). Mr. Bushell previously served as Director of Intergovernmental Affairs for New York State Comptroller H. Carl McCall. Mr. Bushell holds a Bachelor of Arts degree, Master of Arts degree and Ph.D. in Political Science from Columbia University.

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 of Arts degree in Economics from the State University of New York at Plattsburgh and a Master of Arts degree in Business Administration from the University of Massachusetts.

KIMBERLY J. NADEAU is the Chief Financial Officer and Treasurer of DASNY. As Chief Financial Officer and Treasurer, Ms. Nadeau is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, budget, payroll, insurance and information services, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. She previously was Vice President-Accounting and Controller for US Light Energy. Prior to that she was Vice President-Accounting and Controller for CH Energy Group, Inc. and held various positions culminating in a director level position at Northeast Utilities. Ms. Nadeau also held various positions with increasing responsibility at Coopers & Lybrand LLP. She holds a Bachelor of Science degree in Accounting, a Master of Business Administration with a concentration in Management and a Juris Doctor degree from the University of Connecticut. She is licensed to practice law in New York and Connecticut.

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. In addition, he is responsible for the supervision of DASNY's environmental affairs unit. 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.

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 of Arts degree from the State University of New York at Albany.

STEPHEN D. CURRO is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, real property, sustainability and engineering, as well as other technical 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.

CAROLINE V. GRIFFIN is the Chief of Staff of DASNY. She is responsible for overseeing intergovernmental relations and managing the Communications & Marketing Department, as well as coordinating policy and operations across DASNY's multiple business lines. Ms. Griffin most recently served as the Director of Intergovernmental Affairs for Governor Andrew M. Cuomo where she worked as the Governor's liaison with federal, state and local elected officials and managed staff serving in various capacities in the Governor's Office. Prior to that she served as the Assistant Executive Deputy Secretary for Governor Andrew M. Cuomo overseeing the operations staff and Assistant Secretary for Intergovernmental Affairs for both Governor David A. Paterson and Governor Eliot Spitzer. She holds a Bachelor of Arts degree in Communications from Boston College.

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, 2016. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 – LEGALITY OF THE SERIES 2017 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2017 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 2017 Bonds.

The Series 2017 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 2017 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 2017 Bonds.

PART 10 – TAX MATTERS

In the opinion of Barclay Damon, LLP, Co-Bond Counsel, 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 2017 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”) and is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed under the Code. Such interest is included in adjusted current earnings when

calculating corporate alternative minimum taxable income. Co-Bond Counsel is also of the opinion that, under existing statutes, interest on the Series 2017 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

The Code imposes various requirements that must be met in order that interest on the Series 2017 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 2017 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 2017 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 2017 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 Barclay Damon, 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 Barclay Damon, LLP. The opinion of Barclay Damon, LLP states that no opinion is rendered as to the exclusion from gross income of interest on the Series 2017 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 Co-Bond Counsel.

Certain maturities of Series 2017 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 2017 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 2017 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 2017 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2017 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 2017 Bonds. Barclay Damon, 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 2017 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 2017 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 2017 Bonds, if other than the registered owner).

In the opinion of Co-Bond Counsel, interest on the Series 2017 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 Opinions of Co-Bond Counsel.”

The opinion of Barclay Damon, LLP is based on current legal authority, covers certain matters not directly addressed by such authority and represents Barclay Damon, LLP’s judgment as to the proper treatment of the Series 2017 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 2017 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 2017 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 2017 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 2017 Bonds may occur. Prospective purchasers of the Series 2017 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 Co-Bond Counsel expresses no opinion.

Co-Bond Counsel’s engagement with respect to the Series 2017 Bonds ends with the issuance of the Series 2017 Bonds and, unless separately engaged, Co-Bond Counsel is not obligated to defend DASNY, the School Districts or the Bondholders regarding the tax-exempt status of the Series 2017 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 2017 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 2017 Bonds, and may cause DASNY, the School Districts or the Bondholders to incur significant expense.

PART 11 – STATE NOT LIABLE ON THE SERIES 2017 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 2017 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 2017 Bonds by DASNY are subject to the approval of Barclay Damon, LLP, Albany, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2017 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, Katten Muchin Rosenman 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.

Barclay Damon, LLP also serves as bond counsel to certain school districts as listed in Appendix B hereto.

There is no pending litigation restraining or enjoining the issuance or delivery of the Series 2017 Bonds or questioning or affecting the validity of the Series 2017 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 2017A Bonds from DASNY at an aggregate purchase price of \$106,763,963.63 (which represents the par amount of the Series 2017A Bonds, less the underwriters' discount of \$613,870.77 plus net premium of \$15,242,834.40) and to make a public offering of the Series 2017A Bonds at prices that are not in excess of the public offering prices corresponding to the yields stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2017B Bonds from DASNY at an aggregate purchase price of \$151,216,110.13 (which represents the par amount of the Series 2017B Bonds, less the underwriters' discount of \$866,931.12 plus net premium of \$21,033,041.25) and to make a public offering of the Series 2017B Bonds at prices that are not in excess of the public offering prices corresponding to the yields stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2017C Bonds from DASNY at an aggregate purchase price of \$45,973,965.84 (which represents the par amount of the Series 2017C Bonds, less the underwriters' discount of \$257,416.96 plus aggregate premium of \$6,746,382.80) and to make a public offering of the Series 2017C Bonds at prices that are not in excess of the public offering prices corresponding to the yields stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2017D Bonds from DASNY at an aggregate purchase price of \$25,695,884.38 (which represents the par amount of the Series 2017D Bonds, less the underwriters' discount of \$140,572.27 plus aggregate premium of \$3,686,456.65) and to make a public offering of the Series 2017D Bonds at prices that are not in excess of the public offering prices corresponding to the yields stated on the inside cover page of this Official Statement.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2017E Bonds from DASNY at an aggregate purchase price of \$20,184,110.02 (which represents the par amount of the Series 2017E Bonds, less the underwriters' discount of \$106,714.28 plus aggregate premium of \$2,600,824.30) and to make a public offering of the Series 2017E Bonds at prices that are not in excess of the public offering prices corresponding to the yields stated on the inside cover page of this Official Statement.

The obligation of the Underwriters to purchase any Series of the Series 2017 Bonds is not contingent upon the sale and delivery of any other Series of the Series 2017 Bonds.

The Series 2017 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 that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of DASNY or the School Districts. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of DASNY or the School Districts.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by DASNY as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

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 2017 Bonds to provide operating data and financial information of the type and in the manner specified by the Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement is attached as Appendix G hereto.

Each of the School Districts has certified to DASNY that it has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12, except as described in Appendix C hereto (under the headings “Historical Disclosure Compliance”) with respect to the Akron Central School District, the Alfred-Almond Central School District, the Averill Park Central School District, the Baldwinsville Central School District, the Cazenovia Central School District, the City School District of the City of Fulton, the City School District of the City of Utica, the East Rochester Union Free School District, the Edwards-Knox Central School District, the Fredonia Central School District, the Frewsburg Central School District, the Homer Central School District, the Indian River Central School District at Philadelphia, the Johnson City Central School District, the Lowville Central School District, the North Syracuse Central School District, the Phelps-Clifton Springs Central School District, the Thousand Islands Central School District and the West Genesee Central School District.

PART 16 – RATINGS

Fitch Ratings (“Fitch”), S&P Global Ratings, a business unit of Standard and Poor’s Financial Services LLC (“S&P”), and Moody’s Investors Service, Inc. (“Moody’s”) have assigned the following ratings to the respective Series of the Series 2017 Bonds:

| | Fitch | Moody’s | S&P |
|---------------------------|--------------|----------------|----------------|
| Series 2017A Bonds | “AA-” | | “A+” |
| Series 2017B Bonds | “AA-” | “Aa3” | |
| Series 2017C Bonds | “AA-” | | “AA-” |
| Series 2017D Bonds | “AA-” | “Aa2” | |
| Series 2017E Bonds | “AA-” | | “A+” |

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

S&P has assigned a rating of “AA” to the BAM Insured Bonds, based on the understanding that the BAM Policy insuring the scheduled repayment of principal and interest due with respect to the BAM Insured Bonds will be issued by BAM upon the issuance of the BAM 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; S&P, 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 2017 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 2017 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 Barclay Damon, LLP, Albany, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel.

Insurers and the Policies. The information in “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS – Bond Insurance”, “Appendix H – Specimen of AGM Municipal Bond Insurance Policy” and “Appendix I – Specimen of BAM Municipal Bond Insurance Policy” were supplied by the respective Insurers. DASNY believes that this information is reliable, but DASNY makes no representations or warranties to the accuracy or completeness.

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 2017 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2017 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2017 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.

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/ Gerrard P. Bushell
Authorized Officer

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DEFINITIONS

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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.

Appendix A

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.

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 a bank, as defined in the Banking Law of the State or a national banking association located and authorized to do business in the State, selected by a School District in its capacity as depository for such 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 2017 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.

Appendix A

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.

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 March 8, 2017, 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.

Appendix A

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 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 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.

Appendix A

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.

S&P means S&P Global Ratings (formerly known as Standard & Poor's Ratings Services), a business unit of Standard and Poor's Financial Services LLC, 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 2017A Resolution, the Series 2017B Resolution, the Series 2017C Resolution, the Series 2017D Resolution and the Series 2017E Resolution, authorizing the issuance of a Series of Bonds adopted by DASNY pursuant to the Master Resolution.

Series 2017A Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2017A Bonds.

Series 2017B Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2017B Bonds.

Series 2017C Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2017C Bonds.

Series 2017D Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2017D Bonds.

Series 2017E Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2017E Bonds.

Series 2017A Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2017A Bonds adopted by DASNY on March 8, 2017.

Series 2017B Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2017B Bonds adopted by DASNY on March 8, 2017.

Series 2017C Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2017C Bonds adopted by DASNY on March 8, 2017.

Series 2017D Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2017D Bonds adopted by DASNY on March 8, 2017.

Series 2017E Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2017E Bonds adopted by DASNY on March 8, 2017.

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

Appendix A

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

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

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Appendix B

Listed below are the School Districts receiving loans from the proceeds of the Series 2017 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 2017A Loan</u> | <u>Principal Amount of Series 2017B Loan</u> | <u>Principal Amount of Series 2017C Loan</u> | <u>Principal Amount of Series 2017D Loan</u> | <u>Principal Amount of Series 2017E Loan</u> |
|---|--------------------------|---------------------|--|--|--|--|--|
| Series 2017A: | | | | | | | |
| Averill Park Central School District | FA | Barclay | \$10,425,000 | | | | |
| Chazy Central Rural School District | FA | Bond | 1,495,000 | | | | |
| Edwards-Knox Central School District | FA | Trespasz | 7,080,000 | | | | |
| Fillmore Central School District | BPD | McGill | 7,015,000 | | | | |
| Frewsburg Central School District | MS | Hodgson | 1,645,000 | | | | |
| Hancock Central School District | FA | Trespasz | 4,335,000 | | | | |
| Holland Patent Central School District | BPD | McGill | 4,215,000 | | | | |
| Johnson City Central School District | FA | Orrick | 12,105,000 | | | | |
| Marathon Central School District | FA | Orrick | 6,510,000 | | | | |
| Scio Central School District | FA | Barclay | 2,325,000 | | | | |
| Susquehanna Valley Central School District at Conklin | FA | Orrick | 2,070,000 | | | | |
| Thousand Islands Central School District | FA | Trespasz | 3,555,000 | | | | |
| Waterville Central School District | FA | McGill | 4,675,000 | | | | |
| Whitesboro Central School District | BPD | McGill | 14,005,000 | | | | |
| Windsor Central School District | FA | Orrick | 10,680,000 | | | | |
| Series 2017B: | | | | | | | |
| Alfred-Almond Central School District | MS | O'Hara | | \$3,575,000 | | | |
| Belleville Henderson Central School District | FA | Trespasz | | 2,105,000 | | | |
| Churchville-Chili Central School District | BPD | McGill | | 5,670,000 | | | |
| City School District of the City of Binghamton | FA | Orrick | | 1,830,000 | | | |
| City School District of the City of Fulton | FA | Trespasz | | 10,735,000 | | | |
| City School District of the City of Rome | FA | Trespasz | | 7,740,000 | | | |
| Fredonia Central School District | MS | Hodgson | | 2,305,000 | | | |
| Greene Central School District | FA | Orrick | | 5,335,000 | | | |
| Indian River Central School District at Philadelphia | FA | Orrick | | 8,695,000 | | | |
| Lansing Central School District | FA | Trespasz | | 3,145,000 | | | |
| Lowville Central School District | FA | Orrick | | 8,025,000 | | | |
| Malone Central School District | FA | Hawkins | | 13,620,000 | | | |
| North Syracuse Central School District | FA | Bond | | 2,665,000 | | | |

Appendix B

| <u>School District</u> | <u>Financial Advisor</u> | <u>Bond Counsel</u> | <u>Principal Amount of Series 2017A Loan</u> | <u>Principal Amount of Series 2017B Loan</u> | <u>Principal Amount of Series 2017C Loan</u> | <u>Principal Amount of Series 2017D Loan</u> | <u>Principal Amount of Series 2017E Loan</u> |
|--|--------------------------|---------------------|--|--|--|--|--|
| Phelps-Clifton Springs Central School District | FA | Orrick | | \$6,745,000 | | | |
| Rotterdam-Mohonasen Central School District | FA | Barclay | | 23,900,000 | | | |
| Union-Endicott Central School District | FA | Orrick | | 5,205,000 | | | |
| West Genesee Central School District | FA | Trespasz | | 19,755,000 | | | |
| Series 2017C: | | | | | | | |
| Akron Central School District | MS | Hodgson | | | \$6,200,000 | | |
| Cazenovia Central School District | FA | Trespasz | | | 5,640,000 | | |
| East Rochester Union Free School District | FA | Orrick | | | 3,095,000 | | |
| Homer Central School District | FA | Trespasz | | | 16,125,000 | | |
| LaFayette Central School District | FA | Trespasz | | | 8,425,000 | | |
| Series 2017D: | | | | | | | |
| Baldwinsville Central School District | FA | Trespasz | | | | \$14,345,000 | |
| Webster Central School District | FA | Trespasz | | | | 7,805,000 | |
| Series 2017E: | | | | | | | |
| City School District of the City of Utica | FA | Bond | | | | | \$17,690,000 |

Abbreviations for Financial Advisors and Bond Counsel

| | |
|----------|--|
| Barclay | Barclay Damon, LLP |
| BPD | Bernard P. Donegan, Inc. |
| Bond | Bond, Schoeneck & King, PLLC |
| FA | Fiscal Advisors & Marketing, Inc. |
| Hawkins | Hawkins Delafield & Wood LLP |
| Hodgson | Hodgson Russ LLP |
| McGill | Law Offices of Timothy R. McGill, Esq. |
| MS | Municipal Solutions, Inc. |
| O'Hara | O'Hara, O'Connell & Ciotoli |
| Orrick | Orrick, Herrington & Sutcliffe LLP |
| Trespasz | Trespasz & Marquardt, LLP |

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

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**APPENDIX C-1
DESCRIPTION OF
AKRON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-1 a brief description of the Akron 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 the northeastern portion of Erie County, the southeastern portion of Niagara County and the northwestern portion of Genesee County, about 16 miles northeast of the City of Buffalo. The District is agricultural in nature, and includes the Village of Akron, which serves as the shopping and business center for the surrounding area.

Housing consists primarily of single family homes. Residents find employment in the local industries, and in addition some commute to the City of Buffalo and the Lockport area. Highway facilities include the New York State Thruway (1-90), State Routes 5 and 93 and numerous county roads. Air travel is available at the Akron Airport and the Buffalo International Airport.

Population

The current estimated population of the District is 9,535. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------------|------------------|------------------|
| Whiting Roll-Up Door Manufacturing | Manufacturing | 700 |
| LVD Strippit | Industrial | 430 |
| Perry’s Ice Cream Company | Food Processing | 310 |
| Akron Central School District | Public Education | 275 |
| Akron Rule Corporation | Manufacturing | 155 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|---------------------------------|-------------------|---------------------------|
| National Grid | Utility | \$11,601,523 |
| National Fuel Gas | Utility | 4,352,494 |
| Golden Pond Estates, Inc. | Mobile Home Park | 4,275,000 |
| County Line Stone | Mining/Gravel Pit | 3,490,562 |
| Whiting Door Manufacturing Corp | Manufacturing | 3,425,900 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.51% 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 Erie, Genesee and Niagara Counties.

| | Year Average | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Erie County | 8.3% | 7.4% | 6.1% | 5.4% | 4.9% |
| Genesee County | 7.9 | 6.8 | 5.5 | 5.0 | 4.6 |
| Niagara County | 9.3 | 8.5 | 7.0 | 6.2 | 5.8 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 1,568 | 1,504 | 1,498 | 1,467 | 1,455 | 1,374 | 1,329 |

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> |
|----------------------------|----------------------------------|---------------------------------|
| 132 | Akron Faculty Association | June 30, 2020 |
| 125 | Akron Employees Association | June 30, 2021 |
| 6 | Akron Administrators Association | 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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$594,170,104 |
| Debt Limit (10% of Full Valuation) | 59,417,010 |
| Gross Indebtedness ⁽²⁾ | \$39,836,970 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$39,836,970 |
| Net Debt Contracting Margin | \$19,580,040 |
| Percentage of Debt Contracting Power Exhausted | 67.05% |

- (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 \$6,200,000 School District Bonds to DASNY in connection with the refunding of \$7,170,000 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.

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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 2015 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: | | | | | |
| Erie | \$524,451,000 | \$71,486,000 | \$452,965,000 | 1.00% | \$4,529,650 |
| Genesee | 30,256,464 | 6,000,000 | 24,256,464 | 0.87 | 211,031 |
| Niagara | 64,556,615 | 32,808,525 | 31,748,090 | 0.79 | 250,810 |
| Towns of: | | | | | |
| Alabama | 0 | 0 | 0 | 9.16 | 0 |
| Alden | 1,475,000 | 1,475,000 | 0 | 1.77 | 0 |
| Clarence | 17,483,977 | 71,300 | 17,412,677 | 0.15 | 26,119 |
| Lockport | 14,870,375 | 7,414,561 | 7,455,814 | 0.37 | 27,587 |
| Newstead | 11,464,838 | 9,605,728 | 1,859,110 | 84.69 | 1,574,480 |
| Pembroke | 3,217,071 | 3,217,071 | 0 | 6.27 | 0 |
| Royalton | 4,309,000 | 4,309,000 | 0 | 17.16 | 0 |
| Village of: | | | | | |
| Akron | 3,805,628 | 2,980,000 | 825,628 | 100.00 | 825,628 |
| | | | | Total: | <u>\$7,445,305</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|--|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$39,836,970 | \$4,177.97 | 6.70% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 47,282,275 | 4,958.81 | 7.96 |

(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 9,535.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$594,170,104.

(4) The District expects to deliver \$6,200,000 School District Bonds to DASNY in connection with the refunding of \$7,170,000 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 \$280,000 of authorized and unissued indebtedness.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Akron Central School District
<http://emma.msrb.org/ES994637-ES778799-ES1180110.pdf>
Base CUSIP: 010014

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 from September 15 to October 15. In Erie County, taxes paid between October 16 and October 31 are subject to a 7.5% penalty fee; taxes paid between November 1 and December 3 are subject to a 9% penalty fee. In Niagara County, taxes paid between October 16 and November 15 are subject to a 2% penalty fee; taxes paid on or after November 16 are subject to a 7% penalty fee and a 3% interest charge. In Genesee County, taxes paid between October 16 and October 31 are subject to a 2% penalty fee; taxes paid between November 1 and November 15 are subject to a 3% penalty fee. All taxes remaining unpaid after the respective collection periods are turned over to the Counties' Commissioners of Finance for collection. The Counties reimburse the District in full before the end of the District's fiscal year.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Alabama | \$7,804,924 | \$7,853,213 | \$7,795,807 | \$8,204,382 | \$7,976,884 |
| Alden | 4,476,517 | 4,427,185 | 4,416,838 | 9,751,398 ⁽¹⁾ | 9,665,657 |
| Clarence | 4,252,065 | 4,402,932 | 4,412,616 | 4,951,210 | 4,954,296 |
| Lockport | 3,540,913 | 3,510,626 | 3,719,433 | 3,817,833 | 4,061,654 |
| Newstead | 457,887,636 | 456,759,723 | 461,425,746 | 467,075,784 | 471,522,779 |
| Pembroke | 14,928,315 | 14,781,476 | 15,226,668 | 15,201,176 | 15,249,496 |
| Royalton | 68,220,994 | 68,624,872 | 71,159,573 | 71,020,334 | 71,546,448 |
| Total Assessed Valuation | <u>\$561,111,364</u> | <u>\$560,360,027</u> | <u>\$568,156,681</u> | <u>\$580,022,117</u> | <u>\$584,977,214</u> |

⁽¹⁾ Significant change due to revaluation

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| Towns of: | | | | | |
| Alabama | 97.00% | 97.00% | 97.00% | 100.00% | 99.00% |
| Alden | 51.00 | 50.00 | 47.50 | 100.00 ⁽¹⁾ | 100.00 |
| Clarence | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lockport | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Newstead | 100.00 | 100.00 | 100.00 | 99.00 | 98.50 |
| Pembroke | 100.00 | 100.00 | 100.00 | 100.00 | 97.00 |
| Royalton | 98.00 | 92.00 | 100.00 | 100.00 | 98.00 |
| Taxable Full Valuation | \$567,045,986 | \$570,997,475 | \$573,279,557 | \$584,740,054 | \$594,170,104 |

⁽¹⁾ Significant change due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$8,987,410 | \$9,324,438 | \$9,435,800 | \$9,525,000 | \$9,595,000 |
| % Uncollected When Due ⁽¹⁾ | 3.10% | 3.22% | 2.74% | 2.01% | 1.89% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$13,879,234 | \$26,108,068 | 53.16% |
| 2013-2014 | 14,311,133 | 27,460,500 | 52.12 |
| 2014-2015 | 13,935,761 | 26,509,182 | 52.57 |
| 2015-2016 | 15,081,661 | 28,495,199 | 52.93 |
| 2016-2017 (Budgeted) | 16,195,864 | 29,144,367 | 55.57 |
| 2017-2018 (Proposed) | 16,175,207 | 30,930,738 | 52.29 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$543,973 | \$1,032,590 |
| 2013-2014 | 484,896 | 1,457,351 |
| 2014-2015 | 532,850 | 1,619,911 |
| 2015-2016 | 481,938 | 1,238,342 |
| 2016-2017 (Budgeted) | 459,500 | 1,223,635 |
| 2017-2018 (Proposed) | 455,711 | 1,054,330 |

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

GASB 45 and OPEB

The District contracted with BPAS Actuarial and Pension Services, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$3,370,179. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,370,179. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$600,302. The District's annual OPEB expense was \$330,057 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$152,987 to the Plan for the fiscal year ending June 30, 2016 to 225 employees, resulting in a net increase to its unfunded OPEB obligation of \$177,070, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$777,372. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – *Financial Factors – GASB and OPEB*."

Appendix C

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 \$2,476,862 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,411,468 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,398,964 | | \$3,398,964 |
| 2017-2018 | 3,382,775 | \$609,772 | 3,992,547 |
| 2018-2019 | 3,245,725 | 606,600 | 3,852,325 |
| 2019-2020 | 3,242,525 | 606,850 | 3,849,375 |
| 2020-2021 | 3,215,600 | 608,450 | 3,824,050 |
| 2021-2022 | 1,830,550 | 609,450 | 2,440,000 |
| 2022-2023 | 1,829,750 | 606,200 | 2,435,950 |
| 2023-2024 | 1,835,750 | 606,000 | 2,441,750 |
| 2024-2025 | 1,837,500 | 606,250 | 2,443,750 |
| 2025-2026 | | 605,500 | 605,500 |
| 2026-2027 | | 608,750 | 608,750 |
| 2027-2028 | | 605,750 | 605,750 |
| 2028-2029 | | 606,750 | 606,750 |
| 2029-2030 | | 606,500 | 606,500 |
| 2030-2031 | | 605,000 | 605,000 |
| 2031-2032 | | 467,250 | 467,250 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District failed to file a material event notice related to the rating upgrade of Assured Guaranty Municipal from "AA-" to "AA" in March 2014. The required notice was filed in June 2014.

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**APPENDIX C-2
DESCRIPTION OF
ALFRED-ALMOND CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-2 a brief description of the Alfred-Almond 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 the eastern section of Allegany County in the Towns of Alfred, Almond, Ward and West Almond and in the eastern section of Steuben County in the Towns of Hartsville and Hornellsville. The original school building was built in 1939 when the Villages of Alfred and Almond merged their schools and centralized various rural school districts in the area.

The Towns are primarily residential and agricultural communities. The District facilities are located on a campus, comprising fifty acres, between the villages of Alfred and Almond which are located adjacent to Interstate Route 86, a major highway serving the southern tier of the State.

District residents have available the usual commercial and professional services. Nearby colleges and universities include Alfred University, a four-year school with an enrollment of approximately 2,000 students and SUNY College of Technology at Alfred, a two-year school having an enrollment of approximately 4,000 students.

Major employers, by whom many District residents are employed, include Alfred University, SUNY College of Technology at Alfred, Alstom, St. James Mercy Hospital, and Dresser-Rand Steam Turbine Motor and Generator Division. Available transportation in the area includes air, bus and rail. Bus lines include Greyhound Bus Line Company and Trailways. Rail services are provided by Conrail. Residents are served gas and electricity by New York State Electric and Gas Corporation and National Fuel Gas. Police protection is provided by the State Police and the Allegany County Sheriff's Department.

The area has a great deal of State land which is used for recreational purposes such as hiking and cross-country skiing.

Population

The current estimated population of the District is 7,644. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|------------------------|------------------|
| Alfred University | Education | 535 |
| State University of New York at Alfred | Education | 500 |
| Auxiliary Campus Enterprises & Services | Food | |
| | Service/Transportation | 290 |
| Alfred-Almond Central School District | Education | 119 |
| Hi-Tech Ceramics | Industrial | 107 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------|----------------------|-----------------------|
| State of New York | Land | \$15,986,645 |
| New York State Electric & Gas | Utility | 6,118,784 |
| National Fuel | Utility | 3,778,676 |
| Alfred University | Retail / Real Estate | 2,301,305 |
| Brown, Gary | Real Estate | 1,996,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.26% 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 Allegany and Steuben Counties.

| | <u>Year Average</u> | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Allegany County | 8.4% | 7.5% | 6.2% | 5.8% | 6.2% |
| Steuben County | 9.4 | 8.4 | 6.9 | 6.4 | 5.8 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 671 | 668 | 644 | 626 | 620 | 617 | 617 |

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> |
|--------------------------------|---|-------------------------------------|
| 70 | Alfred-Almond Teachers’ Association | June 30, 2017 ⁽¹⁾ |
| 42 | Alfred-Almond Support Staff Association | June 30, 2018 |

⁽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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$207,743,792 |
| Debt Limit (10% of Full Valuation) | 20,774,379 |
| Gross Indebtedness ⁽²⁾ | \$11,665,408 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$11,665,408 |
| Net Debt Contracting Margin | \$9,108,971 |
| Percentage of Debt Contracting Power Exhausted | 56.15% |

- (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 \$3,575,000 School District Bonds to DASNY in connection with the refunding of \$4,070,538 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 2015 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: | | | | | |
| Allegany | \$27,385,000 | \$0 | \$27,385,000 | 9.43% | \$2,582,406 |
| Steuben | 3,535,000 | 0 | 3,535,000 | 0.51 | 18,029 |
| Towns of: | | | | | |
| Alfred | 0 | 0 | 0 | 93.28 | 0 |
| Almond | 0 | 0 | 0 | 78.74 | 0 |
| Hartsville | 0 | 0 | 0 | 16.02 | 0 |
| Hornellsville | 281,523 | 0 | 281,523 | 10.70 | 30,123 |
| Ward | 0 | 0 | 0 | 67.34 | 0 |
| West Almond | 0 | 0 | 0 | 49.95 | 0 |
| Villages of: | | | | | |
| Alfred | 1,847,000 | 0 | 1,847,000 | 100.00 | 1,847,000 |
| Almond | 0 | 0 | 0 | 100.00 | 0 |
| Total: | | | | | <u><u>\$4,477,557</u></u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$11,665,408 | \$1,526.09 | 5.62% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 16,142,965 | 2,111.85 | 7.77 |

(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 7,644.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$207,743,792.

(4) The District expects to deliver \$3,575,000 School District Bonds to DASNY in connection with the refunding of \$4,070,538 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

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Alfred-Almond Central School District
<http://emma.msrb.org/ER997420-ER780285-ER1181544.pdf>
 Base CUSIP: 015446

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 Allegany and Steuben Counties, as applicable, 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.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Alfred | \$86,866,642 | \$87,458,556 | \$87,379,480 | \$88,053,201 | \$88,178,079 |
| Almond | 53,433,491 | 53,422,308 | 53,368,027 | 53,338,226 | 53,416,774 |
| Hartsville | 6,038,280 | 6,102,334 | 6,077,455 | 6,358,102 | 6,289,397 |
| Hornellsville | 21,983,644 | 21,984,444 | 21,982,022 | 22,151,558 | 22,107,885 |
| Ward | 15,836,417 | 15,998,566 | 17,850,426 | 18,208,035 | 19,001,682 |
| West Almond | 12,622,126 | 12,596,541 | 12,562,008 | 12,511,200 | 12,515,751 |
| Total Assessed Valuation | <u>\$196,780,600</u> | <u>\$197,562,749</u> | <u>\$199,219,418</u> | <u>\$200,620,322</u> | <u>\$201,509,568</u> |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Towns of: | | | | | |
| Alfred | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Almond | 100.00 | 100.00 | 100.00 | 95.00 | 95.00 |
| Hartsville | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Hornellsville | 100.00 | 100.00 | 99.00 | 97.00 | 98.00 |
| Ward | 98.00 | 96.00 | 100.00 | 100.00 | 97.00 |
| West Almond | 100.00 | 100.00 | 97.00 | 87.00 | 84.00 |

| | | | | | |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Taxable Full Valuation | \$197,103,792 | \$198,229,356 | \$199,829,974 | \$205,982,186 | \$207,743,792 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$4,547,356 | \$4,751,975 | \$4,842,263 | \$4,895,763 | \$4,927,450 |
| % Uncollected When Due ⁽¹⁾ | 9.68% | 8.44% | 10.81% | 7.88% | 7.08% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$6,222,310 | \$11,109,997 | 56.63% |
| 2013-2014 | 6,288,492 | 11,424,590 | 55.04 |
| 2014-2015 | 6,683,109 | 11,842,299 | 56.43 |
| 2015-2016 | 6,802,168 | 12,130,313 | 56.08 |
| 2016-2017 (Budgeted) | 7,387,032 | 12,449,281 | 59.34 |
| 2017-2018 (Proposed) | 7,627,546 | 12,739,070 | 59.87 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$191,000 | \$489,000 |
| 2013-2014 | 203,000 | 507,000 |
| 2014-2015 | 188,000 | 771,000 |
| 2015-2016 | 163,000 | 612,000 |
| 2016-2017 (Budgeted) | 214,076 | 576,342 |
| 2017-2018 (Proposed) | 184,284 | 430,222 |

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

GASB 45 and OPEB

The District contracted with BPAS Actuarial and Pension Services, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$6,169,796. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,169,796. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$1,354,496. The District's annual OPEB expense was \$602,542 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$259,635 to the Plan for the fiscal year ending June 30, 2016 to 119 employees, resulting in a net increase to its unfunded OPEB obligation of \$342,907, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$1,697,403. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – *Financial Factors – GASB 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 \$547,007 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,299,621 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.*"

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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⁽¹⁾

| <u>Fiscal Year</u> | <u>Existing Debt Service</u> | <u>New Debt Service</u> | <u>Total Debt Service</u> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$1,095,916 | | \$1,095,916 |
| 2017-2018 | 1,122,951 | \$351,653 | 1,474,604 |
| 2018-2019 | 1,113,706 | 352,200 | 1,465,906 |
| 2019-2020 | 1,093,423 | 351,500 | 1,444,923 |
| 2020-2021 | 1,020,525 | 353,700 | 1,374,225 |
| 2021-2022 | 773,313 | 355,500 | 1,128,813 |
| 2022-2023 | 725,425 | 354,750 | 1,080,175 |
| 2023-2024 | 722,690 | 350,750 | 1,073,440 |
| 2024-2025 | 724,085 | 354,250 | 1,078,335 |
| 2025-2026 | 181,825 | 352,000 | 533,825 |
| 2026-2027 | | 354,250 | 354,250 |
| 2027-2028 | | 350,750 | 350,750 |
| 2028-2029 | | 351,750 | 351,750 |
| 2029-2030 | | 352,000 | 352,000 |
| 2030-2031 | | 351,500 | 351,500 |
| 2031-2032 | | 215,250 | 215,250 |

⁽¹⁾ Schedule does not include remaining payments of \$37,650 due under an energy performance contract.

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District failed to file a material event notice related to the rating upgrade of Assured Guaranty Municipal from "AA-" to "AA" in March 2014. The required notice was filed in June 2014.

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**APPENDIX C-3
DESCRIPTION OF
AVERILL PARK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-3 a brief description of the Averill Park 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 central Rensselaer County within a twenty minute drive of the Cities of Albany and Troy. The District encompasses an area of approximately 120 square miles. The District includes portions of the Towns of Berlin, Brunswick, East Greenbush, Nassau, North Greenbush, Poestenkill, Sand Lake, Schodack and Stephentown.

The District, although primarily rural in character, is within easy access of historical and cultural activities in nearby Albany and Troy. Within thirty minutes driving distance of the District are eleven colleges and universities including Rensselaer Polytechnic Institute and the State University of New York at Albany, five hospitals, two major ski areas, the Empire State Plaza, as well as access to transportation facilities to New York City and Boston.

Many residents of the District are employed as business and professional workers in Albany and Troy. In recent years a significant number of engineers and computer related professionals have moved into the District area because of the proximity of the Rensselaer Technology Park to the District. Other residents find employment in industry as well as in agriculture.

The District is traversed by Routes 66 and 43. It can be easily reached by Interstate Routes 90 and 87 which provide access to the area surrounding the District and the County of Rensselaer.

Population

The current estimated population of the District is 19,373. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--------------------------------------|----------------------|------------------|
| Averill Park Central School District | Education | 540 |
| Hannaford Supermarket | Grocery Store | 70 |
| Interstate Laminates | Manufacturer | 46 |
| DSI | Manufacturer | 23 |
| Tremont Lumber | Lumber Yard & Retail | 18 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|------------------------------|-------------|-----------------------|
| National Grid | Utility | \$11,440,285 |
| NYSEG | Utility | 9,169,951 |
| Troy Sand & Gravel Co., Inc. | Commercial | 3,310,600 |
| Millers Supermarket Inc. | Supermarket | 3,000,000 |
| Rensselaerwyk LLC | Commercial | 2,065,225 |

Appendix C

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 3.64% 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.

| | Year Average | | | | |
|-------------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Rensselaer County | 7.8% | 6.6% | 5.4% | 4.7% | 4.3% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 3,137 | 3,029 | 2,918 | 2,855 | 2,775 | 2,703 | 2,628 |

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> |
|----------------------------|--|---------------------------------|
| 276 | Averill Park Teachers’ Association | August 31, 2019 |
| 192 | Non-Instructional Employees’ Association | June 30, 2016 ⁽¹⁾ |
| 11 | Administrators | June 30, 2018 |
| 18 | Managerial/Confidential | June 30, 2021 |

⁽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 2, 2017⁽¹⁾**

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$1,508,865,830 |
| Debt Limit (10% of Full Valuation) | 150,886,583 |
| Gross Indebtedness | \$28,530,973 |
| Less: Exclusions – Estimated Building Aid ⁽²⁾ | <u>0</u> |
| Total Net Indebtedness | \$28,530,973 |
| Net Debt Contracting Margin | \$122,355,610 |
| Percentage of Debt Contracting Power Exhausted | 18.91% |

(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 \$10,425,000 School District Bonds to DASNY in connection with the refunding of \$11,980,000 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.

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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 2015 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 | \$209,498,190 | \$63,004,124 | \$146,494,066 | 9.31% | \$13,638,598 |
| Towns of: | | | | | |
| Berlin | 50,500 | 50,500 | 0 | 9.82 | 0 |
| Brunswick | 1,751,060 | 210,000 | 1,541,060 | 15.21 | 234,395 |
| East Greenbush | 15,297,534 | 12,096,030 | 3,201,503 | 0.54 | 17,288 |
| Nassau | 3,464,492 | 3,039,492 | 425,000 | 39.30 | 167,025 |
| North Greenbush | 17,021,614 | 16,821,615 | 200,000 | 14.86 | 29,720 |
| Poestenkill | 3,998,700 | 3,998,700 | 0 | 92.12 | 0 |
| Sand Lake | 2,498,969 | 119,502 | 2,379,467 | 94.74 | 2,254,307 |
| Schodack | 12,160,525 | 7,661,160 | 4,499,365 | 1.99 | 89,537 |
| Stephentown | 0 | 0 | 0 | 11.22 | 0 |
| | | | | Total: | <u>\$16,430,870</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$28,530,973 | \$1,472.72 | 1.89% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 44,961,843 | 2,320.85 | 2.98 |

(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 19,373.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$1,508,865,830.

(4) The District expects to deliver \$10,425,000 School District Bonds to DASNY in connection with the refunding of \$11,980,000 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 School District has borrowed for cash flow purposes through the issuance of revenue anticipation in the past but does not intend to issue revenue anticipation notes or tax anticipation notes in the foreseeable future.

Capital Project Plans

On May 17, 2016 the District voters approved a proposition for the purchase of eight school buses and one dump/plow truck by a vote of 883 to 363. The proposition is for \$911,161.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Averill Park Central School District
<https://emma.msrb.org/ER988370-ER773639-ER1174934.pdf>
Base CUSIP: 053591

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 without penalty during the period from September 1st through September 30th. Taxes paid from October 1st through October 31st are subject to a 2% penalty. After October 31, uncollected taxes are turned over to the Rensselaer County Treasurer for collection with a penalty and additional interest added. Rensselaer County reimburses the District in full before the end of the District's fiscal year.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Berlin | \$3,995,207 | \$3,857,084 | \$3,838,669 | \$3,859,837 | \$3,854,436 |
| Brunswick | 39,165,483 | 39,188,776 | 39,631,464 | 39,523,450 | 39,820,999 |
| East Greenbush | 8,718,428 | 8,523,128 | 8,126,853 | 7,776,530 | 7,632,623 |
| Nassau | 101,574,491 | 103,005,873 | 103,183,178 | 104,251,509 | 104,598,517 |
| North Greenbush | 38,450,924 | 38,623,649 | 38,256,531 | 38,198,365 | 38,536,498 |
| Poestenkill | 77,471,393 | 77,455,548 | 77,867,552 | 77,873,526 | 78,247,989 |
| Sand Lake | 719,542,158 | 718,356,996 | 695,816,651 ⁽¹⁾ | 696,572,132 | 701,074,894 |
| Schodack | 23,421,139 | 23,819,718 | 24,308,358 | 22,479,061 | 22,790,311 |
| Stephentown | 8,867,387 | 9,005,348 | 9,058,094 | 27,035,986 ⁽¹⁾ | 26,907,459 |
| Total Assessed Valuation | <u>\$1,021,206,610</u> | <u>\$1,021,836,120</u> | <u>\$1,000,089,350</u> | <u>\$1,017,570,396</u> | <u>\$1,023,463,726</u> |

⁽¹⁾ Significant change due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Towns of: | | | | | |
| Berlin | 24.60% | 26.00% | 26.38% | 26.32% | 28.20% |
| Brunswick | 25.30 | 25.81 | 27.78 | 26.70 | 26.70 |
| East Greenbush | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Nassau | 70.00 | 70.00 | 72.00 | 78.00 | 77.50 |
| North Greenbush | 26.25 | 26.50 | 26.50 | 26.50 | 26.00 |
| Poestenkill | 24.75 | 25.40 | 25.70 | 25.70 | 25.70 |
| Sand Lake | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Schodack | 100.00 | 107.15 | 112.21 | 100.00 | 100.00 |
| Stephentown | 30.00 | 29.90 | 29.90 | 100.00 ⁽¹⁾ | 100.00 |
| Taxable Full Valuation | \$1,556,886,497 | \$1,543,743,136 | \$1,483,943,671 | \$1,497,367,029 | \$1,508,865,830 |

⁽¹⁾ Significant change due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$26,727,378 | \$27,565,611 | \$28,081,086 | \$28,712,910 | \$29,187,305 |
| % Uncollected When Due ⁽¹⁾ | 5.57% | 5.46% | 5.38% | 4.87% | 4.80% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$23,031,211 | \$52,562,482 | 43.8% |
| 2013-2014 | 23,366,691 | 53,707,019 | 43.5 |
| 2014-2015 | 22,481,756 | 53,033,293 | 42.4 |
| 2015-2016 | 22,868,973 | 55,393,142 | 43.7 |
| 2016-2017 (Budgeted) | 24,179,393 | 56,173,142 | 43.0 |
| 2017-2018 (Proposed) | 24,635,979 | 57,565,350 | 42.8 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows::

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,308,118 | \$2,266,000 |
| 2013-2014 | 1,261,790 | 3,098,243 |
| 2014-2015 | 1,311,557 | 3,374,239 |
| 2015-2016 | 1,300,208 | 2,710,585 |
| 2016-2017 (Budgeted) | 1,160,293 | 2,495,994 |
| 2017-2018 (Proposed) | 1,032,868 | 2,210,183 |

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 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 \$84,005,292. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$84,005,292. For the fiscal year ending June 30,

Appendix C

2016, the District's beginning year Net OPEB obligation was \$37,547,352. The District's annual OPEB expense was \$8,065,418 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,339,735 to the Plan for the fiscal year ending June 30, 2016 to 540 employees, resulting in a net increase to its unfunded OPEB obligation of \$5,725,683, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$43,273,035. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,109,821 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,267,711 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$2,633,175 | | \$2,633,175 |
| 2017-2018 | 2,634,875 | \$1,063,543 | 3,698,418 |
| 2018-2019 | 2,631,875 | 1,063,800 | 3,695,675 |
| 2019-2020 | 2,081,875 | 1,065,950 | 3,147,825 |
| 2020-2021 | 2,090,275 | 1,066,350 | 3,156,625 |
| 2021-2022 | 2,089,525 | 1,065,750 | 3,155,275 |
| 2022-2023 | 2,091,725 | 1,067,500 | 3,159,225 |
| 2023-2024 | 1,174,200 | 1,064,500 | 2,238,700 |
| 2024-2025 | | 1,068,250 | 1,068,250 |
| 2025-2026 | | 1,065,000 | 1,065,000 |
| 2026-2027 | | 1,065,000 | 1,065,000 |
| 2027-2028 | | 1,068,000 | 1,068,000 |
| 2028-2029 | | 1,063,750 | 1,063,750 |
| 2029-2030 | | 1,067,500 | 1,067,500 |
| 2030-2031 | | 803,750 | 803,750 |
| 2031-2032 | | 120,750 | 120,750 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- Portions of the Annual Financial Information and Operating Data for fiscal year 2013 were not filed with the MSRB. The District did file Annual Financial Information and Operating Data for fiscal year 2013; however, the disclosure statement was dated as of January 9, 2013, which was prior to the close

of the June 30, 2013 fiscal year. For fiscal year ending June 30, 2013, the District did file its audited financial report in a timely manner.

- Portions of the Annual Financial Information and Operating Data for fiscal year 2012 were filed with the MSRB late. The District originally filed Annual Financial Information and Operating Data for fiscal year 2012 with its 2012 official statement; however, the disclosure statement was dated as of February 29, 2012, which was prior to the close of the June 30, 2012 fiscal year.

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**APPENDIX C-4
DESCRIPTION OF
BALDWINSVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-4 a brief description of the Baldwinsville 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 upstate New York, 10 miles northwest of the City of Syracuse. Major highways accessible to the District include Interstate #690, #481 and #90 (the New York State Thruway).

The District is approximately 80 square miles in land area and contains portions of the Towns of Lysander, Van Buren and Clay. The Village of Baldwinsville is wholly within the District.

The District community has a blend of residential, commercial and industrial characteristics. The District has available all the usual retail and professional services, the majority of which are found in the Village of Baldwinsville. Also available in close proximity to the District are several major shopping centers and the downtown district of the City of Syracuse.

Electricity and gas are provided by National Grid. Fire protection is supplied by various volunteer units. Police protection is furnished by local, county and State agencies.

Population

The current estimated population of the District is 35,388. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---------------------------------------|--------------------|------------------|
| Lockheed Martin (nearby in Liverpool) | Defense Contractor | 2,250 |
| Anheuser Busch | Brewer | 450 |
| McLane NE | Trucking Co. | 450 |
| Gypsum Trucking | Trucking Co. | 150 |
| PaperWorks Industries | Paper Company | 150 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------|--------------|-----------------------|
| Anheuser-Busch, Inc. | Brewery | \$75,000,000 |
| National Grid | Utility | 39,464,857 |
| Empire State Pipeline | Pipeline | 16,584,830 |
| Village Green Apartments | Apartments | 13,786,600 |
| McLane NE | Distribution | 12,500,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.68% 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 Onondaga County.

| | Year Average | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Onondaga County | 7.9% | 6.8% | 5.6% | 5.0% | 4.5% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 5,719 | 5,622 | 5,660 | 5,555 | 5,535 | 5,561 | 5,575 |

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> |
|----------------------------|---|---------------------------------|
| 247 | CSEA(Local 834) Bus Drivers, Custodial & Cafeteria | June 30, 2017 ⁽¹⁾ |
| 19 | Baldwinsville Association of Principals and Instructional Supervisors | June 30, 2019 |
| 484 | Baldwinsville Teachers’ Association | June 30, 2018 |
| 180 | Baldwinsville Substitute Teachers’ Association | June 30, 2018 |
| 209 | Baldwinsville Education Support Professional Association | June 30, 2019 |
| 3 | Baldwinsville Transportation Support Staff Association | June 30, 2019 |

⁽¹⁾ Currently in 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 2, 2017⁽¹⁾

| | |
|--|---------------------|
| Full Valuation of Taxable Real Property | \$2,254,368,418 |
| Debt Limit (10% of Full Valuation) | 225,436,841 |
| Gross Indebtedness ⁽²⁾ | \$42,902,002 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | <u>\$42,902,002</u> |
| Net Debt Contracting Margin | \$182,534,839 |
| Percentage of Debt Contracting Power Exhausted | 19.03% |

(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 \$14,345,000 School District Bonds to DASNY in connection with the refunding of \$16,495,000 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. Except as noted below, estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2015 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: | | | | | |
| Onondaga | \$642,977,979 | \$334,458,144 | \$308,519,835 | 6.88% | \$21,226,165 |
| Towns of: | | | | | |
| Clay | 4,018,500 | 898,600 | 3,119,900 | 5.56 | 173,466 |
| Lysander | 3,514,038 | 0 | 3,514,038 | 91.51 | 3,215,696 |
| Van Buren | 921,081 | 126,375 | 794,706 | 85.99 | 683,368 |
| Village of: | | | | | |
| Baldwinsville ⁽³⁾ | 703,665 | 0 | 703,665 | 100.00 | 703,665 |
| Fire District of: | | | | | |
| Belgium Cold Springs | 1,014,468 | 0 | 1,014,468 | 100.00 | 1,014,468 |
| | | | | Total: | <u>\$27,016,828</u> |

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

(3) Debt as of fiscal year end February 28, 2016.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$42,902,002 | \$1,212.33 | 1.90% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 69,918,830 | 1,975.78 | 3.10 |

(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 35,388.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$2,254,368,418.

(4) The District expects to deliver \$14,345,000 School District Bonds to DASNY in connection with the refunding of \$16,495,000 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 found it necessary to issue revenue or tax anticipation notes in the recent past and does not plan to do so in the foreseeable future.

Capital Project Plans

The District received voter approval in February of 2016 for a \$32.4 million capital project. The primary focus will be the construction of a new transportation center on land outside of the Village of Baldwinsville. The District project also includes roof replacements at two Elementary Schools, the Public Library and part of the Baker High School. Some locker replacement at the secondary schools and a re-construction of the Baker High School cafeteria are also on the list of work for this project.

The District received voter approval for a \$2.7 million energy performance project. The District anticipates financing this project in 2017-18.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Baldwinsville Central School District
<http://emma.msrb.org/ER991604-ER776182-ER1177466.pdf>
Base CUSIP: 058399

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 15th, uncollected taxes are returnable to the County of Onondaga 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Clay | \$8,152,875 | \$8,160,000 | \$8,142,003 | \$8,151,764 | \$8,288,946 |
| Lysander | 1,399,215,104 | 1,413,207,255 | 1,443,996,156 | \$1,447,063,784 | 1,478,022,989 |
| Van Buren | 558,683,605 | 564,270,441 | 578,221,689 | 582,524,017 | 582,224,914 |
| Total Assessed Valuation | <u>\$1,966,051,584</u> | <u>\$1,985,637,696</u> | <u>\$2,030,359,848</u> | <u>\$2,037,739,565</u> | <u>\$2,068,536,849</u> |

State Equalization Rates Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Towns of: | | | | | |
| Clay | 4.34% | 4.34% | 4.34% | 4.31% | 4.27% |
| Lysander | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Van Buren | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$2,145,752,972 | \$2,165,496,129 | \$2,209,821,601 | \$2,218,723,857 | \$2,254,368,418 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$49,000,620 | \$50,421,638 | \$51,870,096 | \$52,811,641 | \$53,392,764 |
| % Uncollected When Due ⁽¹⁾ | 4.52% | 4.90% | 4.05% | 3.77% | 3.8% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$34,521,051 | \$87,096,022 | 39.64% |
| 2013-2014 | 35,951,433 | 89,830,089 | 40.02 |
| 2014-2015 | 37,262,207 | 92,528,599 | 40.27 |
| 2015-2016 | 39,480,590 | 95,904,697 | 41.17 |
| 2016-2017 (Budgeted) | 40,970,665 | 103,648,420 | 39.53 |
| 2017-2018 (Proposed) | 42,722,782 | 104,691,624 | 40.81 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,997,269 | \$4,285,351 |
| 2013-2014 | 2,194,177 | 5,831,494 |
| 2014-2015 | 1,957,971 | 6,472,708 |
| 2015-2016 | 2,030,943 | 5,064,814 |
| 2016-2017 (Budgeted) | 1,803,350 | 4,645,353 |
| 2017-2018 (Proposed) | 1,642,222 | 3,681,072 |

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 June 30, 2016, 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 \$136,957,861. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$136,957,861. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$76,225,456. The District's annual OPEB expense was \$14,254,305 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,397,351 to the Plan for the fiscal year ending June 30, 2016 to 871 employees, resulting in a net increase to its unfunded OPEB obligation of \$10,856,954, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$87,082,410. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,302,230 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$3,837,526 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$5,930,365 | | \$5,930,365 |
| 2017-2018 | 5,966,730 | \$1,385,006 | 7,351,736 |
| 2018-2019 | 4,807,243 | 1,384,050 | 6,191,293 |
| 2019-2020 | 2,466,195 | 1,386,850 | 3,853,045 |
| 2020-2021 | 2,249,758 | 1,386,250 | 3,636,008 |
| 2021-2022 | 2,031,992 | 1,382,400 | 3,414,392 |
| 2022-2023 | 1,810,319 | 1,386,650 | 3,196,969 |
| 2023-2024 | 1,806,569 | 1,387,250 | 3,193,819 |
| 2024-2025 | 1,809,069 | 1,382,500 | 3,191,569 |
| 2025-2026 | 1,807,694 | 1,385,750 | 3,193,444 |
| 2026-2027 | 791,225 | 1,386,500 | 2,177,725 |
| 2027-2028 | 827,987 | 1,384,750 | 2,212,737 |
| 2028-2029 | 821,831 | 1,385,500 | 2,207,331 |
| 2029-2030 | | 1,383,500 | 1,383,500 |
| 2030-2031 | | 1,383,750 | 1,383,750 |
| 2031-2032 | | 1,386,000 | 1,386,000 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District's operating data for the fiscal year ending June 30, 2012 was incomplete and complete data was not filed until the District made its fiscal year 2013 filing.

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**APPENDIX C-5
DESCRIPTION OF
BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-5 a brief description of the Belleville Henderson 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 Upstate New York, in the County of Jefferson. It is approximately 15 miles south of the City of Watertown and approximately 50 miles north of the City of Syracuse. With a land area of approximately 105 square miles, it is primarily residential and agricultural in nature, with its principal industry being dairy farming. Because of its location along the eastern shores of Lake Ontario, outdoor recreation is considered a strong secondary industry. The region abounds with summer and winter recreational activities, including camping, boating, hiking, golf, skiing and snowmobiling.

Major highways servicing the District include U.S. Expressway #81, U.S. Route #11 and State Highway #3 and #178. Air transportation is available to residents through the Watertown International Airport and the Syracuse Hancock International Airport.

Population

The current estimated population of the District is 3,276. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-------------------------------------|-------------|------------------|
| Belleville Henderson Central School | Education | 143 |
| Town of Ellisburg | Government | 25 |
| Ryan's Lookout | Restaurant | 25 |
| Town of Henderson | Government | 25 |
| Hi Hope Farm LLC | Farm | 25 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|----------------------------|-------------|-----------------------|
| National Grid | Utility | \$11,358,544 |
| Butterville Properties LLC | Farm | 6,338,000 |
| Hillcrest Farms LCC | Farm | 4,895,399 |
| LJS Properties LCC | Farm | 4,626,700 |
| Eastman, John | Farm | 3,587,900 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.3% of the tax base of the District.

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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 Jefferson County.

| | Year Average | | | | |
|------------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Jefferson County | 9.9% | 9.2% | 7.6% | 6.7% | 6.1% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 493 | 472 | 467 | 474 | 470 | 465 | 465 |

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> |
|----------------------------|---|---------------------------------|
| 41 | Belleville Henderson Teachers’ Association | June 30, 2020 |
| 27 | Belleville Henderson Central School Support Association | 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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$518,036,428 |
| Debt Limit (10% of Full Valuation) | 51,803,643 |
| Gross Indebtedness ⁽²⁾ | \$8,160,123 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$8,160,123 |
| Net Debt Contracting Margin | \$43,643,520 |
| Percentage of Debt Contracting Power Exhausted | 15.75% |

- (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 \$2,105,000 School District Bonds to DASNY in connection with the refunding of \$2,375,000 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.

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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 2015 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: | | | | | |
| Jefferson | \$16,015,000 | \$0 | \$16,015,000 | 6.66% | \$1,066,599 |
| Towns of: | | | | | |
| Adams | 1,326,475 | 375,075 | 951,400 | 2.68 | 25,498 |
| Ellisburg | 2,421,518 | 2,421,518 | 0 | 67.51 | 0 |
| Henderson | 1,836,144 | 1,836,144 | 0 | 97.46 | 0 |
| Village of: | | | | | |
| Ellisburg | 1,455,143 | 1,455,143 | 0 | 100.00 | 0 |
| | | | | Total: | <u>\$1,092,097</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$8,160,123 | \$2,490.88 | 1.58% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 9,252,220 | 2,824.24 | 1.79 |

- (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 3,276.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$518,036,428.
- (4) The District expects to deliver \$2,105,000 School District Bonds to DASNY in connection with the refunding of \$2,375,000 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

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Belleville Henderson Central School District
<http://emma.msrb.org/ES992078-ES776635-ES1177942.pdf>
 Base CUSIP: 079084

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, payable during the month of September without penalty. Payments during the month of October are subject to a 2% penalty. No payments are accepted after October 31. Uncollected school taxes are turned over to Jefferson County after November 1 for collection with a penalty and additional interest added. Jefferson County reimburses the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Adams | \$7,463,950 | \$7,555,254 | \$7,741,996 | \$8,363,833 | \$8,382,322 |
| Ellisburg | 180,231,131 | 181,853,775 | 184,286,579 | 185,554,433 | 187,374,540 |
| Henderson | 315,435,445 | 316,045,931 | 319,214,626 | 321,300,790 | 322,279,566 |
| Total Assessed Valuation | <u>\$503,130,526</u> | <u>\$505,454,960</u> | <u>\$511,243,201</u> | <u>\$515,219,056</u> | <u>\$518,036,428</u> |

State Equalization Rates Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Adams | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Ellisburg | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Henderson | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$503,130,526 | \$505,454,960 | \$511,243,201 | \$515,219,056 | \$518,036,428 |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$3,930,316 | \$3,989,271 | \$4,051,105 | \$4,131,326 | \$4,213,539 |
| % Uncollected When Due ⁽¹⁾ | 5.61% | 6.64% | 6.10% | 5.98% | 6.46% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$3,928,567 | \$8,190,360 | 47.97% |
| 2013-2014 | 4,068,758 | 8,401,754 | 48.23 |
| 2014-2015 | 4,284,286 | 8,602,569 | 49.80 |
| 2015-2016 | 4,397,962 | 8,906,014 | 49.38 |
| 2016-2017 (Budgeted) | 4,513,273 | 9,485,212 | 47.58 |
| 2017-2018 (Proposed) | 4,572,197 | 9,624,664 | 47.51 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$155,889 | \$283,431 |
| 2013-2014 | 152,510 | 311,414 |
| 2014-2015 | 132,327 | 468,443 |
| 2015-2016 | 161,894 | 418,681 |
| 2016-2017 (Budgeted) | 150,919 | 424,333 |
| 2017-2018 (Proposed) | 164,093 | 386,580 |

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, 2016, 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 \$20,087,933. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,087,933. For the fiscal year

ending June 30, 2016, the District's beginning year Net OPEB obligation was \$5,194,802. The District's annual OPEB expense was \$1,744,919 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$538,777 to the Plan for the fiscal year ending June 30, 2016 to 151 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,206,142, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$6,400,944. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB 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 \$208,000 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,274,738 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."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$751,231 | | \$751,231 |
| 2017-2018 | 619,406 | \$160,601 | 780,007 |
| 2018-2019 | 618,606 | 207,900 | 826,506 |
| 2019-2020 | 622,581 | 209,600 | 832,181 |
| 2020-2021 | 621,219 | 210,000 | 831,219 |
| 2021-2022 | 619,631 | 210,200 | 829,831 |
| 2022-2023 | 621,506 | 208,950 | 830,456 |
| 2023-2024 | 620,306 | 208,750 | 829,056 |
| 2024-2025 | 623,656 | 207,000 | 830,656 |
| 2025-2026 | 516,406 | 205,000 | 721,406 |
| 2026-2027 | 516,250 | 207,750 | 724,000 |
| 2027-2028 | | 210,000 | 210,000 |
| 2028-2029 | | 206,750 | 206,750 |
| 2029-2030 | | 208,250 | 208,250 |
| 2030-2031 | | 209,250 | 209,250 |
| 2031-2032 | | 204,750 | 204,750 |

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**APPENDIX C-6
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF BINGHAMTON**

There follows in this Appendix C-6 a brief description of the City School District of the City of Binghamton (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 a land area of approximately 12 square miles, includes all of the City of Binghamton (the “City”) and a small portion of the Town of Dickinson (the “Town”), both located in Broome County (the “County”).

Major highways within and in close proximity to the District include U. S. Route 11, Interstate #81 which extends north to Canada and south to Tennessee, Interstate #88 which runs northeast to Albany, Route #17 (The Southern Tier Expressway) which runs east-west and connects with Interstate #87 north of New York City and Interstate #90 near Erie, Pennsylvania, and State Routes #7, #12 and #26. Bus service is provided to and from the School District by Capital Trailways, Greyhound Bus Lines and Short Lines. The County transit system provides local daily bus service.

Air transportation through the Greater Binghamton Airport is provided by various national, commuter and regional airlines. Emery Air Freight and Federal Express also operate from the Airport. The District is also served by the Tri-Cities Airport, located in nearby Endicott. Railroads providing freight service to the area include Conrail, the Delaware and Hudson Railroad and the Delaware and Otsego Railroad.

Electric utility and natural gas services are provided by the New York State Electric and Gas Corporation (NYSEG). Police protection is afforded the residents by the City, County and State agencies. Fire protection is provided by the City's full-time fire department. Water and sewer facilities and refuse collection are provided by the City, except in the Town of Dickinson, which has its own facilities and operations. Waste disposal is provided by the County through the County's sanitary landfill operations.

2011 Flood Damage

In September, 2011, flooding from Tropical Storm Lee destroyed the District's MacArthur Elementary Building. The building was closed, and students were relocated to other buildings in and around the District. At the end of March 2012, the Federal Emergency Management Agency (“FEMA”) completed its review of flood-related projects in the District and recommended replacing the MacArthur Elementary Building. FEMA is expected to pay for approximately 75 percent of the replacement cost, and insurance recovery, State Aid, and local share is expected to fund the rest of the expected cost.

The Local Share is estimated to be no more than \$5,000,000, as State Aid, FEMA and insurance is expected to cover approximately \$75,500,000 of the \$79,530,000 total. To date, the District has received approximately \$47.9 million in reimbursements from FEMA.

See “Capital Project Plans” herein for additional details.

Population

The current estimated population of the District is 46,434. (Source: 2015 U.S. Census Bureau estimate)

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Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|---------------------|------------------|
| Binghamton University (SUNY) | Higher Education | 5,943 |
| United Health Services | Healthcare | 5,428 |
| Lockheed Martin | Systems Integration | 2,700 |
| Our Lady of Lourdes Memorial Hospital, Inc. | Healthcare | 2,311 |
| New York State | Government | 2,034 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|---|--------------|-----------------------|
| New York State Electric & Gas | Utility | \$ 82,790,187 |
| Our Lady of Lourdes Memorial Hospital, Inc. | Hospital | 79,794,884 |
| Norfolk Southern Corporation | Railroad | 17,788,724 |
| Binghamton Giant Market, Inc. | Food Markets | 13,503,662 |
| PCP Binghamton Assoc. LLC | Commercial | 9,844,419 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.69% 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 Broome County.

Year Average

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Broome County | 8.7% | 7.8% | 6.6% | 6.0% | 5.4% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 5,748 | 5,765 | 5,707 | 5,611 | 5,388 | 5,400 | 5,400 |

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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> |
|-----------------------------------|---|--|
| 598 | Binghamton Teachers' Association | June 30, 2018 |
| 30 | Binghamton Licensed Teaching Assistants Unit | June 30, 2019 |
| 24 | Binghamton Administrators' Association | June 30, 2016 ⁽¹⁾ |
| 181 | Civil Service Employees' Association | June 30, 2018 |
| 222 | Civil Service Employees' Association - Aides & Monitors | June 30, 2019 |

⁽¹⁾ Currently under negotiations.

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Appendix C

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 2, 2017⁽¹⁾**

| | Based on Conventional Equalization Rates | Based On Special Equalization Ratios |
|--|---|---|
| Five Year Average Full Valuation of Taxable Real Property..... | \$1,516,082,933 | \$1,550,622,435 |
| Debt Limit (5% of full valuation) ⁽²⁾ | \$75,804,147 | \$77,531,122 |
| Outstanding Indebtedness ⁽³⁾ | | |
| <u>Inclusions</u> | | |
| Bonds..... | \$36,610,000 | \$36,610,000 |
| Bond Anticipation Notes..... | 37,100,000 | 37,100,000 |
| Total Inclusions..... | \$73,710,000 | \$73,710,000 |
| <u>Exclusions</u> | | |
| Bonds Previously Refunded..... | \$0 | \$0 |
| Appropriations..... | 1,105,000 | 1,105,000 |
| Total Exclusions..... | \$1,105,000 | \$1,105,000 |
| Total Net Indebtedness ⁽⁴⁾ | \$72,605,000 | \$72,605,000 |
| Net Debt Contracting Margin..... | \$3,199,147 | \$4,926,122 |
| Percentage of Debt Contracting Power Exhausted..... | 95.78% | 93.65% |

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$1,830,000 School District Bonds to DASNY in connection with the financing of school district capital facilities and school district capital equipment. 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 received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit in anticipation of the issuance of bonds and/or bond anticipation notes in an aggregate amount not to exceed \$77,843,000 for the construction of a new Elementary School. The District has also received consent to exceed its debt limit in anticipation of the issuance of \$11,100,000 for various improvements to District buildings. \$37,100,000 of bond anticipation notes included in the table above are authorized to be issued in excess of the District’s debt limit.

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 2015 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: Broome | \$158,227,029 | \$15,272,029 | \$142,955,000 | 16.06% | \$22,958,573 |
| Town of: Dickinson | 1,565,000 | 0 | 1,565,000 | 18.84 | 295,535 |
| City of: Binghamton | 145,619,113 | 81,838,119 | 63,780,994 | 100.00 | 63,780,994 |
| | | | | Total: | <u>\$87,035,102</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|--|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$72,605,000 | \$1,563.62 | 4.90% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 159,640,102 | 3,438.00 | 10.77 |

- (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 46,434.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$1,482,656,887.
- (4) The District expects to deliver \$1,830,000 School District Bonds to DASNY in connection with the financing of school district capital facilities and school district capital equipment. 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> |
|--------------------|---------------|-------------|-------------------|-----------------|
| 2012-2013 | 7,200,000* | RAN | 6/28/12 | 1/25/13 |
| 2012-2013 | 10,000,000 | TAN | 7/12/12 | 1/2/13 |
| 2012-2013 | 12,000,000 | TAN | 1/24/13 | 6/28/13 |
| 2012-2013 | 7,200,000* | RAN | 1/24/13 | 1/24/14 |
| 2012-2013 | 5,000,000 | TAN | 6/24/13 | 1/24/14 |
| 2013-2014 | 10,000,000 | RAN | 1/23/14 | 7/23/14 |
| 2013-2014 | 9,000,000 | TAN | 6/27/14 | 1/27/15 |
| 2014-2015 | 10,000,000 | RAN | 1/27/15 | 6/30/15 |
| 2014-2015 | 11,000,000 | TAN | 6/30/15 | 1/28/16 |
| 2015-2016 | 10,000,000 | RAN | 1/28/16 | 6/30/16 |
| 2015-2016 | 5,000,000 | TAN | 6/30/16 | 1/31/17 |
| 2016-2017 | 3,500,000 | RAN | 2/2/17 | 6/30/17 |

* Represent borrowings which were used to pay emergency repairs and operating expenses related to Tropical Storm Lee, expected to be reimbursed, in part, from State and/or Federal grants and aid.

Capital Project Plans

On April 15, 2013 qualified voters of the District approved the MacArthur Replacement Capital Project (“MacArthur Project”). See “2011 Flood Damage” above. The total project cost is estimated at \$79,530,000 which is anticipated to be funded with FEMA funding of \$54,632,250, State aid of \$18,210,750, insurance recoveries of \$1,687,000 and a local share of \$5,000,000. The building itself will cost approximately \$34.8 million to rebuild, however, the total project costs include additional expenses such as demolition/removal of the old school, site preparation, architectural/design fees, legal fees, insurance fees, interest on debt, and other related expenses. The District has received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit in anticipation of the issuance of bonds and/or bond anticipation notes for the MacArthur Project.

On November 21, 2013, the District issued \$20,000,000 bond anticipation notes which represented the first phase in borrowing for the MacArthur Project, in part in anticipation of receipt of other monies, with additional borrowings to follow to meet cash flow needs of the MacArthur Project. On November 21, 2014 the notes outstanding were renewed and \$40,000,000 in new monies was added to provide additional financing for the MacArthur Project. On November 20, 2015, the District renewed a \$59,680,000 portion of the \$60,000,000 bond anticipation notes outstanding through November 18, 2016. The District issued bond anticipation notes in November, 2016, together with \$1,040,000 available funds of the District and \$32,640,000 in FEMA reimbursement funds to renew a \$26,000,000 portion of the \$59,680,000 notes outstanding and maturing November 18, 2016. The District plans to permanently finance this project after all local costs have been finalized. \$17,843,000 of the remaining authorization remains unissued.

On March 17, 2014, qualified voters of the District approved the reconstruction of and construction of improvements to various District facilities at a maximum estimated cost of \$12,000,000 by a margin of 428-98. The District has received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit in anticipation of the issuance of bonds and/or bond anticipation notes for the reconstruction of and construction of improvements to various District facilities. The District issued \$4,000,000 in original financing for this project on July 29, 2015. On July 28, 2016, the District issued \$11,100,000 bond anticipation notes which renewed the \$4,000,000 bond anticipation notes maturing July 29, 2016 and provided \$7,100,000 in additional original financing. \$900,000 of the cost of the project will be financed from reserve fund monies.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

Federal Sequestration

In May 2012, the District issued \$5,000,000 of Qualified School Construction Bonds (“QSCBs”) with a final maturity of 2026. At the time of issue the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. This means that refund payments processed on or after October 1, 2016 and on or before September 30, 2017 were and will continue to be reduced by the fiscal year 2017 sequestration rate of 6.9%, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change.

In addition, any future government shutdown may delay the processing of federal government payments to the District. If this were to occur, the District will be required to make payment of the full amount of interest due on the QSCBs at that time. These payments are expected to be reimbursed to the District with the government shutdown is over but when the federal government can process requests for, and make payment of, the applicable tax credit payments is not known at this time.

The District budgets annually for the full interest payment due on the QSCBs on an annual basis to cover for possible delays or shortfalls in the expected tax credit subsidy.

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 Binghamton
<http://emma.msrb.org/ER995758-ER779081-ER1180342.pdf>
Base CUSIP: 090473

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

District taxes on properties located within the City of Binghamton are collected by the City Tax Collector. The District appoints a Tax Collector to collect taxes on properties within the Town of Dickinson. Taxpayers within the City have the option of paying their taxes in full during the month of September or in three installments as follows: September 1-30; November 1-30 and March 1-31. No fees are charged if the installment method is chosen. No installment may be paid unless prior installments and interest if any, of current taxes have been paid.

If any installment is paid after its due date, the penalty, as stated, is 1% per month plus a 5% collection fee on uncollected taxes in the City. The City pays the District the taxes as collected each month, including the 1% penalty but excluding the 5% collection fee. Starting in July, the penalty becomes 1/2 of 1% per month. The City holds a tax sale on November 1 (thirteen months after the initial levy) and bids in on all the property. The District then receives the balance of taxes due plus accumulated interest penalties, but not the 5% collection fee which is

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retained by the City. Thus, the District collects its entire City-based tax levy in November of the following fiscal year.

Uncollected taxes in the Town of Dickinson are returned to Broome County for collection about November 15 and the District receives the full amount due by April of the same 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Binghamton | \$1,237,833,624 | \$1,238,953,055 | \$1,234,015,028 | \$1,236,288,324 | \$1,241,090,565 |
| Town of: | | | | | |
| Dickinson | <u>29,316,704</u> | <u>29,371,637</u> | <u>29,513,818</u> | <u>29,675,324</u> | <u>29,646,242</u> |
| Total Assessed Valuation | <u>\$1,267,150,328</u> | <u>\$1,268,324,692</u> | <u>\$1,263,528,846</u> | <u>\$1,265,963,648</u> | <u>\$1,270,736,807</u> |

| | State Equalization Rates Years Ending June 30, | | | | |
|-------------------------------|---|--------------------|--------------------|--------------------|--------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Binghamton | 85.00% | 83.00% | 83.00% | 83.00% | 86.00% |
| Town of: | | | | | |
| Dickinson | 65.00 | 65.00 | 71.50 | 72.50 | 75.00 |
| Taxable Full Valuation | \$1,501,377,473 | \$1,537,901,658 | \$1,528,043,161 | \$1,530,435,486 | \$1,482,656,887 |

| | Special State Equalization Ratios Years Ending June 30, | | | | |
|-------------------------------|--|--------------------|--------------------|--------------------|--------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Binghamton | 83.07% | 83.22% | 81.63% | 79.93% | N/A |
| Town of: | | | | | |
| Dickinson | 70.85 | 71.41 | 69.33 | 67.54 | N/A |
| Taxable Full Valuation | \$1,531,487,645 | \$1,529,899,377 | \$1,554,287,593 | \$1,590,651,186 | N/A |

| | Total District Property Tax Collections Years Ending June 30, | | | | |
|---------------------------------------|--|--------------------|--------------------|--------------------|--------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Total Tax Levy | \$38,731,635 | \$39,462,133 | \$40,625,810 | \$41,102,091 | \$41,977,988 |
| % Uncollected When Due ⁽¹⁾ | 5.15% | 5.08% | 4.95% | 5.11% | 7.92% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$50,335,692 | \$93,284,968 | 53.96% |
| 2013-2014 | 57,665,675 | 102,921,394 | 56.03 |
| 2014-2015 | 61,032,473 | 105,202,077 | 58.01 |
| 2015-2016 | 60,845,777 | 105,523,377 | 57.66 |
| 2016-2017 (Budgeted) | 63,502,859 | 109,207,108 | 58.15 |
| 2017-2018 (Proposed) | 67,560,223 | 113,409,659 | 59.57 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,723,742 | \$3,683,902 |
| 2013-2014 | 1,395,722 | 5,362,997 |
| 2014-2015 | 1,281,151 | 5,879,510 |
| 2015-2016 | 1,105,794 | 4,624,799 |
| 2016-2017 (Budgeted) | 1,150,000 | 4,465,373 |
| 2017-2018 (Proposed) | 1,100,000 | 3,856,369 |

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, 2016, 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 \$138,157,000. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$138,157,000. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$69,144,181. The District's annual OPEB expense was \$14,546,110 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,542,769 to the Plan for the fiscal year ending June 30, 2016 to 956 employees, resulting in a net increase to its unfunded OPEB obligation of \$12,003,341, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$81,147,522. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Appendix C

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 \$2,421,554 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$3,904,356 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$7,001,161 | | \$7,001,161 |
| 2017-2018 | 6,990,711 | \$178,651 | 7,169,362 |
| 2018-2019 | 4,846,661 | 178,250 | 5,024,911 |
| 2019-2020 | 4,834,561 | 180,400 | 5,014,961 |
| 2020-2021 | 4,839,936 | 176,400 | 5,016,336 |
| 2021-2022 | 4,823,611 | 177,400 | 5,001,011 |
| 2022-2023 | 4,815,111 | 177,150 | 4,992,261 |
| 2023-2024 | 4,796,518 | 177,750 | 4,974,268 |
| 2024-2025 | 3,502,605 | 177,000 | 3,679,605 |
| 2025-2026 | 2,313,705 | 176,000 | 2,489,705 |
| 2026-2027 | 1,254,750 | 174,750 | 1,429,500 |
| 2027-2028 | | 178,250 | 178,250 |
| 2028-2029 | | 176,250 | 176,250 |
| 2029-2030 | | 179,000 | 179,000 |
| 2030-2031 | | 176,250 | 176,250 |
| 2031-2032 | | 173,250 | 173,250 |

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

There follows in this Appendix C-7 a brief description of the Cazenovia 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 upstate New York, in the geographical location known as Central New York. It is situated principally in the County of Madison, with a small portion of its western sector located in Onondaga County. The City of Syracuse is approximately 20 miles to the northwest, and the City of Utica, 40 miles to the northeast.

The District encompasses a land area of approximately 112 square miles. The center of population is the Town of Cazenovia, which had an estimated 2015 U.S. Census of 7,061.

Major highways serving the District include U.S. Route 20 and State Highways #13 and #92. The New York State Thruway is located to the north. Commercial air transportation is available at the Syracuse Hancock International Airport.

The District is generally residential and agricultural in nature. Residential neighborhoods are concentrated mainly in and around the Village of Cazenovia, which is situated at the southern tip of Cazenovia Lake. Professional and retail services, as well as employment opportunities, are available in and around the Village of Cazenovia and in the Syracuse metropolitan area.

Higher educational institutions within, and in close proximity to the District, include Cazenovia College, Colgate University, Le Moyne College, State University of New York College at Morrisville and Syracuse University

Population

The current estimated population of the District is 10,332. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----------------------------------|---------------|------------------|
| Marquardt Switches, Inc. | Manufacturing | 500 |
| GHD, Inc. | Engineers | 340 |
| Cazenovia College | Education | 247 |
| Cazenovia Central School District | Education | 234 |
| Dielectric Labs, Inc. | Manufacturing | 154 |

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Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------|---------------|-----------------------|
| National Grid | Utility | \$22,941,642 |
| CHI Energy Inc. | Utility | 15,306,122 |
| Tennessee Gas Pipeline Company | Utility | 11,745,447 |
| Marquardt Switches | Manufacturing | 4,077,551 |
| New Plan East, LLC | Real Estate | 3,950,000 |

The total estimated full assessed valuation of the top **ten (10)** taxpayers represents approximately 7.2% 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 Madison and Onondaga Counties.

| | <u>Year Average</u> | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Madison County | 8.5% | 7.6% | 6.4% | 5.7% | 5.2% |
| Onondaga County | 7.9 | 6.8 | 5.6 | 5.0 | 4.5 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,558 | 1,518 | 1,485 | 1,468 | 1,461 | 1,459 | 1,422 |

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> |
|--------------------------------|---|-------------------------------------|
| 153 | Cazenovia Central School Teachers' Association | June 30, 2018 |
| 7 | Cazenovia Association of Supervisors & Administrators | June 30, 2017 ⁽¹⁾ |
| 72 | Cazenovia Support Staff Union | June 30, 2019 |

⁽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 2, 2017⁽¹⁾**

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$1,013,560,631 |
| Debt Limit (10% of Full Valuation) | 101,356,063 |
| Gross Indebtedness ⁽²⁾ | \$18,335,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$18,335,000 |
| Net Debt Contracting Margin | \$83,021,063 |
| Percentage of Debt Contracting Power Exhausted | 18.09% |

- (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 \$5,640,000 School District Bonds to DASNY in connection with the refunding of \$6,479,289 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 2015 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: | | | | | |
| Madison | \$9,020,000 | \$0 | \$9,020,000 | 26.90% | \$2,426,380 |
| Onondaga | 642,977,979 | 334,458,144 | 308,519,835 | 0.70 | 2,159,639 |
| Towns of: | | | | | |
| Cazenovia | 1,316,247 | 1,316,247 | 0 | 98.37 | 0 |
| Fenner | 50,000 | 0 | 50,000 | 81.08 | 40,540 |
| Georgetown | 4,000 | 0 | 4,000 | 1.43 | 57 |
| Lincoln | 18,609 | 18,609 | 0 | 6.48 | 0 |
| Nelson | 663,000 | 663,000 | 0 | 73.66 | 0 |
| Sullivan | 11,466,453 | 10,296,453 | 1,170,000 | 1.03 | 12,051 |
| Pompey | 589,000 | 0 | 589,000 | 7.06 | 41,583 |
| Village of: | | | | | |
| Cazenovia | 985,898 | 0 | 985,898 | 100.00 | 985,898 |
| Total: | | | | | <u><u>\$5,666,148</u></u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$18,335,000 | \$1,774.58 | 1.81% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 24,001,148 | 2,322.99 | 2.37 |

(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 10,332.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$1,013,560,631.

(4) The District expects to deliver \$5,640,000 School District Bonds to DASNY in connection with the refunding of \$6,479,289 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, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Cazenovia Central School District
<http://emma.msrb.org/EP961395-EP745790-EP1147292.pdf>
Base CUSIP: 149830

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 from November 1st to November 7th. After November 7th, uncollected taxes are returnable to Madison and Onondaga 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 said 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Cazenovia | \$557,785,934 | \$560,325,162 | \$695,846,806 ⁽¹⁾ | \$699,767,814 | \$708,551,035 |
| Fenner | 73,870,150 | 75,060,114 | 75,059,895 | 75,809,225 | 91,352,974 ⁽¹⁾ |
| Georgetown | 598,343 | 587,090 | 608,842 | 608,521 | 626,380 |
| Lincoln | 6,400,066 | 6,463,168 | 6,456,818 | 6,469,928 | 6,604,272 |
| Nelson | 145,120,759 | 145,541,921 | 145,618,741 | 145,656,822 | 147,455,130 |
| Pompey | 44,090,426 | 44,947,795 ⁽¹⁾ | 44,984,912 | 44,800,788 | 45,085,334 |
| Sullivan | 7,231,394 | 8,792,470 | 8,831,365 | 8,890,554 | 8,934,453 |
| Total Assessed Valuation | <u>\$835,097,072</u> | <u>\$841,717,720</u> | <u>\$977,407,379</u> | <u>\$982,003,652</u> | <u>\$1,008,609,578</u> |

⁽¹⁾ Significant change from the previous year is due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|-----------------------|------------------------|----------------------|------------------------|
| Towns of: | | | | | |
| Cazenovia | 85.00% | 82.00% | 100.00% ⁽¹⁾ | 100.00% | 100.00% |
| Fenner | 100.00 | 100.00 | 100.00 | 98.00 | 98.00 |
| Georgetown | 100.00 | 100.00 | 100.00 | 90.00 | 89.00 |
| Lincoln | 100.00 | 100.00 | 100.00 | 99.00 | 100.00 |
| Nelson | 100.00 | 100.00 | 100.00 | 98.00 | 98.00 |
| Pompey | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Sullivan | 85.00 | 100.00 ⁽¹⁾ | 100.00 | 99.00 | 100.00 |
| Taxable Full Valuation | \$934,806,012 | \$964,715,926 | \$977,407,379 | \$986,746,137 | \$1,013,560,631 |

⁽¹⁾ Significant change from the previous year is due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$15,902,422 | \$16,681,422 | \$16,855,459 | \$17,199,310 | \$17,199,310 |
| % Uncollected When Due ⁽¹⁾ | 6.34% | 6.48% | 6.23% | 6.32% | 5.88% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$7,899,876 | \$24,245,252 | 32.6% |
| 2013-2014 | 8,069,582 | 25,188,799 | 32.0 |
| 2014-2015 | 8,373,504 | 25,781,913 | 32.5 |
| 2015-2016 | 9,002,651 | 26,747,467 | 33.7 |
| 2016-2017 (Budgeted) | 10,075,460 | 28,067,653 | 35.9 |
| 2017-2018 (Proposed) | 9,860,714 | 28,615,900 | 34.5 |

⁽¹⁾ General Fund only. Includes inter-fund transfers.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$499,736 | \$1,184,958 |
| 2013-2014 | 556,606 | 1,612,582 |
| 2014-2015 | 537,342 | 1,695,982 |
| 2015-2016 | 511,572 | 1,343,131 |
| 2016-2017 (Budgeted) | 422,496 | 1,193,478 |
| 2017-2018 (Proposed) | 417,341 | 1,096,028 |

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, 2016, 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 \$42,452,308. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$42,452,308. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$15,567,107. The District's annual OPEB expense was \$3,792,806 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,934,287 to the Plan for the fiscal year ending June 30, 2016, resulting in a net increase to its unfunded OPEB obligation of \$1,858,519, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$17,425,626. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "*PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB and OPEB*."

Appendix C

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 \$293,343 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,011,817 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$1,677,288 | | \$1,677,288 |
| 2017-2018 | 1,683,273 | \$367,721 | 2,050,994 |
| 2018-2019 | 1,608,070 | 593,650 | 2,201,720 |
| 2019-2020 | 1,613,381 | 593,750 | 2,207,131 |
| 2020-2021 | 1,548,181 | 590,150 | 2,138,331 |
| 2021-2022 | 1,469,325 | 591,150 | 2,060,475 |
| 2022-2023 | 1,472,225 | 592,900 | 2,065,125 |
| 2023-2024 | 1,478,175 | 592,500 | 2,070,675 |
| 2024-2025 | 1,107,500 | 592,500 | 1,700,000 |
| 2025-2026 | 325,500 | 591,500 | 917,000 |
| 2026-2027 | | 594,500 | 594,500 |
| 2027-2028 | | 591,250 | 591,250 |
| 2028-2029 | | 592,000 | 592,000 |
| 2029-2030 | | 591,500 | 591,500 |
| 2030-2031 | | 594,750 | 594,750 |
| 2031-2032 | | 31,500 | 31,500 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- Portions of the Annual Financial Information and Operating Data ("AFIOD") for fiscal year ending June 30, 2013 were not filed with the MSRB. The District did file AFIOD for fiscal year ending 2013; however, the information was dated as of March 5, 2013, which was 115 days prior to the close of the June 30, 2013 fiscal year. The District did file its audited financial report for fiscal year ending June 30, 2013, in a timely manner pursuant to its undertaking agreements. The missing portions of the AFIOD were filed when the District made its filing for fiscal year ending 2014.

**APPENDIX C-8
DESCRIPTION OF
CHAZY CENTRAL RURAL SCHOOL DISTRICT**

There follows in this Appendix C-8 a brief description of the Chazy Central Rural 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 an area of approximately 44.5 square miles. The character of the District is primarily suburban and rural with the majority of homes being single family. The District is situated in the northeast corner of New York State in the eastern sector of Clinton County. It includes portions of the Towns of Chazy, Beekmantown and Champlain. The City of Plattsburgh is located approximately 10 miles south.

The District is located 10 miles south of the United States/Canadian border and is bounded by Lake Champlain to the east. The Canadian City of Montreal is approximately 60 miles to the north and the City of Albany, New York, is approximately 150 miles to the south.

The major highway accessing the District is Interstate Highway #87. Population clusters and commercial development activity are concentrated along this transportation corridor. Also, this highway provides easy access to the Plattsburgh area for many District residents who commute to employment in the City and the decommissioned United States Air Force Base at Plattsburgh, which is experiencing a period of civilian commercial redevelopment.

Population

The current estimated population of the District is 3,030. (Source: 2015 U.S. Census Bureau estimate)

Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-------------------------------------|-------------|------------------|
| Chazy Central Rural School District | School | 90 |
| Giroux’s Poultry Farm | Farm | 40 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|----------------------------|-------------|-----------------------|
| NYSEG | Utility | \$8,639,233 |
| Giroux’s Poultry Farm Inc. | Farm | 7,476,600 |
| Robvers Farms Inc. | Farm | 7,654,500 |
| No Co. Pipeline | Utility | 4,934,031 |
| Giroux’s Grain Farms LLC | Farm | 2,815,800 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.35% 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 Clinton County.

| | Year Average | | | | |
|----------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Clinton County | 9.4% | 8.3% | 6.6% | 5.8% | 5.3% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 469 | 456 | 467 | 462 | 458 | 467 | 467 |

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> |
|---------------------------------------|--------------------------------------|--|
| 54 | Chazy Teachers’ Association | June 30, 2019 |
| 29 | Civil Service Employees’ Association | June 30, 2017 ⁽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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$220,157,600 |
| Debt Limit (10% of Full Valuation) | 22,015,760 |
| Gross Indebtedness ⁽²⁾ | \$6,705,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$6,705,000 |
| Net Debt Contracting Margin | \$16,995,760 |
| Percentage of Debt Contracting Power Exhausted | 30.46% |

⁽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 \$1,495,000 School District Bonds to DASNY in connection with the refunding of \$1,655,000 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. Except as noted below, estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2015 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: | | | | | |
| Clinton | \$49,944,180 | \$1,467,292 | \$48,476,888 | 4.86% | \$2,355,977 |
| Towns of: | | | | | |
| Beekmantown | 1,075,310 | 880,017 | 195,293 | 1.44 | 2,812 |
| Champlain | 3,476,141 | 3,476,141 | 0 | 8.93 | 0 |
| Chazy | 1,194,591 | 295,959 | 898,632 | 69.58 | 625,268 |
| Fire District: | | | | | |
| Chazy | 0 | 0 | 0 | 100.00% | 0 |
| Village of: | | | | | |
| Champlain ⁽³⁾ | 70,000 | 70,000 | 0 | 100.00% | 0 |
| | | | | Total | \$2,984,057 |

⁽¹⁾ Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

⁽³⁾ Debt outstanding as of fiscal year end May 31, 2016.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|--|---------------|-------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$6,705,000 | \$2,212.87 | 3.05% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 9,689,057 | 3,197.71 | 4.40 |

(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 3,030.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$220,157,600. The District expects to deliver \$1,495,000 School District Bonds to DASNY in connection with the refunding of \$1,655,000 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 issues revenue anticipation notes or tax anticipation notes in the past and has no future plans to do so.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Chazy Central Rural School District
<http://emma.msrb.org/ER991840-ER776395-ER1177670.pdf>
Base CUSIP: 162658

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, with a penalty of 3% from November 1st to November 15th. After November 15th, uncollected taxes are returnable to Clinton 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Beekmantown | \$4,943,502 | \$4,940,398 | \$5,070,632 | \$5,115,846 | \$5,072,749 |
| Champlain | 35,179,117 | 35,321,213 | 35,260,302 | 35,617,738 | 35,843,809 |
| Chazy | 186,118,794 | 175,956,278 | 176,646,758 | 178,657,301 | 179,241,042 |
| Total Assessed Valuation | <u>\$226,241,413</u> | <u>\$216,956,889</u> | <u>\$216,977,692</u> | <u>\$219,390,885</u> | <u>\$220,157,600</u> |

State Equalization Rates Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Beekmantown | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Champlain | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Chazy | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$226,241,413 | \$216,956,889 | \$216,977,692 | \$219,390,885 | \$220,157,600 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$3,592,960 | \$3,499,223 | \$3,629,904 | \$3,835,167 | \$4,535,844 |
| % Uncollected When Due ⁽¹⁾ | 8.80% | 4.11% | 4.11% | 4.22% | 4.18% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$4,095,110 | \$8,792,114 | 46.58% |
| 2013-2014 | 4,297,838 | 8,870,450 | 48.45 |
| 2014-2015 | 4,302,297 | 9,027,270 | 47.66 |
| 2015-2016 | 4,816,757 | 9,906,223 | 48.62 |
| 2016-2017 (Budgeted) | 5,033,504 | 9,996,553 | 50.35 |
| 2017-2018 (Proposed) | 5,165,262 | 10,257,598 | 50.35 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$165,031 | \$337,927 |
| 2013-2014 | 156,053 | 477,310 |
| 2014-2015 | 151,797 | 511,841 |
| 2015-2016 | 116,902 | 394,148 |
| 2016-2017 (Budgeted) | 142,000 | 360,000 |
| 2017-2018 (Proposed) | 135,000 | 329,000 |

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

GASB 45 and OPEB

The District contracted with CEWW BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$29,447,715. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$29,447,715. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$13,309,921. The District's annual OPEB expense was \$2,940,226 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$784,217 to the Plan for the fiscal year ending June 30, 2016 to 70 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,156,009, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$15,465,930. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$434,049 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,623,584 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.*”

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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$1,221,356 | | \$1,221,356 |
| 2017-2018 | 1,215,338 | \$152,235 | 1,367,573 |
| 2018-2019 | 622,925 | 152,200 | 775,125 |
| 2019-2020 | 623,300 | 154,650 | 777,950 |
| 2020-2021 | 624,700 | 156,050 | 780,750 |
| 2021-2022 | 620,450 | 152,250 | 772,700 |
| 2022-2023 | 623,938 | 152,500 | 776,438 |
| 2023-2024 | 625,850 | 148,500 | 774,350 |
| 2024-2025 | 616,188 | 148,500 | 764,688 |
| 2025-2026 | 10,475 | 148,250 | 158,725 |
| 2026-2027 | | 152,750 | 152,750 |
| 2027-2028 | | 151,750 | 151,750 |
| 2028-2029 | | 150,500 | 150,500 |
| 2029-2030 | | 149,000 | 149,000 |
| 2030-2031 | | 152,250 | 152,250 |

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**APPENDIX C-9
DESCRIPTION OF
CHURCHVILLE-CHILI CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-9 a brief description of the Churchville-Chili 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 an area of approximately 54 square miles. The District is located in the southwest section of Monroe County, just north of the New York State Thruway, and is approximately nine miles west of the City of Rochester and 20 miles east of the City of Batavia. Highways 33, 33A and 490 West pass through the District. The area is served by the main line of Amtrak, Trailways Bus Systems and Regional Transit System.

The District is primarily a farm and residential area, but recent trends have been toward a more suburban locale. Industries located in the District include Chili Plastics, Inc. and Home Trends Catalog. District residents are also employed in Rochester by such well known companies as Eastman Kodak Company, Bausch & Lomb, Inc. and Xerox Corporation.

Roberts Wesleyan College is located in the community of North Chili and has an enrollment of approximately 1,800 students.

Population

The current estimated population of the District is 27,622. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|------------------|------------------|
| Churchville-Chili Central School District | Public Education | 725 |
| Roberts Wesleyan College | Higher Education | 375 |
| Town of Chili | Municipality | 138 |
| FedEx | Delivery Service | 110 |
| Advantech | Machine Shop | 100 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------------|-------------|-----------------------|
| Rochester Gas & Electric Corporation | Utility | \$32,810,122 |
| Blueberry Hill Association | Apartment | 15,579,700 |
| Windsor at Ogdenshire Associates | Apartment | 9,170,500 |
| Atlantic Properties LLC | Apartment | 9,122,300 |
| Meadowbrook Associates | Apartment | 7,954,500 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.39% 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 Monroe County.

| | Year Average | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Monroe County | 7.9% | 7.0% | 5.8% | 5.2% | 4.7% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 3,981 | 3,914 | 3,888 | 3,875 | 3,847 | 3,830 | 3,779 |

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> |
|--------------------------------|--|-------------------------------------|
| 352 | Churchville-Chili Education Association | June 30, 2018 |
| 103 | Churchville-Chili Bus Drivers’ Association | June 30, 2016 ⁽¹⁾ |
| 79 | Churchville-Chili Professional Association | June 30, 2018 |
| 64 | Churchville-Chili Maintenance Association | June 30, 2019 |
| 32 | Churchville-Chili Central School Nutritional Services Association | June 30, 2018 |
| 19 | Certified Administrators’ Group | June 30, 2017 ⁽¹⁾ |
| 19 | Civil Service Administrators’ Group | June 30, 2019 |
| 7 | Churchville-Chili Nurses’ Association | June 30, 2018 |

⁽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 2, 2017⁽¹⁾

| | |
|--|---------------------|
| Full Valuation of Taxable Real Property | \$1,476,607,617 |
| Debt Limit (10% of Full Valuation) | 147,660,761 |
| Gross Indebtedness ⁽²⁾ | \$57,755,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | <u>\$57,755,000</u> |
| Net Debt Contracting Margin | \$89,905,761 |
| Percentage of Debt Contracting Power Exhausted | 39.11% |

(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 \$5,670,000 School District Bonds to DASNY in connection with the refunding of \$4,055,000 of the District's outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 2015 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: | | | | | |
| Monroe | \$738,441,687 | \$0 | \$738,441,687 | 3.67% | \$27,100,810 |
| Towns of: | | | | | |
| Chili | 925,000 | 0 | 925,000 | 53.30 | 493,025 |
| Ogden | 0 | 0 | 0 | 29.03 | 0 |
| Riga | 3,652,150 | 0 | 3,652,150 | 94.76 | 3,460,777 |
| Sweden | 1,364,522 | 0 | 1,364,522 | 0.16 | 2,183 |
| Village of: | | | | | |
| Churchville | 2,343,200 | 0 | 2,343,200 | 100.00 | 2,343,200 |
| | | | | Total: | <u><u>\$33,399,995</u></u> |

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Information not available.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$57,755,000 | \$2,090.91 | 3.91% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 91,154,995 | 3,300.09 | 6.17% |

- (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 27,622.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$1,476,607,617.
- (4) The District expects to deliver \$5,670,000 School District Bonds to DASNY in connection with the refunding of \$4,055,000 of the District's outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 and has no plans to do so in the future.

Capital Project Plans

On December 8, 2015, the voters approved a \$22,678,000 capital project, Phase V, consisting of construction and reconstruction of various school buildings and facilities. The District plans to contribute \$5,175,000 of reserve funds to this authorization. As of the date of this Appendix C, the District plans a short-term financing on this authorization for August 2017.

On May 16, 2017, the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$1,220,000. If approved by the voters, the District may obtain financing for the buses in September 2017. However, as of the date of this Appendix C, the dollar amount has not been determined.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Churchville-Chili Central School District
<http://emma.msrb.org/ES990999-ES775704-ES1177021.pdf>
Base CUSIP: 171592

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

There are two plans for payment of taxes in the District, which are as follows:

Option A – Full Payment – Taxes are due September 1 and may be paid through September 30 with no penalty. For payments made between October 1 and November 1, an interest penalty is added.

Unpaid taxes are turned over to the Monroe County Treasurer on November 1 each year. Payments under Option A made from November 1 to November 15 include an interest penalty which is dependent upon the date paid and amount due. No payments are accepted after November 15.

School taxes which remain unpaid after November 15 are relieved on Town and County tax bills.

Option B – Installment Payments – Taxes under Option B are due in three equal payments to be made on September 15, October 15 and November 15. The taxpayer who chooses Option B automatically incurs a service charge computed on the total tax amount. If an installment is not paid on or before the 15th of the month due, an interest charge for each month or fraction thereof is added to the total amount due.

As in Option A, unpaid taxes are turned over to the Monroe County Treasurer on November 1, payable to said County Treasurer through November 15 with an interest penalty dependent upon the date paid and amount due.

The District is reimbursed by Monroe County for all unpaid taxes each year and is therefore assured of 100% collection of its annual tax 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Chili | \$807,662,532 | \$820,374,050 | \$828,216,793 | \$831,753,342 | \$842,007,853 |
| Ogden | 287,576,978 | 296,682,864 | 308,510,415 | 313,937,873 | 321,656,726 |
| Riga | 295,954,700 | 301,113,470 | 300,817,631 | 310,292,794 ⁽¹⁾ | 311,962,159 |
| Sweden | 1,008,516 | 938,245 | 953,653 | 962,161 | 980,879 |
| Total Assessed Valuation | <u>\$1,392,202,726</u> | <u>\$1,419,108,629</u> | <u>\$1,438,498,492</u> | <u>\$1,456,946,170</u> | <u>\$1,476,607,617</u> |

(1) Difference due to town wide revaluation.

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Chili | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Ogden | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Riga | 100.00 | 100.00 | 98.00 | 100.00 | 100.00 |
| Sweden | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$1,392,202,726 | \$1,419,108,629 | \$1,444,637,627 | \$1,456,946,170 | \$1,476,607,617 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$31,926,539 | \$33,056,394 | \$33,822,435 | \$34,459,708 | \$34,684,703 |
| % Uncollected When Due ⁽¹⁾ | 2.78% | 2.63% | 2.50% | 2.63% | 2.60% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$35,563,113 | \$72,817,278 | 48.84% |
| 2013-2014 | 34,480,972 | 73,105,060 | 47.17 |
| 2014-2015 | 35,130,137 | 74,107,283 | 47.40 |
| 2015-2016 | 38,111,039 | 78,077,159 | 48.81 |
| 2016-2017 (Budgeted) | 40,029,484 | 79,671,061 | 50.24 |
| 2017-2018 (Proposed) | 40,645,512 | 83,919,346 | 48.43 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,406,240 | \$2,856,795 |
| 2013-2014 | 1,330,363 | 4,114,887 |
| 2014-2015 | 1,527,435 | 4,505,810 |
| 2015-2016 | 1,205,964 | 3,459,942 |
| 2016-2017 (Budgeted) | 1,685,620 | 3,611,540 |
| 2017-2018 (Proposed) | 1,731,697 | 2,791,073 |

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, 2016, 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 \$56,675,358. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$56,675,358. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$10,780,529. The District's annual OPEB expense was \$3,821,119 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,755,197 to the Plan for the fiscal year ending June 30, 2016 to 912 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,065,922, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$12,846,451. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$2,988,451 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$3,220,357 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.*"

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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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$8,286,171 | | \$8,286,171 |
| 2017-2018 | 8,315,131 | \$611,794 | 8,926,925 |
| 2018-2019 | 7,321,094 | 554,750 | 7,875,844 |
| 2019-2020 | 5,236,431 | 550,750 | 5,787,181 |
| 2020-2021 | 4,837,644 | 553,550 | 5,391,194 |
| 2021-2022 | 4,481,744 | 550,750 | 5,032,494 |
| 2022-2023 | 4,467,894 | 554,250 | 5,022,144 |
| 2023-2024 | 4,078,107 | 555,250 | 4,633,357 |
| 2024-2025 | 3,687,832 | 552,000 | 4,239,832 |
| 2025-2026 | 3,561,094 | 553,000 | 4,114,094 |
| 2026-2027 | 1,785,113 | 553,000 | 2,338,113 |
| 2027-2028 | 631,925 | 552,000 | 1,183,925 |
| 2028-2029 | 635,900 | 555,000 | 1,190,900 |
| 2029-2030 | 612,850 | 551,750 | 1,164,600 |
| 2030-2031 | | 552,500 | 552,500 |
| 2031-2032 | | 357,000 | 357,000 |

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**APPENDIX C-10
DESCRIPTION OF
EAST ROCHESTER UNION FREE SCHOOL DISTRICT**

There follows in this Appendix C-10 a brief description of the East Rochester Union Free 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 an area of about 3.2 square miles and is located six miles southeast of the City of Rochester. The District includes the entire coterminous Town and Village of East Rochester and portions of the Towns of Pittsford and Perinton.

East Rochester is primarily a residential community and many of its residents hold professional and executive positions.

Rochester Gas and Electric Corporation provides electricity and gas. East Rochester maintains its own police department. It is supplemented by the Monroe County Sheriff's Department and New York State Police. A volunteer fire department provides fire protection and ambulance service is provided by a private contract service.

Saint John Fisher College and Nazareth College are located in close proximity to the District and provide extensive undergraduate and graduate degree programs. In addition, Monroe Community College provides cultural and educational benefits for area residents. A number of major universities including the University of Rochester, Rochester Institute of Technology and SUNY College at Geneseo are within an hour's drive of East Rochester.

Population

The current estimated population of the District is 9,345. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|---------------------|------------------|
| St. John Fisher College | Higher Education | 877 |
| Nazareth College | Higher Education | 650 |
| Wegmans | Retail Food Service | 265 |
| East Rochester Union Free School District | Public Education | 233 |
| Paychex (Despatch Drive) | Payroll Company | 100 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------|-----------------------|-----------------------|
| Linden Oaks | Professional Building | \$24,443,000 |
| Rochester Gas & Electric | Utility | 19,260,641 |
| Piano Works Mall | Commercial | 7,900,000 |
| Country Club Plaza | Shopping Center | 7,668,500 |
| Hoselton | Auto Dealer | 6,559,800 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.4% 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 Monroe County.

| | Year Average | | | | |
|----------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Monroe County | 8.5% | 7.6% | 6.4% | 5.7% | 5.2% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 1,305 | 1,278 | 1,260 | 1,179 | 1,179 | 1,137 | 1,095 |

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> |
|---------------------------------------|--|--|
| 9 | East Rochester Administrators Association | June 30, 2021 |
| 122 | East Rochester Teachers Association | June 30, 2020 |
| 88 | CSEA/AFSCME Local 1000/AFL-CIO Local Unit #828 | June 30, 2017 ⁽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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$520,936,273 |
| Debt Limit (10% of Full Valuation) | 52,093,627 |
| Gross Indebtedness ⁽²⁾ | \$15,820,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$15,820,000 |
| Net Debt Contracting Margin | \$36,273,627 |
| Percentage of Debt Contracting Power Exhausted | 30.37% |

⁽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 \$3,095,000 School District Bonds to DASNY in connection with the refunding of \$3,520,000 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 2015 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: | | | | | |
| Monroe | \$738,441,687 | \$97,648,690 | \$640,792,997 | 1.28% | \$8,202,150 |
| Towns of: | | | | | |
| Pittsford | 15,516,450 | 166,926 | 15,349,524 | 5.45 | 836,549 |
| Perinton | 20,470,000 | 16,470,000 | 4,000,000 | 1.15 | 46,000 |
| East Rochester | 0 | 0 | 0 | 100.00 | 0 |
| Village of: | | | | | |
| East Rochester | 6,960,000 | 0 | 6,960,000 | 100.00 | 6,960,000 |
| | | | | Total | \$16,044,699 |

⁽¹⁾ Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|--|---------------|--------------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$15,820,000 | \$1,692.88 | 3.04% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 31,864,699 | 3,409.81 | 6.12 |

(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 9,345.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$520,936,273.

(4) The District expects to deliver \$3,095,000 School District Bonds to DASNY in connection with the refunding of \$3,520,000 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 and has no plans to do so in the future.

Capital Project Plans

The District is in the early planning stages of a \$7 million capital improvement project, with \$1.7 million to be expended from the capital reserve fund. Any future borrowings would depend upon approval from the New York State Education Department and the project's cash flow needs.

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

East Rochester Union Free School District
<https://emma.msrb.org/EP963466-EP747482-EP1148998.pdf>
Base CUSIP: 274731

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 during the month of September without penalty. A 2% penalty is imposed for late payment. On or about November 18th, uncollected taxes are returnable to the County of Monroe for collection. The School District receives this amount of uncollected taxes from the County on or before April 1st, 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| East Rochester | \$296,183,962 | \$304,089,332 | \$304,752,377 | \$306,293,496 | \$309,707,898 |
| Pittsford | 158,222,175 | 159,526,209 | 164,092,869 | 164,906,617 | 166,113,049 |
| Perinton | 44,561,760 | 44,514,123 | 44,648,082 | 45,008,933 | 45,115,326 |
| Total Assessed Valuation | <u>\$498,967,897</u> | <u>\$508,129,664</u> | <u>\$513,493,328</u> | <u>\$516,209,046</u> | <u>\$520,936,273</u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Towns of: | | | | | |
| East Rochester | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Pittsford | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Perinton | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

| | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Taxable Full Valuation | \$498,967,897 | \$508,129,664 | \$513,493,328 | \$516,209,046 | \$520,936,273 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$12,394,008 | \$12,635,691 | \$13,098,157 | \$13,457,376 | \$13,523,946 |
| % Uncollected When Due ⁽¹⁾ | 2.75% | 2.26% | 2.30% | 2.28% | 2.4% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$9,241,223 | \$23,858,405 | 38.73% |
| 2013-2014 | 9,579,394 | 24,684,653 | 38.81 |
| 2014-2015 | 9,238,232 | 25,655,056 | 36.01 |
| 2015-2016 | 10,076,574 | 26,071,091 | 38.65 |
| 2016-2017 (Budgeted) | 11,411,181 | 26,326,127 | 43.35 |
| 2017-2018 (Proposed) | 11,597,670 | 27,592,226 | 42.03 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$303,585 | \$864,940 |
| 2013-2014 | 345,622 | 1,148,269 |
| 2014-2015 | 288,455 | 1,342,553 |
| 2015-2016 | 242,975 | 1,095,941 |
| 2016-2017 (Budgeted) | 270,000 | 920,000 |
| 2017-2018 (Proposed) | 337,500 | 861,950 |

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, 2016, 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 \$34,354,941. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$34,354,941. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$6,781,956. The District's annual OPEB expense was \$2,412,920 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$870,332 to the Plan for the fiscal year ending June 30, 2016 to 220 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,542,588, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$8,324,544. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,000,684 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,097,955 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$2,146,496 | | \$2,146,496 |
| 2017-2018 | 2,159,164 | \$316,237 | 2,475,401 |
| 2018-2019 | 2,162,929 | 314,300 | 2,477,229 |
| 2019-2020 | 1,254,900 | 314,050 | 1,568,950 |
| 2020-2021 | 1,273,863 | 311,850 | 1,585,713 |
| 2021-2022 | 870,960 | 314,450 | 1,185,410 |
| 2022-2023 | 889,520 | 314,700 | 1,204,220 |
| 2023-2024 | 906,340 | 311,500 | 1,217,840 |
| 2024-2025 | 915,270 | 316,000 | 1,231,270 |
| 2025-2026 | 478,600 | 314,750 | 793,350 |
| 2026-2027 | 494,300 | 313,000 | 807,300 |
| 2027-2028 | | 315,750 | 315,750 |
| 2028-2029 | | 312,750 | 312,750 |
| 2029-2030 | | 314,250 | 314,250 |
| 2030-2031 | | 315,000 | 315,000 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- In June 2012, the District failed to file a bond call notice with respect to its 2002 bonds.

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**APPENDIX C-11
DESCRIPTION OF
EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-11 a brief description of the Edwards-Knox 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 a land area of approximately 275 square miles, is located in the south-central sector of St. Lawrence County, which is found in the northern portion of New York State known as the “North Country”. The District contains all or a portion of the Towns of Canton, Clare, Edwards, Fine, Hermon, Pierrepont and Russell. It is approximately 15 miles south of the Village of Canton and 20 miles east of the Village of Gouverneur. The City of Watertown is approximately 45 miles southwest of the District.

This area of the State is known for its large dairy farms and dairy products. Maple syrup is a major product of the area.

Public utilities serving the District include National Grid, Verizon and Edwards Telephone Company. State highways serving the District include Routes #3, #11 and #58.

Population

The current estimated population of the District is 3,375. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|------------------|------------------|
| St. Lawrence University ⁽¹⁾ | Higher Education | 865 |
| St. Lawrence County ⁽²⁾ | Government | 858 |
| SUNY Canton ⁽¹⁾ | Higher Education | 612 |
| St. Lawrence-Lewis BOCES ⁽¹⁾ | BOCES | 600 |
| Edwards-Knox CSD | Education | 125 |

⁽¹⁾ Located just outside the District in the Town of Canton where District residents find employment.

⁽²⁾ Includes jobs through entire County.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|------------------------------|-------------|-----------------------|
| Iroquois Gas Transmission | Utility | \$9,092,460 |
| National Grid | Utility | 5,556,596 |
| New York State Reforestation | Government | 3,912,429 |
| Erie Boulevard Hydropower | Utility | 3,731,400 |
| St. Lawrence Gas | Utility | 1,868,857 |

The total estimated full assessed valuation of the top **ten (10)** taxpayers represents approximately 15.0% 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) is St. Lawrence County.

| | Year Average | | | | |
|---------------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| St. Lawrence County | 10.2% | 9.1% | 7.8% | 6.9% | 6.6% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 592 | 580 | 588 | 592 | 600 | 595 | 596 |

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> |
|----------------------------|--|---------------------------------|
| 56 | Edwards-Knox Teachers’ Association | June 30, 2019 |
| 55 | Edwards-Knox Support Service Association | 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 2, 2017⁽¹⁾

| | |
|--|---------------------|
| Full Valuation of Taxable Real Property | \$191,355,146 |
| Debt Limit (10% of Full Valuation) | 19,135,515 |
| Gross Indebtedness ⁽²⁾ | \$14,650,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | <u>\$14,650,000</u> |
| Net Debt Contracting Margin | \$4,485,515 |
| Percentage of Debt Contracting Power Exhausted | 76.56% |

(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 \$7,080,000 School District Bonds to DASNY in connection with the refunding of \$8,065,000 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 2015 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: | | | | | |
| St. Lawrence | \$29,085,000 | \$0 | \$29,085,000 | 3.13% | \$910,361 |
| Towns of: | | | | | |
| Canton | 0 | 0 | 0 | 0.29 | 0 |
| Clare | 0 | 0 | 0 | 100.00 | 0 |
| Edwards | 952,294 | 732,500 | 219,794 | 90.78 | 199,529 |
| Fine | 862,300 | 0 | 862,300 | 2.77 | 23,886 |
| Hermon | 0 | 0 | 0 | 1.56 | 0 |
| Pierrepoint | 0 | 0 | 0 | 6.66 | 0 |
| Russell | 204,220 | 0 | 204,220 | 95.52 | 195,071 |
| | | | | Total: | <u>\$1,328,847</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$14,650,000 | \$4,340.74 | 7.66% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 15,978,847 | 4,734.47 | 8.35 |

- (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 3,375.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$191,355,146.
- (4) The District expects to deliver \$7,080,000 School District Bonds to DASNY in connection with the refunding of \$8,065,000 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, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Capital Project Plans

The District has authorization for a \$100,000 capital outlay project. State aid is expected to cover 94% of the project cost and the District plans to fund the remaining cost of the project with the use of reserves.

The District has authorization to issue \$343,000 for the purchase of buses. The District plans on issuing five year serial bond in March 2018.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Edwards-Knox Central School District
<https://emma.msrb.org/ER989403-ER774445-ER1175738.pdf>
Base CUSIP: 281776

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 on the first seven days of September. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On or about November 15th, uncollected taxes are returnable to St. Lawrence 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.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Canton | \$1,051,703 | \$1,042,234 | \$1,041,679 | \$1,038,535 | \$1,065,363 |
| Clare | 1,124,984 | 1,041,472 | 1,048,516 | 1,046,950 | 1,037,969 |
| Edwards | 52,229,306 | 52,232,947 | 52,715,224 | 52,892,816 | 53,108,083 |
| Fine | 3,490,747 | 3,517,709 | 4,117,356 | 4,098,104 | 3,906,785 |
| Hermon | 1,014,950 | 2,306,247 ⁽¹⁾ | 2,374,954 | 2,378,081 | 2,444,809 |
| Pierrepoint | 10,351,303 | 10,784,418 | 10,968,360 | 10,967,986 | 11,185,020 |
| Russell | 58,351,885 | 59,071,227 | 59,740,504 | 60,228,883 | 59,721,298 |
| Total Assessed Valuation | <u>\$127,614,878</u> | <u>\$129,996,254</u> | <u>\$132,006,593</u> | <u>\$132,651,358</u> | <u>\$132,469,327</u> |
| State Equalization Rates Years Ending June 30, | | | | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Canton | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Clare | 4.32 | 3.87 | 3.57 | 3.45 | 3.46 |
| Edwards | 100.00 | 100.00 | 100.00 | 98.50 | 97.50 |
| Fine | 85.00 | 85.00 | 83.00 | 81.00 | 81.00 |
| Hermon | 89.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Pierrepoint | 97.00 | 90.50 | 90.00 | 85.50 | 84.50 |
| Russell | 80.00 | 80.00 | 76.50 | 76.50 | 70.00 |
| Taxable Full Valuation | \$168,180,762 | \$172,386,848 | \$180,741,952 | \$184,079,294 | \$191,355,146 |

⁽¹⁾ Significant change from the previous year is due to revaluation.

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$1,746,413 | \$1,816,269 | \$1,859,016 | \$1,909,606 | \$1,909,606 |
| % Uncollected When Due ⁽¹⁾ | 9.48% | 9.98% | 10.18% | 10.91% | 10.66% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$9,169,322 | \$11,069,021 | 82.84% |
| 2013-2014 | 9,381,163 | 11,409,427 | 82.22 |
| 2014-2015 | 9,826,041 | 11,826,979 | 83.08 |
| 2015-2016 | 10,175,252 | 12,396,232 | 82.08 |
| 2016-2017 (Budgeted) | 11,634,819 | 13,643,151 | 85.28 |
| 2017-2018 (Proposed) | 11,942,293 | 13,938,325 | 85.68 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$291,858 | \$510,812 |
| 2013-2014 | 204,745 | 614,969 |
| 2014-2015 | 190,230 | 602,982 |
| 2015-2016 | 178,414 | 489,894 |
| 2016-2017 (Budgeted) | 227,557 | 484,085 |
| 2017-2018 (Proposed) | 242,108 | 483,767 |

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, 2016, 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 \$27,823,559. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,823,559. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$10,613,124. The District's annual OPEB expense was \$2,709,210 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$681,286 to the Plan for the fiscal year ending June 30, 2016 to 125 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,027,924, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$12,641,048. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – *Financial Factors – GASB 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 \$263,663 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$750,820 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$1,163,715 | | \$1,163,715 |
| 2017-2018 | 1,162,801 | \$732,836 | 1,895,637 |
| 2018-2019 | 1,170,183 | 734,431 | 1,904,614 |
| 2019-2020 | 1,111,554 | 731,831 | 1,843,385 |
| 2020-2021 | 1,063,414 | 734,631 | 1,798,045 |
| 2021-2022 | 1,020,544 | 731,631 | 1,752,175 |
| 2022-2023 | 372,644 | 733,381 | 1,106,025 |
| 2023-2024 | 371,922 | 733,781 | 1,105,703 |
| 2024-2025 | 355,688 | 733,281 | 1,088,969 |
| 2025-2026 | | 731,531 | 731,531 |
| 2026-2027 | | 733,531 | 733,531 |
| 2027-2028 | | 734,031 | 734,031 |
| 2028-2029 | | 733,031 | 733,031 |
| 2029-2030 | | 735,531 | 735,531 |
| 2030-2031 | | 126,281 | 126,281 |
| 2031-2032 | | 115,781 | 115,781 |
| 2032-2033 | | 60,531 | 60,531 |
| 2033-2034 | | 58,675 | 58,675 |
| 2034-2035 | | 51,750 | 51,750 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- Due to clerical oversight, the District's audited financial statements and annual financial information and operating data for fiscal years ending June 30, 2011, 2012 and 2013 were not filed to the Electronic Municipal Market Access Website (EMMA) pursuant to continuing disclosure undertaking agreements. The District has since retained a dissemination agent and all prior applicable annual disclosure filings and material event notices have since been filed, and expect to be filed in a timely manner pursuant to its disclosure agreements.
- The "Major Employers" table was not included in the District's 2013-2016 filings of its Annual Financial Information and Operating Data.

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**APPENDIX C-12
DESCRIPTION OF
FILLMORE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-12 a brief description of the Fillmore 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 and serves the students of the Towns of Allen, Birdsall, Caneadea, Granger, Centerville and Hume in Allegany County as well as the Towns of Pike and Genesee Falls in Wyoming County. The District covers 107 square miles and houses grades Pre-K-12 in one building in the Hamlet of Fillmore located in the Town of Hume.

The District is located on State Route 19 and is approximately 60 miles from the cities of Rochester and Buffalo. The District has always had a strong agricultural focus and this continues today. A significant number of residents work for large construction contractors, while many commute to work in Rochester and Buffalo. Houghton College, a private four-year institution, is located four miles from the School and offers many cultural and recreational opportunities for area residents. The College provides a continuous supply of student teachers and certified substitute teachers for the District.

The largest employers in the area are Houghton College and the District. Rochester Gas & Electric Corporation maintains a service facility and offices in the Hamlet of Fillmore and is the utility providing electric power to the District. Natural gas is provided by the Fillmore Gas Company and the Town of Hume maintains a water and sewage system.

Population

The current estimated population of the District is 5,047. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|----------------------------------|------------------|------------------|
| Houghton College | Higher Education | 175 |
| Fillmore Central School District | Public Education | 128 |
| Houghton Nursing Home | Nursing Home | 75 |
| Fillmore Greenhouse | Greenhouse | 25 |
| Shop ‘n Save | Retail Store | 25 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------------|--------------------|-----------------------|
| Rochester Gas & Electric Corporation | Utility | \$7,768,966 |
| 9876 Luckey Drive LLC | Nursing Home | 5,851,484 |
| State of New York | State Forest Lands | 4,252,608 |
| National Fuel Supply | Utility | 3,047,967 |
| Citizens Communications | Utility | 2,042,374 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.13% 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 Allegany and Wyoming Counties.

| | Year Average | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Allegany County | 8.4% | 7.5% | 6.2% | 5.8% | 6.2% |
| Wyoming County | 8.9 | 7.9 | 6.5 | 5.7 | 5.3 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 764 | 759 | 747 | 767 | 768 | 770 | 769 |

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> |
|----------------------------|------------------------------|---------------------------------|
| 62 | Fillmore Faculty Association | June 30, 2018 |
| 54 | Local 1000 AFSCME, AFL-CIO | June 30, 2020 |

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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 2, 2017⁽¹⁾**

| | |
|--|--------------------|
| Full Valuation of Taxable Real Property | \$191,085,569 |
| Debt Limit (10% of Full Valuation) | 19,108,556 |
| Gross Indebtedness ⁽²⁾ | \$22,664,224 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 15,547,522 |
| Total Net Indebtedness | <u>\$7,116,702</u> |
| Net Debt Contracting Margin | \$11,991,854 |
| Percentage of Debt Contracting Power Exhausted | 37.24% |

(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 \$7,015,000 School District Bonds to DASNY in connection with the refunding of \$7,810,000 of the District's outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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) Represents estimate of moneys receivable by the District from the State as an apportionment for debt service for school building purposes.

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 2015 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: | | | | | |
| Allegany | \$27,385,000 | \$0 | \$27,385,000 | 9.98% | \$2,733,023 |
| Wyoming | 34,267,317 | 0 | 34,267,317 | 0.20 | 68,535 |
| Towns of: | | | | | |
| Allen | 191,943 | 0 | 191,943 | 47.08 | 90,367 |
| Birdsall | 0 | 0 | 0 | 2.31 | 0 |
| Caneadea | 8,236,870 | 0 | 8,236,870 | 44.94 | 3,701,649 |
| Centerville | 95,871 | 0 | 95,871 | 83.87 | 80,407 |
| Genesee Falls | 40,000 | 0 | 40,000 | 7.64 | 3,056 |
| Granger | 169,136 | 0 | 169,136 | 78.83 | 133,330 |
| Hume | 0 | 0 | 0 | 100.00 | 0 |
| Pike | 560,000 | 0 | 560,000 | 4.06 | 22,736 |
| | | | | Total: | <u>\$6,833,103</u> |

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Information not available.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|--|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$22,664,224 | \$4,490.63 | 11.86% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 29,497,327 | 5,844.53 | 15.44 |

(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 5,047.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$191,085,569.

(4) The District expects to deliver \$7,015,000 School District Bonds to DASNY in connection with the refunding of \$7,810,000 of the District's outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 and does not plan on issuing any in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Fillmore Central School District
<http://emma.msrb.org/ES1001816-ES784894-ES1186235.pdf>
Base CUSIP: 317209

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 Allegany and Wyoming 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.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Allen | \$13,465,392 | \$13,608,836 | \$13,631,245 | \$13,465,077 | \$15,289,187 ⁽¹⁾ |
| Birdsall | 580,822 | 585,216 | 586,316 | 634,995 | 636,197 |
| Caneadea | 33,811,486 | 33,649,579 | 36,188,340 ⁽¹⁾ | 36,234,800 | 36,346,266 |
| Centerville | 28,999,252 | 29,032,382 | 29,210,651 | 29,359,287 | 29,490,620 |
| Genesee Falls | 1,456,433 | 1,480,380 | 1,491,813 | 1,969,149 | 2,081,853 |
| Granger | 16,756,779 | 16,783,274 | 16,783,659 | 16,819,459 | 24,191,639 ⁽¹⁾ |
| Hume | 65,478,397 | 65,758,286 | 66,213,466 | 67,017,860 | 75,296,259 ⁽¹⁾ |
| Pike | 1,971,001 | 1,991,362 | 2,202,594 | 2,183,838 | 2,211,246 |
| Total Assessed Valuation | <u>\$162,519,562</u> | <u>\$162,889,315</u> | <u>\$166,308,084</u> | <u>\$167,684,465</u> | <u>\$185,543,267</u> |

⁽¹⁾ Difference due to town wide revaluation.

State Equalization Rates Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|---------------|---------------|---------------|---------------|------------------------|
| Towns of: | | | | | |
| Allen | 100.00% | 100.00% | 100.00% | 93.00% | 100.00% ⁽¹⁾ |
| Birdsall | 100.00 | 100.00 | 98.00 | 100.00 | 99.00 |
| Caneadea | 100.00 | 95.00 | 100.00 | 96.00 | 96.00 |
| Centerville | 100.00 | 100.00 | 98.00 | 94.00 | 88.00 |
| Genesee Falls | 100.00 | 100.00 | 98.00 | 100.00 | 100.00 |
| Granger | 82.00 | 76.00 | 76.00 | 74.00 | 100.00 ⁽¹⁾ |
| Hume | 100.00 | 100.00 | 100.00 | 87.00 | 100.00 |
| Pike | 100.00 | 100.00 | 97.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$166,197,879 | \$169,960,326 | \$172,314,855 | \$188,005,448 | \$191,085,569 |

⁽¹⁾ Difference due to town wide revaluation.

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$2,258,235 | \$2,349,610 | \$2,390,036 | \$2,437,593 | \$2,489,220 |
| % Uncollected When Due ⁽¹⁾ | 9.21% | 10.56% | 10.63% | 10.27% | 9.77% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$10,255,028 | \$13,130,698 | 78.10% |
| 2013-2014 | 10,444,016 | 13,228,396 | 78.95 |
| 2014-2015 | 11,134,346 | 13,988,467 | 79.60 |
| 2015-2016 | 10,856,959 | 13,741,595 | 79.01 |
| 2016-2017 (Budgeted) | 11,818,412 | 14,599,958 | 80.95 |
| 2017-2018 (Proposed) | 13,055,169 | 16,163,076 | 80.77 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$261,000 | \$483,000 |
| 2013-2014 | 265,000 | 538,000 |
| 2014-2015 | 271,000 | 716,000 |
| 2015-2016 | 250,000 | 556,000 |
| 2016-2017 (Budgeted) | 204,706 | 556,999 |
| 2017-2018 (Proposed) | 207,256 | 496,342 |

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

GASB 45 and OPEB

The District contracted with Nyhart Actuary to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of July 1, 2015, 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 \$1,967,898. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,967,898. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$325,688. The District's annual OPEB expense was \$197,648 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$126,848 to the Plan for the fiscal year ending June 30, 2016, resulting in a net increase to its unfunded OPEB obligation of \$70,800, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$396,488. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "*PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB 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 \$243,364 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,485,690 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$1,441,232 | | \$1,441,232 |
| 2017-2018 | 1,377,164 | \$1,095,620 | 2,472,784 |
| 2018-2019 | 1,356,650 | 663,550 | 2,020,200 |
| 2019-2020 | 1,352,450 | 662,600 | 2,015,050 |
| 2020-2021 | 1,269,050 | 662,600 | 1,931,650 |
| 2021-2022 | 1,265,150 | 662,000 | 1,927,150 |
| 2022-2023 | 1,269,000 | 661,750 | 1,930,750 |
| 2023-2024 | | 659,750 | 659,750 |
| 2024-2025 | | 657,750 | 657,750 |
| 2025-2026 | | 664,750 | 664,750 |
| 2026-2027 | | 665,250 | 665,250 |
| 2027-2028 | | 664,500 | 664,500 |
| 2028-2029 | | 662,500 | 662,500 |
| 2029-2030 | | 664,250 | 664,250 |
| 2030-2031 | | 599,500 | 599,500 |
| 2031-2032 | | 241,500 | 241,500 |

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**APPENDIX C-13
DESCRIPTION OF
FREDONIA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-13 a brief description of the Fredonia 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 has a land area of approximately 100 square miles and is located in northern Chautauqua County, immediately southeast of the City of Dunkirk.

The District is largely rural residential in character. Most residential properties consist of single-family homes, though there are some multiple dwellings around SUNY Fredonia, which is in the District. Many residents of the District find employment locally at the University. Residents also find employment in the City of Dunkirk and the City of Jamestown, which is approximately 20 miles south of the District.

There is a State Thruway interchange within the District, and the area is served by a network of state and county roads. Commercial transportation is available at the Jamestown Airport.

Population

The current estimated population of the District is 14,337. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---------------------|----------------------------|------------------|
| SUNY Fredonia | Higher Education | 1,200 |
| Fredonia CSD | Public School | 275 |
| Village of Fredonia | Local Government | 105 |
| DFT Communications | Telecommunication Services | 75 |
| National Grid | Utility | 40 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|--------------------------|---------------|---------------------------|
| National Grid | Utility | \$3,538,424 |
| Wal-Mart | Retail | 2,015,000 |
| National Fuel Gas | Utility | 1,872,861 |
| Carriage House (Ralcorp) | Manufacturing | 1,516,791 |
| Brigham Apartments | Real Estate | 1,236,840 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 8.68% 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) is Chautauqua County.

| | Year Average | | | | |
|-------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Chautauqua County | 8.5% | 8.0% | 6.8% | 6.0% | 5.8% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 1,569 | 1,510 | 1,450 | 1,467 | 1,476 | 1,457 | 1,430 |

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> |
|-----------------------------------|--------------------------------------|--|
| 153 | Fredonia Teachers’ Association | June 30, 2017 ⁽¹⁾ |
| 55 | Fredonia Salaried Support Staff | June 30, 2021 |
| 60 | C.S.E.A Unit 6318 | June 30, 2019 |
| 8 | Fredonia Administrators’ Association | June 30, 2019 |
| ⁽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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$704,165,938 |
| Debt Limit (10% of Full Valuation) | 70,416,594 |
| Gross Indebtedness ⁽²⁾ | \$10,263,667 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$10,263,667 |
| Net Debt Contracting Margin | \$60,152,927 |
| Percentage of Debt Contracting Power Exhausted | 14.58% |

⁽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 \$2,305,000 School District Bonds to DASNY in connection with the refunding of \$2,600,000 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 2015 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 | \$53,182,086 | \$12,000 | \$53,170,086 | 10.26% | \$5,455,251 |
| Towns of: | | | | | |
| Arkwright | 20,000 | 0 | 20,000 | 19.81 | 3,962 |
| Dunkirk | 0 | 0 | 0 | 0.65 | 0 |
| Pomfret | 3,449,017 | 3,313,247 | 135,770 | 98.87 | 134,236 |
| Portland | 1,659,660 | 1,307,660 | 352,000 | 13.72 | 48,294 |
| Sheridan | 1,214,748 | 924,748 | 290,000 | 27.48 | 79,692 |
| Village of: | | | | | |
| Fredonia | 5,687,403 | 3,864,310 | 1,823,093 | 100.00 | 1,823,093 |
| | | | | Total | \$7,544,528 |

⁽¹⁾ Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

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Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|--|---------------|----------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$10,263,667 | \$715.89 | 1.46% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 17,808,195 | 1,242.11 | 2.53% |

(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 14,337.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$704,165,938.

(4) The District expects to deliver \$2,305,000 School District Bonds to DASNY in connection with the refunding of \$2,600,000 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 and do not plan on issuing any in the foreseeable future.

Capital Project Plans

The District has authorized and unissued indebtedness in the amount of \$991,689 pursuant to a bond resolution adopted by the Board on February 23, 2016 to pay for the District's share of the cost of a \$25,000,000 capital improvements project to be undertaken by the Board of Cooperative Educational Services, Second Supervisory District, Erie, Chautauqua and Cattaraugus Counties, New York ("BOCES"). It is not anticipated that the District will borrow against this resolution.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Fredonia Central School District
<https://emma.msrb.org/EP970283-EP752574-EP1154183.pdf>
Base CUSIP: 356082

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 Chautauqua 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Arkwright | \$6,371,415 | \$6,438,200 | \$6,525,347 | \$6,621,005 | \$6,663,495 |
| Dunkirk | 637,018 | 637,578 | 628,048 | 627,505 | 627,024 |
| Pomfret | 115,408,796 | 115,214,520 | 114,125,995 | 114,122,044 | 113,117,418 |
| Portland | 15,706,875 | 15,816,690 | 15,975,648 | 16,085,810 | 16,026,236 |
| Sheridan | 31,491,948 | 31,434,109 | 31,300,537 | 31,034,726 | 30,884,193 |
| Total Assessed Valuation | <u><u>\$169,616,052</u></u> | <u><u>\$169,541,097</u></u> | <u><u>\$168,555,575</u></u> | <u><u>\$168,491,090</u></u> | <u><u>\$167,318,366</u></u> |

State Equalization Rates Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Arkwright | 55.00% | 55.00% | 55.00% | 50.87% | 51.00% |
| Dunkirk | 73.50 | 73.50 | 71.50 | 70.00 | 69.00 |
| Pomfret | 20.21 | 20.21 | 20.21 | 20.21 | 18.50 |
| Portland | 54.00 | 54.00 | 57.00 | 57.00 | 57.00 |
| Sheridan | 70.00 | 70.00 | 65.50 | 66.00 | 61.00 |
| Taxable Full Valuation | \$657,574,361 | \$656,855,998 | \$653,257,807 | \$653,836,076 | \$704,165,938 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$14,642,239 | \$15,079,019 | \$15,210,822 | \$15,468,207 | \$15,611,280 |
| % Uncollected When Due ⁽¹⁾ | 6.54% | 7.20% | 7.08% | 6.35% | 7.31% |

⁽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

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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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$11,418,679 | \$26,715,888 | 42.74% |
| 2013-2014 | 11,644,222 | 27,540,611 | 42.28 |
| 2014-2015 | 12,537,791 | 28,599,629 | 43.84 |
| 2015-2016 | 12,482,165 | 28,791,375 | 43.35 |
| 2016-2017 (Budgeted) | 13,754,929 | 29,904,671 | 46.00 |
| 2017-2018 (Proposed) | 14,539,702 | 30,868,588 | 47.10 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$377,722 | \$1,178,999 |
| 2013-2014 | 416,665 | 1,315,178 |
| 2014-2015 | 374,950 | 1,899,133 |
| 2015-2016 | 337,218 | 2,072,842 |
| 2016-2017 (Budgeted) | 356,825 | 1,581,165 |
| 2017-2018 (Proposed) | 354,937 | 1,533,057 |

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

GASB 45 and OPEB

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$4,229,375. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,229,375. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$146,549. The District's annual OPEB expense was \$286,930 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$248,093 to the Plan for the fiscal year ending June 30, 2016 to 196 employees, resulting in a net increase to its unfunded OPEB obligation of \$38,837, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$185,386. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$509,120 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,234,462 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$2,793,500 | | \$2,793,500 |
| 2017-2018 | 2,737,000 | \$237,360 | 2,974,360 |
| 2018-2019 | 2,677,500 | 233,600 | 2,911,100 |
| 2019-2020 | | 234,700 | 234,700 |
| 2020-2021 | | 234,300 | 234,300 |
| 2021-2022 | | 233,700 | 233,700 |
| 2022-2023 | | 236,450 | 236,450 |
| 2023-2024 | | 235,250 | 235,250 |
| 2024-2025 | | 237,250 | 237,250 |
| 2025-2026 | | 233,750 | 233,750 |
| 2026-2027 | | 235,000 | 235,000 |
| 2027-2028 | | 235,750 | 235,750 |
| 2028-2029 | | 236,000 | 236,000 |
| 2029-2030 | | 235,750 | 235,750 |
| 2030-2031 | | 210,000 | 210,000 |

⁽¹⁾ Schedule does not include remaining payments of \$2,460,650 due under an energy performance contract.

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District failed to file a material event notice related to the rating upgrade of Assured Guaranty Municipal from "AA-" to "AA" in March 2014. The required notice was filed in June 2014.

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**APPENDIX C-14
DESCRIPTION OF
FREWSBURG CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-14 a brief description of the Frewsburg 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 adjacent to the City of Jamestown, approximately 75 miles south of Buffalo and 60 miles east of Erie, Pennsylvania. The District includes major portions of the Towns of Carroll and Kiantone and smaller portions of the Towns of Busti, Poland and South Valley.

The District is primarily rural residential, with some commercial development in the hamlet of Frewsburg; the District's schools are located in Frewsburg. Residents of the District find employment locally, as well as in the City of Jamestown, the Village of Falconer and in Warren, Pennsylvania.

Electricity is supplied throughout the District by National Grid, and gas is by National Fuel Gas Distribution Corp. Telephone service is provided by various regulated and deregulated telecommunications companies. Police protection is provided by the Chautauqua County Sheriff's Department, the State Police and the Frewsburg Police Department. Fire protection is provided by volunteer fire companies in each town.

The District is served by State Routes 60 and 62, and the Southern Tier Expressway is 7 miles to the north. Air transportation is available nearby in the City of Jamestown.

Population

The current estimated population of the District is 4,719. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----------------------------------|----------------------|------------------|
| Frewsburg Central School District | Public Schools | 154 |
| Frewsburg Rest Home | Health Care | 45 |
| Monarch Plastics | Manufacturing | 45 |
| Town of Carroll | Municipal Government | 16 |
| Tops Markets | Grocery Store | 16 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|--------------------------|-----------------------------------|---------------------------|
| National Grid | Utility | \$5,089,882 |
| Vac Air Alloys | Metal Recycling | 1,639,900 |
| Jones, Jack and Holdings | Farm, Mobile Home Park, Rental | 1,547,800 |
| Windstream | Utility | 1,371,044 |
| Pine Bluff Inc. | Mobile Home Park | 1,173,100 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.20% 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 Cattaraugus and Chautauqua Counties.

| | Year Average | | | | |
|--------------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Cattaraugus County | 9.3% | 8.5% | 7.0% | 6.3% | 5.9% |
| Chautauqua County | 8.5 | 8.0 | 6.8 | 6.0 | 5.8 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 848 | 845 | 843 | 809 | 812 | 815 | 818 |

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> |
|----------------------------|-----------------------------------|---------------------------------|
| 86 | Frewsburg Faculty Association | June 30, 2021 |
| 53 | Frewsburg United School Employees | June 30, 2017 ⁽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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$213,350,705 |
| Debt Limit (10% of Full Valuation) | 21,335,071 |
| Gross Indebtedness ⁽²⁾ | \$8,003,990 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$8,003,990 |
| Net Debt Contracting Margin | \$13,331,081 |
| Percentage of Debt Contracting Power Exhausted | 37.52% |

(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 \$1,645,000 School District Bonds to DASNY in connection with the refunding of \$1,856,628 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 2015 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: | | | | | |
| Cattaraugus | \$41,010,000 | \$0 | \$41,010,000 | 0.18% | \$73,818 |
| Chautauqua | 53,182,086 | 12,000 | 53,170,086 | 3.00 | 1,595,103 |
| Towns of: | | | | | |
| Busti | 1,615,803 | 1,505,013 | 110,790 | 2.53 | 2,803 |
| Carroll | 0 | 0 | 0 | 100.00 | 0 |
| Kiantone | 0 | 0 | 0 | 55.85 | 0 |
| Poland | 241,125 | 0 | 241,125 | 11.98 | 28,887 |
| South Valley | 0 | 0 | 0 | 15.02 | 0 |
| | | | | | \$1,626,792 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$8,003,990 | \$1,696.12 | 3.75% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 9,630,782 | 2,040.85 | 4.51 |

- (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 2016-17 of \$213,350,705.
- (4) The District expects to deliver \$1,645,000 School District Bonds to DASNY in connection with the refunding of \$1,856,628 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 and does not plan on issuing any in the foreseeable future.

Capital Project Plans

The District has authorized and unissued indebtedness for the following capital projects:

On December 3, 2013 District voters approved a \$5,656,000 capital project to implement a series of improvements to the Junior/Senior High School building and the site thereof to include auditorium upgrades for increased instructional use and community access; relocation of the school office to improve security and facilitate student access; new classrooms; and the replacement of the football field bleachers and press box. This capital project is based on the District’s 2010 Buildings Conditions Survey and the Five-Year Capital Facilities Plan. Work is currently underway.

In addition, District voters approved a \$4,982,250 District-wide capital improvements project on December 16, 2015. Work includes renovations to the Junior/Senior High School and Elementary School, additions and renovations to the Bus Garage, parking lot renovations, and athletic field renovations. Phase I began in 2016, with Phase II taking place in 2017.

The District also has authorized and unissued indebtedness in the amount of \$525,123 pursuant to a bond resolution adopted by the Board on February 11, 2016 to pay for the District’s share of the cost of a \$25,000,000 capital improvements project to be undertaken by the Board of Cooperative Educational Services, Second Supervisory District, Erie, Chautauqua and Cattaraugus Counties, New York (“BOCES”). It is anticipated that the District will pay for its portion of the project using available funds of the District and will not need to borrow against this authorization.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Frewsburg Central School District
<https://emma.msrb.org/ES1175613.pdf>
 Base CUSIP: 358334

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 Cattaraugus and Chautauqua 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.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Busti | \$13,351,103 | \$13,445,080 | \$14,580,039 | \$14,563,995 | \$14,234,879 |
| Carroll | 128,334,996 | 130,088,094 | 128,061,123 | 135,061,577 | 134,497,852 |
| Kiantone | 41,175,310 | 44,159,452 | 43,804,325 | 43,660,605 | 43,118,545 |
| Poland | 12,650,549 | 12,531,060 | 12,205,696 | 11,964,006 | 11,707,588 |
| South Valley | 5,260,720 | 5,306,013 | 5,306,939 | 5,315,151 | 5,400,734 |
| Total Assessed Valuation | <u>\$200,772,678</u> | <u>\$205,529,699</u> | <u>\$203,958,122</u> | <u>\$210,565,334</u> | <u>\$208,959,598</u> |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Busti | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Carroll | 100.00 | 100.00 | 99.00 | 100.00 | 100.00 |
| Kiantone | 98.00 | 100.00 | 100.00 | 99.50 | 94.80 |
| Poland | 99.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| South Valley | 73.00 | 78.00 | 77.00 | 75.00 | 72.75 |
| Taxable Full Valuation | \$203,686,520 | \$207,026,267 | \$206,836,858 | \$212,556,451 | \$213,350,705 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$4,879,574 | \$4,982,166 | \$5,081,905 | \$5,180,585 | \$5,191,989 |
| % Uncollected When Due ⁽¹⁾ | 9.46% | 9.82% | 9.08% | 11.30% | 11.10% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$8,980,621 | \$14,033,217 | 63.99% |
| 2013-2014 | 9,129,709 | 14,325,909 | 63.73 |
| 2014-2015 | 9,373,662 | 14,663,797 | 63.92 |
| 2015-2016 | 10,213,329 | 15,659,618 | 65.22 |
| 2016-2017 (Budgeted) | 10,754,970 | 16,229,939 | 66.27 |
| 2017-2018 (Proposed) | 11,296,900 | 16,682,509 | 67.72 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$321,000 | \$650,000 |
| 2013-2014 | 330,000 | 890,000 |
| 2014-2015 | 327,000 | 977,000 |
| 2015-2016 | 292,688 | 712,864 |
| 2016-2017 (Budgeted) | 346,068 | 767,772 |
| 2017-2018 (Proposed) | 303,050 | 655,426 |

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

GASB 45 and OPEB

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2015, 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 \$1,271,076. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,271,076. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$8,979. The District's annual OPEB expense was \$56,248 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$258,378 to the Plan for the fiscal year ending June 30, 2015 to 151 employees, resulting in a net increase to its unfunded OPEB obligation of (\$202,130), for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of (\$193,151). The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$296,612 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,256,356 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.*"

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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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$1,529,275 | | \$1,529,275 |
| 2017-2018 | 1,529,650 | \$175,907 | 1,705,557 |
| 2018-2019 | 752,125 | 178,050 | 930,175 |
| 2019-2020 | 404,675 | 174,900 | 579,575 |
| 2020-2021 | 405,850 | 175,700 | 581,550 |
| 2021-2022 | 401,425 | 176,300 | 577,725 |
| 2022-2023 | 336,600 | 175,550 | 512,150 |
| 2023-2024 | 234,000 | 175,750 | 409,750 |
| 2024-2025 | | 174,500 | 174,500 |
| 2025-2026 | | 178,000 | 178,000 |
| 2026-2027 | | 176,000 | 176,000 |
| 2027-2028 | | 178,750 | 178,750 |
| 2028-2029 | | 176,000 | 176,000 |
| 2029-2030 | | 168,000 | 168,000 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District’s 2003B Refunding Serial Bonds were called on June 15, 2014, however the District did not file the required material event notice in a timely manner. The required notice was subsequently filed on June 19, 2015.
- The District failed to file a material event notice related to the rating upgrade of Assured Guaranty Municipal from “AA-” to “AA” in March 2014. The required notice was filed in June 2014.

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**APPENDIX C-15
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF FULTON**

There follows in this Appendix C-15 a brief description of the City School District of the City of Fulton (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 a land area of approximately 80 square miles, includes all of the City of Fulton, major portions of the Towns of Granby and Volney, and minor portions of the Towns of Minetto, Oswego, Palermo and Scriba. Located on the Oswego River in the southwest corner of Oswego County, the City of Fulton is approximately 25 miles northwest of the City of Syracuse. Major highways in and around the District include State Highways #3, #48, #49, #57, #176 and #481.

The District's area is primarily residential and agricultural, although by valuation it is approximately 50% industrial and commercial. District residents are employed in the Syracuse and Oswego areas, in addition to others.

Population

The current estimated population of the District is 20,299. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--|---------------------------|------------------|
| Wal-Mart | Retail | 750 |
| City School District of the City of Fulton | Public School | 689 |
| Oswego County Opportunities | Non-Profit Human Services | 654 |
| Huhtamaki | Manufacturer | 584 |
| Oswego Industries | Manufacturer/Warehousing | 372 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------|-------------|-----------------------|
| National Grid | Utility | \$42,768,945 |
| Wal-Mart Stores East, LP | Retailer | 12,550,000 |
| Erie Blvd Hydropower LP | Utility | 11,673,316 |
| Windstream New York, Inc. | Utility | 4,569,237 |
| Pioneer Fulton Shopping Center | Retailer | 3,600,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.2% 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 Oswego County

| | Year Average | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Oswego County | 11.0% | 9.9% | 8.1% | 7.2% | 6.4% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 3,650 | 3,675 | 3,534 | 3,474 | 3,479 | 3,500 | 3,500 |

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> |
|----------------------------|--|---------------------------------|
| 366 | Fulton City School Teachers’ Association | June 30, 2018 |
| 278 | CSEA | June 30, 2018 |
| 20 | Fulton City School Administrators’ Association | June 30, 2019 |

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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 2, 2017⁽¹⁾**

| | Based on Conventional Equalization Rates | Based On Special Equalization Ratios |
|--|---|---|
| Five Year Average Full Valuation of Taxable Real Property..... | \$745,147,638 | \$762,646,905 |
| Debt Limit (5% of full valuation) ⁽²⁾ | \$37,257,382 | \$38,132,345 |
| Outstanding Indebtedness ⁽³⁾ | | |
| <u>Inclusions</u> | | |
| Bonds..... | \$19,170,000 | \$19,170,000 |
| Bond Anticipation Notes..... | 12,575,000 | 12,575,000 |
| Total Inclusions..... | <u>\$31,745,000</u> | <u>\$31,745,000</u> |
| <u>Exclusions</u> | | |
| Bonds Previously Refunded..... | \$0 | \$0 |
| Appropriations – Notes..... | 220,000 | 220,000 |
| Appropriations - Bonds..... | 2,305,000 | 2,305,000 |
| Total Exclusions..... | <u>\$2,525,000</u> | <u>\$2,525,000</u> |
| Total Net Indebtedness..... | \$29,220,000 | \$29,220,000 |
| Net Debt Contracting Margin..... | \$8,037,382 | \$8,912,345 |
| Percentage of Debt Contracting Power Exhausted..... | 78.43% | 76.63% |

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$10,735,000 School District Bonds to DASNY in connection with the refunding of \$12,355,000 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.

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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 2015 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: | | | | | |
| Oswego | \$13,664,274 | \$1,624,274 | \$12,040,000 | 12.95% | \$ 1,559,180 |
| City of: | | | | | |
| Fulton | 10,356,379 | 1,161,663 | 9,194,716 | 100.00 | 9,194,716 |
| Towns of: | | | | | |
| Granby | 8,172,252 | 8,166,852 | 5,400 | 63.00 | 3,402 |
| Minetto | 255,000 | 135,000 | 120,000 | 4.32 | 5,184 |
| Oswego | 999,191 | 134,191 | 865,000 | 1.06 | 9,169 |
| Palermo | 100,000 | 0 | 100,000 | 1.56 | 1,560 |
| Scriba | 13,195,759 | 13,195,759 | 0 | 0.29 | 0 |
| Volney | 12,073,873 | 12,073,873 | 0 | 82.43 | 0 |
| | | | | Total | <u>\$10,773,211</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$31,745,000 | \$1,563.87 | 4.27% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 42,518,211 | 2,094.60 | 5.73 |

(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 20,299.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$742,375,619.

(4) The District expects to deliver \$10,735,000 School District Bonds to DASNY in connection with the refunding of \$12,355,000 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 had to issue revenue anticipation notes in the past to align the cash flow needs of the District with the State aid payment schedule. The following is a history of the District's revenue anticipation note borrowings since the 1999-2000 fiscal year.

| <u>Fiscal Year</u> | <u>Amount</u> | <u>Type</u> | <u>Issue Date</u> | <u>Due Date</u> |
|--------------------|---------------|-------------|-------------------|-----------------|
| 1999-2000 | \$ 4,000,000 | RAN | 7/29/99 | 6/30/00 |
| 2000-2001 | 4,000,000 | RAN | 8/9/00 | 6/29/01 |
| 2001-2002 | 4,925,000 | RAN | 7/27/01 | 6/28/02 |
| 2002-2003 | 4,780,000 | RAN | 7/26/02 | 6/30/03 |
| 2003-2004 | 5,000,000 | RAN | 6/26/03 | 6/25/04 |
| 2004-2005 | 4,800,000 | RAN | 6/25/04 | 6/24/05 |
| 2005-2006 | 5,000,000 | RAN | 8/4/05 | 6/30/06 |
| 2006-2007 | 5,000,000 | RAN | 7/27/06 | 6/29/07 |
| 2007-2008 | 4,000,000 | RAN | 7/18/07 | 6/27/08 |
| 2008-2009 | N/A | N/A | N/A | N/A |
| 2009-2010 | 5,000,000 | RAN | 6/22/10 | 12/22/10 |

The District has not found it necessary to borrow revenue anticipation notes for the fiscal years of 2010-11 through 2016-17 and does not intend to do so for the foreseeable future.

Other Indebtedness

During the fiscal year ended June 30, 2012, the District entered into an energy performance contract for \$4,146,817 at an interest rate of 3.89%. The balance of that contract at June 30, 2016 was \$3,454,529. The following is a summary of debt service requirements:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------|------------------|-----------------|
| 2016-17 | \$ 250,019 | \$ 130,856 |
| 2017-18 | 259,887 | 120,988 |
| 2018-19 | 270,145 | 110,730 |
| 2019-20 | 280,808 | 100,067 |
| 2020-21 | 291,892 | 88,983 |
| 2021-25 | 1,579,313 | 262,727 |
| 2026-28 | <u>460,128</u> | <u>13,581</u> |
| TOTAL | \$ 3,454,529 | \$ 827,932 |

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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 Fulton
<http://emma.msrb.org/ER996892-ER779970-ER1181223.pdf>
 Base CUSIP: 360676

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.

The State Comptroller designates the District’s current fiscal score as 28.3%, placing the District in the “Susceptible to Fiscal Stress” category. See “PART 4 – THE SCHOOL DISTRICTS –Fiscal Stress Monitoring.”

Real Estate Property Tax Collection Procedure

Real property taxes are levied annually by the District no later than September 1. During the then current fiscal year the taxes become a lien. Taxes which are due in September of each year can be paid in full in October of such year, or in two equal installments from September to October of such year and from February to April of the following 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Fulton | \$347,829,896 | \$340,107,542 | \$338,274,863 | \$334,390,917 | \$335,080,432 |
| Towns of: | | | | | |
| Granby | 158,181,799 | 158,920,959 | 155,877,650 | 156,056,685 | 155,442,781 |
| Minetto | 4,172,919 | 4,212,142 | 4,216,531 | 4,242,254 | 4,270,564 |
| Oswego | 2,539,478 | 2,509,534 | 2,573,337 | 2,558,051 | 2,554,043 |
| Palermo | 2,229,924 | 2,245,734 | 2,243,705 | 2,243,286 | 2,275,932 |
| Scriba | 2,969,906 | 3,008,709 | 3,126,548 | 3,121,641 | 3,154,017 |
| Volney | <u>210,019,676</u> | <u>211,121,836</u> | <u>229,402,109</u> | <u>229,763,961</u> | <u>231,416,651</u> |
| Total Assessed Valuation | <u>\$727,943,598</u> | <u>\$722,126,456</u> | <u>\$735,714,743</u> | <u>\$732,376,795</u> | <u>\$734,194,420</u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| City of: | | | | | |
| Fulton | 98.00% | 98.00% | 100.00% | 100.00% | 100.00% |
| Towns of: | 100.00 | 100.00 | 100.00 | 95.00 | 95.00 |
| Granby | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Minetto | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Oswego | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Palermo | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Scriba | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Volney | 90.00 | 91.50 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$758,377,687 | \$748,679,837 | \$735,714,743 | \$740,590,305 | \$742,375,619 |

**Special State Equalization Ratios
Years Ending June 30,**

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|---------------|---------------|---------------|---------------|-------------|
| City of: | | | | | |
| Fulton | 100.66% | 100.17% | 99.44% | 98.79% | N/A |
| Towns of: | | | | | |
| Granby | 99.34 | 94.58 | 92.87 | 91.18 | N/A |
| Minetto | 99.60 | 99.46 | 97.34 | 95.16 | N/A |
| Oswego | 99.81 | 99.49 | 98.13 | 96.91 | N/A |
| Palermo | 99.44 | 99.43 | 97.91 | 96.32 | N/A |
| Scriba | 118.27 | 106.31 | 101.21 | 102.26 | N/A |
| Volney | 92.13 | 92.63 | 98.47 | 96.63 | N/A |
| Taxable Full Valuation | \$744,229,741 | \$747,324,070 | \$753,326,265 | \$759,895,253 | N/A |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$19,746,500 | \$19,942,698 | \$20,142,125 | \$20,494,612 | \$20,586,063 |
| % Uncollected When Due ⁽¹⁾ | 6.97% | 6.95% | 6.82% | 7.19% | N/A |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$38,761,702 | \$61,489,585 | 63.04% |
| 2013-2014 | 40,078,424 | 62,423,020 | 64.20 |
| 2014-2015 | 41,059,086 | 63,834,320 | 64.32 |
| 2015-2016 | 42,645,536 | 65,542,312 | 65.07 |
| 2016-2017 (Budgeted) | 45,677,438 | 69,660,500 | 65.57 |
| 2017-2018 (Proposed) | 46,209,415 | 68,917,268 | 67.05 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$990,801 | \$2,772,736 |
| 2013-2014 | 1,185,251 | 3,726,540 |
| 2014-2015 | 1,213,833 | 4,022,074 |
| 2015-2016 | 1,175,682 | 4,560,944 |
| 2016-2017 (Budgeted) | 1,040,000 | 2,842,000 |
| 2017-2018 (Proposed) | 1,071,200 | 2,524,000 |

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

GASB 45 and OPEB

The District contracted with Korn Ferry Hay Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$16,068,084. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,068,084. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$4,628,656. The District's annual OPEB expense was \$1,901,831 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,278,649 to the Plan for the fiscal year ending June 30, 2016 to 671 employees, resulting in a net increase to its unfunded OPEB obligation of \$623,182, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$5,252,838. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$518,715 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,901,084 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,659,838 | | \$3,659,838 |
| 2017-2018 | 2,705,950 | \$1,042,127 | 3,748,077 |
| 2018-2019 | 2,709,700 | 1,039,000 | 3,748,700 |
| 2019-2020 | 2,704,500 | 1,037,500 | 3,742,000 |
| 2020-2021 | 2,705,150 | 1,039,900 | 3,745,050 |
| 2021-2022 | 2,701,350 | 1,041,300 | 3,742,650 |
| 2022-2023 | 2,708,100 | 1,040,550 | 3,748,650 |
| 2023-2024 | 2,094,750 | 1,039,750 | 3,134,500 |
| 2024-2025 | 2,094,750 | 1,041,250 | 3,136,000 |
| 2025-2026 | | 1,041,000 | 1,041,000 |
| 2026-2027 | | 1,039,000 | 1,039,000 |
| 2027-2028 | | 1,040,250 | 1,040,250 |
| 2028-2029 | | 1,039,500 | 1,039,500 |
| 2029-2030 | | 1,041,750 | 1,041,750 |
| 2030-2031 | | 1,041,750 | 1,041,750 |
| 2031-2032 | | 1,039,500 | 1,039,500 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- Due to clerical oversight, the District had failed to file in 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 September 9, 2013, S&P upgraded its rating of the District's underlying general obligation debt to "A+" with a stable outlook from "A".

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**APPENDIX C-16
DESCRIPTION OF
GREENE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-16 a brief description of the Greene 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 a land area of approximately 238 square miles is located in central New York. The City of Binghamton lies 18 miles to the south, the City of Cortland lies 30 miles to the northwest and the City of Oneonta lies 35 miles to the east. The District includes the incorporated Village of Greene, the whole Town of Greene and portions of the Towns of Coventry, German, McDonough, Oxford and Smithville in Chenango County, the Town of Triangle in Broome County and the Town of Willet in Cortland County.

The District is mostly residential in nature with professional and commercial services afforded residents in the Village of Greene as well as the Binghamton metropolitan area. Higher educational opportunities are provided by the State Universities of New York (SUNY) Campuses located in nearby Binghamton, Cortland and Oneonta.

Major highways intersecting or in closing proximity to the District include Interstates #81 and #88, as well as N.Y.S. Routes #12, #41 and #206. Air transportation is available from the Broome County Airport.

Population

The current estimated population of the District is 6,741. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------|------------------------------|------------------|
| UHS | Health Care/Services | 5,000 |
| Binghamton University (SUNY) | Higher Education Institution | 3,500 |
| Lockheed Martin | Federal Systems | 3,400 |
| Raymond Corporation | Manufacturing | 1,800 |
| Broome Community College | Higher Education Institution | 1,500 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------|---------------|-----------------------|
| Raymond Corporation | Manufacturing | \$15,106,800 |
| State of New York | State Land | 9,543,007 |
| New York State Electric & Gas | Utility | 7,586,008 |
| Frontier Communications | Utility | 2,641,200 |
| Herbert Farms LLP | Agriculture | 1,421,200 |

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) is Chenango County.

Appendix C

Year Average

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Chenango County | 8.6% | 7.3% | 6.2% | 5.6% | 5.0% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,120 | 1,089 | 1,070 | 1,023 | 999 | 1,000 | 1,000 |

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> |
|--------------------------------|--|-------------------------------------|
| 112 | Greene Teachers’ Association | June 30, 2018 |
| 6 | Greene Administrators’ Association | June 30, 2018 |
| 23 | Bus Drivers | June 30, 2018 |
| 9 | Teamsters (Cafeteria) | June 30, 2018 |
| 72 | Greene Education Support Professional Assoc. (GESPA) | 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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$383,387,128 |
| Debt Limit (10% of Full Valuation) | 38,338,713 |
| Gross Indebtedness ⁽²⁾ | \$30,868,889 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$30,868,889 |
| Net Debt Contracting Margin | \$7,469,824 |
| Percentage of Debt Contracting Power Exhausted | 80.52% |

- (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 \$5,335,000 School District Bonds to DASNY in connection with the refunding of \$6,110,000 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.

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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. Except as noted below, estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2015 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: | | | | | |
| Broome | \$158,227,029 | \$15,272,029 | \$142,955,000 | 0.01% | \$14,296 |
| Chenango | 0 | 0 | 0 | 14.20 | 0 |
| Cortland | 31,004,948 | 5,906,295 | 25,098,653 | 0.07 | 17,569 |
| Towns of: | | | | | |
| Barker | 0 | 0 | 0 | 0.25 | 0 |
| Coventry | 0 | 0 | 0 | 21.08 | 0 |
| German | 0 | 0 | 0 | 6.10 | 0 |
| Greene | 0 | 0 | 0 | 97.17 | 0 |
| McDonough | 0 | 0 | 0 | 3.58 | 0 |
| Oxford | 85,630 | 0 | 85,630 | 0.29 | 248 |
| Smithville | 0 | 0 | 0 | 82.08 | 0 |
| Triangle | 58,475 | 58,475 | 0 | 0.63 | 0 |
| Willet | 30,000 | 0 | 30,000 | 3.95 | 1,185 |
| Village of: | | | | | |
| Greene ⁽³⁾ | 2,709,593 | 1,299,593 | 1,410,000 | 100.00 | 1,410,000 |
| | | | | Total: | <u>\$1,443,298</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.
- (3) Debt as of fiscal year end May 31, 2016.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|--|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$30,868,889 | \$4,579.27 | 8.05% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 32,312,187 | 4,793.38 | 8.43 |

- (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 6,741.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$383,387,128.
- (4) The District expects to deliver \$5,335,000 School District Bonds to DASNY in connection with the refunding of \$6,110,000 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 and/or revenue anticipation notes nor does it plan on issuing any in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Greene Central School District
<https://emma.msrb.org/EP955033-EP740876-EP1142461.pdf>
Base CUSIP: 394720

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 next 30 days. On or about November 15th, uncollected taxes are returnable to the Counties of Chenango, Cortland and Broome 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.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Barker | \$353,200 | \$353,200 | \$353,200 | \$353,200 | \$353,200 |
| Coventry | 19,588,642 | 19,055,298 | 18,965,311 | 19,062,026 | 19,104,375 |
| German | 981,027 | 974,317 | 966,338 | 957,041 | 967,186 |
| Greene | 282,420,654 | 281,827,005 | 282,597,186 | 283,722,790 | 284,980,809 |
| McDonough | 1,900,747 | 1,911,863 | 1,893,119 | 1,891,571 | 1,909,809 |
| Oxford | 301,174 | 313,562 | 314,451 | 290,350 | 251,909 |
| Smithville | 41,932,002 | 41,639,645 | 42,055,587 | 42,213,031 | 41,888,853 |
| Triangle | 484,500 | 484,500 | 1,022,854 ⁽¹⁾ | 1,022,854 | 983,054 |
| Willet | 1,685,249 | 1,706,204 | 1,761,414 | 1,767,394 | 1,770,640 |
| Total Assessed Valuation | <u>\$349,647,195</u> | <u>\$348,265,594</u> | <u>\$349,929,460</u> | <u>\$351,280,257</u> | <u>\$352,209,835</u> |

⁽¹⁾ Significant change from the previous year due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Towns of: | | | | | |
| Barker | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Coventry | 95.00 | 97.00 | 100.00 | 100.00 | 100.00 |
| German | 44.50 | 45.50 | 44.00 | 45.50 | 46.00 |
| Greene | 94.00 | 95.00 | 100.00 | 100.00 | 100.00 |
| McDonough | 77.37 | 79.81 | 73.50 | 76.00 | 77.28 |
| Oxford | 67.00 | 68.00 | 62.00 | 66.00 | 66.00 |
| Smithville | 67.00 | 67.00 | 61.00 | 58.78 | 59.00 |
| Triangle | 63.00 | 63.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 |
| Willet | 100.00 | 99.00 | 96.00 | 90.00 | 88.00 |
| Taxable Full Valuation | \$391,570,468 | \$386,297,047 | \$378,996,016 | \$382,972,157 | \$383,387,128 |

⁽¹⁾ Significant change from the previous year due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$6,183,146 | \$6,359,349 | \$6,548,349 | \$6,547,759 | \$6,690,550 |
| % Uncollected When Due ⁽¹⁾ | 8.73% | 9.98% | 9.20% | 8.71% | 13.20% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$15,553,356 | \$22,510,755 | 69.09% |
| 2013-2014 | 16,350,917 | 22,979,022 | 71.16 |
| 2014-2015 | 16,645,961 | 23,864,578 | 69.75 |
| 2015-2016 | 17,188,143 | 24,395,042 | 70.46 |
| 2016-2017 (Budgeted) | 17,327,837 | 25,417,832 | 68.17 |
| 2017-2018 (Proposed) | 17,726,457 | 26,168,454 | 67.74 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$287,963 | \$808,479 |
| 2013-2014 | 322,233 | 1,121,536 |
| 2014-2015 | 311,158 | 1,049,455 |
| 2015-2016 | 267,576 | 929,051 |
| 2016-2017 (Budgeted) | 340,100 | 879,000 |
| 2017-2018 (Proposed) | 310,000 | 804,400 |

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

GASB 45 and OPEB

The District contracted with BOCES Questar III to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$8,468,571. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,468,571. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$1,585,240. The District's annual OPEB expense was \$941,235 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$494,573 to the Plan for the fiscal year ending June 30, 2016 to 226 employees, resulting in a net increase to its unfunded OPEB obligation of \$446,662, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$2,031,902. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$168,454 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,016,713 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.*”

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,301,381 | | \$3,301,381 |
| 2017-2018 | 3,296,731 | \$521,166 | 3,817,897 |
| 2018-2019 | 3,252,731 | 522,550 | 3,775,281 |
| 2019-2020 | 3,254,756 | 519,150 | 3,773,906 |
| 2020-2021 | 3,251,831 | 522,750 | 3,774,581 |
| 2021-2022 | 2,843,944 | 520,750 | 3,364,694 |
| 2022-2023 | 2,838,794 | 520,250 | 3,359,044 |
| 2023-2024 | 2,843,044 | 522,250 | 3,365,294 |
| 2024-2025 | 2,846,056 | 520,250 | 3,366,306 |
| 2025-2026 | 587,656 | 522,500 | 1,110,156 |
| 2026-2027 | 580,856 | 518,750 | 1,099,606 |
| 2027-2028 | 425,525 | 519,250 | 944,775 |
| 2028-2029 | 369,663 | 523,750 | 893,413 |
| 2029-2030 | 334,800 | 522,000 | 856,800 |
| 2030-2031 | | 519,250 | 519,250 |
| 2031-2032 | | 430,500 | 430,500 |

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**APPENDIX C-17
DESCRIPTION OF
HANCOCK CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-17 a brief description of the Hancock 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 the Southern Tier of New York State and is entirely within the County of Delaware. The City of Binghamton is approximately 35 miles to the west. The District encompasses approximately 95 square miles of land area. Major highways of service to the District include Interstate Route 81, New York State Highway 17 and New York State Routes 97, 10 and 268.

The District is principally residential and agricultural in nature. The major economic activities within the area surrounding the District are tourism, timbering, and stone quarries. Professional and commercial services are available to residents in the Village of Hancock and in the nearby cities of Binghamton and Oneonta. There are three institutions of higher learning in close proximity to the District: Hartwick College, the State University at Oneonta (SUNY) and the State University at Binghamton (SUNY) with an aggregate enrollment of 12,000 students.

Electricity and natural gas are provided by New York State Electric and Gas. Telephone service is provided by Hancock Telephone Co. Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Population

The current estimated population of the District is 2,617. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---------------------------------|-----------------|------------------|
| Hancock Central School District | School | 140 |
| Bass Enterprises | Commercial | 50 |
| Tompkins Bluestone | Commercial | 50 |
| McDonalds | Fast Food Rest. | 30 |
| Topps Grocery Store | Grocery Store | 25 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------|-------------|-----------------------|
| Hancock Land Company | Commercial | \$9,813,464 |
| New York State Electric & Gas | Utility | 9,353,400 |
| Marcy Timber | Commercial | 5,480,036 |
| Russell Bass & Sons | Commercial | 3,078,291 |
| Art Tompkins | Residential | 2,459,043 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 13.1% 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 Delaware County.

| | Year Average | | | | |
|-----------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Delaware County | 8.7% | 7.9% | 6.5% | 6.0% | 5.5% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 385 | 380 | 375 | 360 | 347 | 340 | 344 |

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> |
|---------------------------------------|--|--|
| 53 | Hancock Teachers' Association | June 30, 2020 |
| 19 | Hancock Association of Paraprofessionals | June 30, 2017 ⁽¹⁾ |
| 20 | CSEA | June 30, 2017 ⁽²⁾ |
| 3 | Administrators | N/A |
| 2 | Confidential | N/A |
| 1 | Aides/Monitors PT | N/A |
| 5 | Middle Managers | N/A |

⁽¹⁾ A new contract between the District and the Association for Paraprofessionals has been agreed to, pending ratification and Board funding approval. Term will be July 1, 2017 through June 30, 2020.

⁽²⁾ Negotiations expected to commence May 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 2, 2017⁽¹⁾**

| | |
|--|---------------------|
| Full Valuation of Taxable Real Property | \$312,799,219 |
| Debt Limit (10% of Full Valuation) | 31,279,922 |
| Gross Indebtedness ⁽²⁾ | \$12,110,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | <u>\$12,110,000</u> |
| Net Debt Contracting Margin | \$19,169,922 |
| Percentage of Debt Contracting Power Exhausted | 38.71% |

(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 \$4,335,000 School District Bonds to DASNY in connection with the refunding of \$4,950,000 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 2015 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 | \$6,466,979 | \$651,979 | \$5,815,000 | 4.86% | \$282,609 |
| Towns of: | | | | | |
| Deposit | 827,285 | 185,296 | 641,989 | 5.34 | 34,282 |
| Hancock | 341,333 | 0 | 341,333 | 62.22 | 212,377 |
| Tompkins | 0 | 0 | 0 | 14.60 | 0 |
| Village of: | | | | | |
| Hancock | 131,800 | 0 | 131,800 | 100.00 | 131,800 |
| | | | | Total | <u>\$661,068</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$12,110,000 | \$4,627.44 | 3.87% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 12,771,068 | 4,880.04 | 4.08 |

- (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 2,617.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$312,799,219.
- (4) The District expects to deliver \$4,335,000 School District Bonds to DASNY in connection with the refunding of \$4,950,000 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 and does not intend to issue any in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Hancock Central School District
<https://emma.msrb.org/ER1001968-ER784007-ER1185197.pdf>
Base CUSIP: 410213

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, with a penalty of 3% after October 31st. After October 31st, uncollected taxes plus penalties are returnable to Delaware 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Hancock | \$32,957,971 | \$33,046,350 | \$32,902,473 | \$33,063,455 | \$33,012,366 |
| Deposit | 694,540 | 683,572 | 684,568 | 708,767 | 704,877 |
| Tompkins | 1,046,122 | 1,053,434 | 1,066,376 | 1,075,300 | 1,078,971 |
| Total Assessed Valuation | <u><u>\$34,698,633</u></u> | <u><u>\$34,783,356</u></u> | <u><u>\$34,653,417</u></u> | <u><u>\$34,847,522</u></u> | <u><u>\$34,796,214</u></u> |

| | State Equalization Rates Years Ending June 30, | | | | |
|-----------------------------------|---|----------------------|----------------------|----------------------|----------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Hancock | 13.75% | 13.90% | 14.20% | 12.37% | 12.33% |
| Deposit | 4.84 | 4.77 | 4.13 | 4.05 | 4.02 |
| Tompkins | 4.45 | 4.44 | 4.44 | 3.85 | 3.92 |
| Taxable Full Valuation | \$277,552,694 | \$275,800,166 | \$272,300,530 | \$312,717,719 | \$312,799,219 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$3,775,061 | \$3,850,562 | \$3,862,113 | \$3,862,113 | \$3,862,113 |
| % Uncollected When Due ⁽¹⁾ | 13.15% | 13.55% | 14.35% | 13.77% | 12.85% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$5,011,560 | \$9,247,319 | 54.19% |
| 2013-2014 | 5,305,404 | 10,863,286 | 48.84 |
| 2014-2015 | 5,662,622 | 10,160,280 | 55.73 |
| 2015-2016 | 5,625,945 | 10,116,189 | 55.61 |
| 2016-2017 (Budgeted) | 5,761,718 | 10,127,831 | 56.89 |
| 2017-2018 (Proposed) | 6,172,146 | 10,604,639 | 58.20 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$253,889 | \$348,756 |
| 2013-2014 | 190,594 | 476,556 |
| 2014-2015 | 196,170 | 520,102 |
| 2015-2016 | 211,059 | 373,916 |
| 2016-2017 (Budgeted) | 295,000 | 550,000 |
| 2017-2018 (Proposed) | 277,000 | 475,667 |

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

GASB 45 and OPEB

The District contracted with Raymond G. Preusser, CPA, P.C. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$12,902,667. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,902,667. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$9,696,587. The District's annual OPEB expense was \$1,208,992 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$396,132 to the Plan for the fiscal year ending June 30, 2016 to 145 employees, resulting in a net increase to its unfunded OPEB obligation of \$812,860, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$10,509,447. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – *Financial Factors – GASB 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 \$113,226 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$426,704 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.*”

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$423,438 | | \$423,438 |
| 2017-2018 | 418,913 | \$329,084 | 747,997 |
| 2018-2019 | 420,675 | 426,800 | 847,475 |
| 2019-2020 | 416,875 | 430,050 | 846,925 |
| 2020-2021 | 421,550 | 430,650 | 852,200 |
| 2021-2022 | 414,250 | 430,850 | 845,100 |
| 2022-2023 | 421,850 | 428,100 | 849,950 |
| 2023-2024 | 419,250 | 427,500 | 846,750 |
| 2024-2025 | 236,550 | 428,750 | 665,300 |
| 2025-2026 | 237,350 | 429,250 | 666,600 |
| 2026-2027 | 238,050 | 429,000 | 667,050 |
| 2027-2028 | 238,650 | 428,000 | 666,650 |
| 2028-2029 | 236,900 | 431,250 | 668,150 |
| 2029-2030 | | 428,500 | 428,500 |
| 2030-2031 | | 430,000 | 430,000 |
| 2031-2032 | | 430,500 | 430,500 |

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**APPENDIX C-18
DESCRIPTION OF
HOLLAND PATENT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-18 a brief description of the Holland Patent 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 115 square miles in the Towns of Deerfield, Floyd, Marcy, Remsen, Steuben, Trenton and Western in Oneida County and the Town of Russia in Herkimer County. The District is situated approximately twelve miles north of the City of Utica and twelve miles east of the City of Rome.

The District houses students in four buildings located in the Village of Holland Patent and the Hamlet of Stittville.

While farming is an important industry of the area, there are many large industrial employers and smaller business organizations which offer employment opportunities.

Electricity is provided by National Grid, together with natural gas for some District residents. Telephone service is provided by Oneida County Rural Telephone Company and Verizon New York Inc. Police protection is provided by the Oneida and Herkimer County Sheriff’s Departments and the New York State Police.

Transportation is provided by New York State Routes 274, 365 and 12, with access to the New York State Thruway at Rome and Utica. Air transportation is also available.

Higher educational opportunities are available at the Utica School of Commerce, SUNY IT, the Mohawk Valley Community College and Utica College.

The Cities of Utica, Rome and Syracuse provide convenient cultural and shopping opportunities.

Population

The current estimated population of the District is 9,315. (Source: 2015 U.S. Census Bureau estimate).

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--|----------------------|------------------|
| Holland Patent Central School District | Public Education | 239 |
| United Cerebral Palsy | Handicapped Training | 84 |
| Hudon’s Sales | Manufacturer | 80 |
| Oneida County Rural Telephone Company | Utility | 36 |
| Faxton-St. Luke’s Healthcare | Medical Center | 35 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|---------------------------------------|-------------|-----------------------|
| Erie Hydropower | Utility | \$51,068,286 |
| National Grid | Utility | 43,297,214 |
| Iroquois Gas Transmission Company | Utility | 2,723,170 |
| Oneida County Rural Telephone Company | Utility | 1,769,737 |
| Verizon New York, Inc. | Utility | 1,541,475 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 17.97% of the tax base of the District.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which include the District) are Herkimer and Oneida Counties.

| | <u>Year Average</u> | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Herkimer County | 8.8% | 7.8% | 6.8% | 6.3% | 5.5% |
| Oneida County | 8.3 | 7.4 | 6.1 | 5.4 | 4.8 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,524 | 1,523 | 1,501 | 1,468 | 1,430 | 1,425 | 1,420 |

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 | Holland Patent Teachers' Association | June 30, 2017 ⁽¹⁾ |
| 100 | Holland Patent Central School Non-Teaching Personnel Unit of CSEA | June 30, 2019 |
| 6 | Holland Patent Administrators' Association | June 30, 2019 |

⁽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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$589,278,872 |
| Debt Limit (10% of Full Valuation) | 58,927,887 |
| Gross Indebtedness ⁽²⁾ | \$14,425,695 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$14,425,695 |
| Net Debt Contracting Margin | \$44,502,192 |
| Percentage of Debt Contracting Power Exhausted | 24.48% |

- (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 \$4,215,000 School District Bonds to DASNY in connection with the refunding of \$4,160,830 of the District’s outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 2015 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: | | | | | |
| Herkimer | \$7,610,000 | \$0 | \$7,610,000 | 0.23% | \$17,503 |
| Oneida | 177,482,634 | 0 | 177,482,634 | 5.61 | 9,956,776 |
| Towns of: | | | | | |
| Deerfield | 4,570,200 | 0 | 4,570,200 | 1.50 | 68,553 |
| Floyd | 509,508 | 0 | 509,508 | 89.13 | 454,124 |
| Marcy | 4,473,400 | 0 | 4,473,400 | 12.80 | 572,595 |
| Remsen | 0 | 0 | 0 | 1.34 | 0 |
| Russia | 474,125 | 0 | 474,125 | 5.53 | 26,219 |
| Steuben | 0 | 0 | 0 | 40.28 | 0 |
| Trenton | 481,736 | 0 | 481,736 | 100.00 | 481,736 |
| Western | 0 | 0 | 0 | 39.54 | 0 |
| Villages of: | | | | | |
| Barneveld | 0 | 0 | 0 | 100.00 | 0 |
| Holland Patent | 688,093 | 0 | 688,093 | 100.00 | 688,093 |
| Prospect | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | <u>\$12,265,599</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Information not available.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$14,425,695 | \$1,548.65 | 2.45% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 26,691,294 | 2,865.41 | 4.53 |

- (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 9,315.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$589,278,876.
- (4) The District expects to deliver \$4,215,000 School District Bonds to DASNY in connection with the refunding of \$4,160,830 of the District’s outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 and does not intend to issue any in the foreseeable future.

Capital Project Plans

On May 17, 2016, the voters approved a \$4,950,000 capital project consisting of capital improvements and upgrades needed to rehabilitate the weight room at the High School and renovate the District track and field. As of the date of this Appendix C, the District plans a short-term financing on this authorization for June of 2017.

On May 16, 2017, the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$370,140. If approved by the voters, the District may obtain financing for the buses in September of 2017. However, as of the date of this Appendix C, the dollar amount has not been determined.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes

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.

Holland Patent Central School District
<http://emma.msrb.org/ES990297-ES775181-ES1176499.pdf>
Base CUSIP: 435290

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 2. If paid by October 1, no penalty is imposed. There is a 2% penalty imposed if paid between October 2 and November 1, a 3% penalty is imposed if paid by November 6. Unpaid taxes are turned over to the respective Herkimer and Oneida County Treasurer on November 7 for collection until December 8, and relevy on County/Town tax rolls. Payments are made to the District Tax Collector.

The District is reimbursed by the Counties for all unpaid taxes the first week in April of each year and is thus assured of 100% collection of its annual levy.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Deerfield | \$568,013 | \$587,233 | \$586,773 | \$597,672 | \$595,884 |
| Floyd | 130,218,779 | 130,833,161 | 131,386,306 | 132,575,491 | 134,269,053 |
| Marcy | 41,598,546 | 41,611,850 | 42,670,072 | 42,622,985 | 42,724,318 |
| Remsen | 845,767 | 844,605 | 852,225 | 852,627 | 853,287 |
| Russia | 10,765,364 | 10,744,535 | 10,611,235 | 10,616,022 | 10,717,838 |
| Steuben | 25,255,472 | 25,883,846 | 25,728,369 | 25,936,756 | 26,192,030 |
| Trenton | 193,488,683 | 193,522,921 | 193,838,120 | 194,304,333 | 195,674,833 |
| Western | 25,561,904 | 25,701,817 | 25,869,807 | 26,125,302 | 26,302,368 |
| Total Assessed Valuation | <u>\$428,302,528</u> | <u>\$429,729,968</u> | <u>\$431,542,907</u> | <u>\$433,631,188</u> | <u>\$437,329,611</u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Towns of: | | | | | |
| Deerfield | 16.30% | 16.30% | 16.30% | 16.30% | 15.50% |
| Floyd | 98.00 | 100.00 | 100.00 | 100.00 | 95.00 |
| Marcy | 75.00 | 78.00 | 79.00 | 80.00 | 76.00 |
| Remsen | 62.00 | 58.00 | 57.00 | 57.00 | 51.00 |
| Russia | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Steuben | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Trenton | 65.00 | 72.00 | 72.00 | 70.00 | 65.00 |
| Western | 58.25 | 58.25 | 58.25 | 58.25 | 54.50 |
| Taxable Full Valuation | \$570,768,746 | \$538,774,065 | \$540,464,922 | \$549,997,459 | \$589,278,876 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$11,482,942 | \$11,711,719 | \$11,945,353 | \$12,252,422 | \$12,252,422 |
| % Uncollected When Due ⁽¹⁾ | 8.61% | 8.31% | 7.84% | 5.05% | 6.53% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$13,895,601 | \$26,486,455 | 52.46% |
| 2013-2014 | 14,433,393 | 26,702,138 | 54.05 |
| 2014-2015 | 14,954,648 | 27,650,798 | 54.08 |
| 2015-2016 | 15,994,730 | 29,184,957 | 54.80 |
| 2016-2017 (Budgeted) | 16,683,468 | 30,259,327 | 55.13 |
| 2017-2018 (Proposed) | 17,031,298 | 31,658,028 | 53.80 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$525,372 | \$1,003,661 |
| 2013-2014 | 599,873 | 1,419,227 |
| 2014-2015 | 525,946 | 1,520,078 |
| 2015-2016 | 465,975 | 1,194,193 |
| 2016-2017 (Budgeted) | 950,137 | 2,357,573 |
| 2017-2018 (Proposed) | 950,137 | 2,357,573 |

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 July 1, 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 \$34,597,824. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$34,597,824. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$15,850,128. The District's annual OPEB expense was \$3,308,104 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,178,261 to the Plan for the fiscal year ending June 30, 2016 to 239 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,129,843, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$17,979,971. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$1,043,397 toward its OPEB liability. See also "*PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB 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 \$2,331,861 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,263,130 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.*”

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$1,460,595 | | \$1,460,595 |
| 2017-2018 | 1,454,933 | \$506,595 | 1,961,528 |
| 2018-2019 | 1,450,945 | 406,850 | 1,857,795 |
| 2019-2020 | 1,456,095 | 410,250 | 1,866,345 |
| 2020-2021 | 1,453,183 | 406,050 | 1,859,233 |
| 2021-2022 | 883,520 | 406,650 | 1,290,170 |
| 2022-2023 | 863,120 | 409,400 | 1,272,520 |
| 2023-2024 | 822,550 | 409,000 | 1,231,550 |
| 2024-2025 | 547,800 | 410,500 | 958,300 |
| 2025-2026 | 87,763 | 406,250 | 494,013 |
| 2026-2027 | | 406,500 | 406,500 |
| 2027-2028 | | 406,000 | 406,000 |
| 2028-2029 | | 409,750 | 409,750 |
| 2029-2030 | | 407,500 | 407,500 |
| 2030-2031 | | 409,500 | 409,500 |
| 2031-2032 | | 220,500 | 220,500 |

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**APPENDIX C-19
DESCRIPTION OF
HOMER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-19 a brief description of the Homer 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 upstate New York in the Towns of Sempronius and Summerhill in Cayuga County, the Towns of Cortlandville, Cuyler, Homer, Preble, Scott, Salon and Truxton in Cortland County, the Town of Spafford in Onondaga County and the Town of Groton in Tompkins County. The District encompasses approximately 176 square miles.

The District is served by a network of State highways. Bus service is available from Greyhound Bus Lines and the Cortland, Cayuga, Onondaga and Tompkins Counties Bus Lines. Air transportation is provided by the Cortland, Cayuga, Onondaga and Tompkins Counties Airport at Cortlandville, Hancock International Airport at Syracuse and Tompkins County Airport at Ithaca.

The District is primarily residential-rural in character and is composed of predominantly single-family dwellings. There are few industrial or commercial centers, with the exception of the Village of Homer's commercial district and a shopping plaza located in the Town of Cortlandville.

Electricity is supplied by the National Grid Power Corporation and natural gas is supplied by the New York State Electric and Gas. Telephone communications are provided by Verizon and Continental Telephone. Water service is provided to sections of the District by the Homer Water Department and the Cortland Water Department. Sewer services are provided by the Cortland Sewage Treatment Plant. Police protection is provided by the Village of Homer Police Department and is supplemented by the County Sheriffs' Departments and the New York State Police. Fire protection is provided by various Town fire companies.

The District provides public education for grades K-12. Opportunities for higher education include the State University of New York at Cortland, as well as the many colleges and universities in and around the area.

Population

The current estimated population of the District is 12,345. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----------------------------------|---------------|------------------|
| SUNY Cortland | Education | 2,000 |
| Cortland Regional Medical Center | Health Care | 700 |
| Pall Trinity Micro / Pall Trinity | Technology | 660 |
| Cortland County | Government | 650 |
| Marietta Corporation | Manufacturing | 611 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------|-------------|-----------------------|
| National Grid | Utility | \$ 23,863,606 |
| Dominion Resource Services | Utility | 8,876,872 |
| State of New York | State Land | 7,062,777 |
| New York State Electric & Gas | Utility | 6,132,065 |
| Cortland Station Inc. | Commercial | 4,909,300 |

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) are Cortland, Cayuga, Onondaga, and Tompkins Counties.

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Cortland County | 8.6% | 7.7% | 6.5% | 5.9% | 5.4% |
| Cayuga County | 8.3 | 7.4 | 6.0 | 5.4 | 4.9 |
| Onondaga County | 7.9 | 6.8 | 5.6 | 5.0 | 4.4 |
| Tompkins County | 6.1 | 5.2 | 4.4 | 4.1 | 3.7 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 2,160 | 2,097 | 2,051 | 2,016 | 1,935 | 1,922 | 1,937 |

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> |
|--------------------------------|---|-------------------------------------|
| 197 | Homer Teachers' Association | June 30, 2019 |
| 8 | School Administrators' Association | June 30, 2019 |
| 54 | Homer Central School Teacher Aides' Association | June 30, 2018 |
| 23 | Homer Central Cafeteria | June 30, 2018 |
| 31 | Homer Central School Bus Drivers' Association | June 30, 2018 |

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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$802,919,809 |
| Debt Limit (10% of Full Valuation) | 80,291,981 |
| Gross Indebtedness ⁽²⁾ | \$33,416,272 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | <u>0</u> |
| Total Net Indebtedness | \$33,416,272 |
| Net Debt Contracting Margin | \$46,875,709 |
| Percentage of Debt Contracting Power Exhausted | 41.62% |

- (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 \$16,125,000 School District Bonds to DASNY in connection with the refunding of \$18,600,000 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.

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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 2015 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: | | | | | |
| Cortland | \$31,044,948 | \$5,906,295 | \$25,098,653 | 29.17% | \$7,321,277 |
| Cayuga | 66,990,304 | 33,601,304 | 33,389,000 | 0.47 | 156,928 |
| Onondaga | 642,977,979 | 334,458,144 | 308,519,835 | 0.08 | 246,816 |
| Tompkins | 67,340,535 | 2,513,924 | 64,826,611 | 0.04 | 25,931 |
| Towns of: | | | | | |
| Cortlandville | 7,265,596 | 7,265,596 | 0 | 38.33 | 0 |
| Cuyler | 2,000 | 2,000 | 0 | 6.83 | 0 |
| Groton | 0 | 0 | 0 | 0.91 | 0 |
| Homer | 0 | 0 | 0 | 98.91 | 0 |
| Preble | 0 | 0 | 0 | 40.91 | 0 |
| Scott | 0 | 0 | 0 | 100.00 | 0 |
| Sempronius | 0 | 0 | 0 | 15.55 | 0 |
| Solon | 0 | 0 | 0 | 0.60 | 0 |
| Spafford | 5,564,151 | 0 | 5,564,151 | 10.52 | 585,349 |
| Summerhill | 0 | 0 | 0 | 43.92 | 0 |
| Truxton | 0 | 0 | 0 | 94.79 | 0 |
| Village of: | | | | | |
| Homer | 810,845 | 385,000 | 425,845 | 100.00 | 425,845 |
| | | | | Total | <u>\$8,762,146</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$33,416,272 | \$2,706.87 | 4.16% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 42,178,418 | 3,416.64 | 5.25 |

- (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 12,345.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$802,919,809.
- (4) The District expects to deliver \$16,125,000 School District Bonds to DASNY in connection with the refunding of \$18,600,000 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, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes

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.

Homer Central School District
<http://emma.msrb.org/ER987444-ER772864-ER1174197.pdf>
Base CUSIP: 437560

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 next 30 days. On November 1st, uncollected taxes are returnable to Cortland, Cayuga, Onondaga and Tompkins Counties for collection. The District receives this amount from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Cortlandville | \$217,936,326 | \$217,708,438 | \$217,794,147 | \$216,235,482 | \$216,162,926 |
| Cuyler | 2,849,809 | 2,857,615 | 4,402,176 ⁽¹⁾ | 4,328,662 | 4,330,780 |
| Groton | 2,333,830 | 2,502,617 | 2,491,924 | 2,657,181 | 2,697,395 |
| Homer | 330,740,338 | 328,193,643 | 329,258,197 | 329,904,242 | 329,781,440 |
| Preble | 37,140,851 | 38,026,923 | 38,042,274 | 39,213,622 | 38,334,561 |
| Scott | 56,678,837 | 57,402,242 | 57,461,768 | 59,359,564 | 58,034,104 |
| Sempronius | 10,962,519 | 11,186,505 | 10,979,724 | 11,062,109 | 12,562,499 |
| Solon | 294,210 | 288,000 | 282,411 | 301,172 | 275,178 |
| Spafford | 39,810,123 | 38,158,622 | 38,333,625 | 38,398,755 | 38,392,619 |
| Summerhill | 27,161,119 | 27,411,417 | 27,382,388 | 27,803,283 | 27,515,773 |
| Truxton | 56,231,929 | 69,303,167 ⁽¹⁾ | 68,940,878 | 69,356,877 | 69,796,890 |
| Total Assessed Valuation | <u>\$782,139,891</u> | <u>\$793,039,189</u> | <u>\$795,369,512</u> | <u>\$798,620,948</u> | <u>\$797,884,165</u> |

⁽¹⁾ Significant change from the previous year is due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Towns of: | | | | | |
| Cortlandville | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Cuyler | 76.50 | 76.50 | 100.00 ⁽¹⁾ | 100.00 | 100.00 |
| Groton | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Homer | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Preble | 100.00 | 100.00 | 100.00 | 97.00 | 97.00 |
| Scott | 100.00 | 100.00 | 100.00 | 97.00 | 97.00 |
| Sempronius | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Solon | 97.00 | 96.00 | 93.00 | 92.00 | 92.50 |
| Spafford | 114.55 | 100.00 | 100.00 | 100.00 | 98.50 |
| Summerhill | 100.00 | 100.00 | 100.00 | 99.00 | 95.00 |
| Truxton | 79.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | <u>\$792,915,517</u> | <u>\$793,929,018</u> | <u>\$795,390,769</u> | <u>\$801,976,633</u> | <u>\$802,919,809</u> |

⁽¹⁾ Significant change from the previous year is due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$15,240,767 | \$15,697,990 | \$15,933,460 | \$15,933,460 | \$15,933,460 |
| % Uncollected When Due ⁽¹⁾ | 7.17% | 7.57% | 7.38% | 7.37% | 8.13% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$19,054,452 | \$36,328,346 | 52.45% |
| 2013-2014 | 19,724,559 | 38,487,260 | 51.25 |
| 2014-2015 | 20,011,844 | 37,307,706 | 53.64 |
| 2015-2016 | 21,599,969 | 38,705,739 | 55.81 |
| 2016-2017 (Budgeted) | 24,343,216 | 41,206,438 | 59.08 |
| 2017-2018 (Proposed) | 23,099,107 | 39,380,567 | 58.65 |

⁽¹⁾ General Fund only. Includes inter-fund transfers.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$609,827 | \$1,596,792 |
| 2013-2014 | 565,025 | 2,335,089 |
| 2014-2015 | 416,214 | 2,522,111 |
| 2015-2016 | 510,000 | 2,654,265 |
| 2016-2017 (Budgeted) | 550,000 | 2,200,000 |
| 2017-2018 (Proposed) | 450,000 | 1,800,000 |

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

GASB 45 and OPEB

The District contracted with Capital Region BOCES to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2016, 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 \$35,608,212. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$35,608,212. For the fiscal year

Appendix C

ending June 30, 2016, the District's beginning year Net OPEB obligation was \$12,082,451. The District's annual OPEB expense was \$2,820,746 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,453,388 to the Plan for the fiscal year ending June 30, 2016 to 385 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,367,458, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$13,449,909. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB 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 \$362,228 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,675,457 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."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$4,491,263 | | \$4,491,263 |
| 2017-2018 | 2,819,575 | \$1,594,475 | 4,414,050 |
| 2018-2019 | 2,699,050 | 1,595,950 | 4,295,000 |
| 2019-2020 | 2,578,300 | 1,595,000 | 4,173,300 |
| 2020-2021 | 2,363,100 | 1,594,400 | 3,957,500 |
| 2021-2022 | 2,139,400 | 1,592,400 | 3,731,800 |
| 2022-2023 | 1,333,300 | 1,594,400 | 2,927,700 |
| 2023-2024 | 1,331,200 | 1,594,000 | 2,925,200 |
| 2024-2025 | | 1,591,500 | 1,591,500 |
| 2025-2026 | | 1,591,500 | 1,591,500 |
| 2026-2027 | | 1,593,750 | 1,593,750 |
| 2027-2028 | | 1,593,000 | 1,593,000 |
| 2028-2029 | | 1,594,250 | 1,594,250 |
| 2029-2030 | | 1,592,250 | 1,592,250 |
| 2030-2031 | | 1,592,000 | 1,592,000 |
| 2031-2032 | | 908,250 | 908,250 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District timely filed its Annual Financial Information and Operating Data ("AFIOD") for fiscal years ending June 30, 2012 and June 30, 2011; however, the section entitled "Major Employers" was erroneously not included. There were no significant changes to the major employers that would have had any major impact on the District's finances for those years.

**APPENDIX C-20
DESCRIPTION OF
INDIAN RIVER CENTRAL SCHOOL DISTRICT AT PHILADELPHIA**

There follows in this Appendix C-20 a brief description of the Indian River Central School District at Philadelphia (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 sector of upstate New York. Situated in Jefferson and St. Lawrence Counties, it has a land area of 284 square miles. The City of Watertown is approximately 15 miles to the southwest. The City of Ogdensburg is located approximately 40 miles to the northeast. Major highways in, or in close proximity to the District include Interstate Expressway Routes #81 and #781, as well as State Highways #11 and #26.

The District encompasses parts of the Towns of Antwerp, Alexandria, LeRay, Orleans, Pamela, Philadelphia, Rossie and Theresa (the “Towns”). The centers of population are located in the Villages of Antwerp, Evan Mills, Philadelphia and Theresa. The District boundaries also overlap the boundaries of the United States Army facility at Fort Drum.

The area is principally residential and agricultural in nature with an emphasis on military support.

Population

The current estimated population of the District is 22,008. (Source: 2015 U.S. Census Bureau estimate)

Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----------------------------------|---------------------|------------------|
| Fort Drum (DOD) | Military | 24,592 |
| Indian River CSD | School | 750 |
| Fort Drum Mountain Community Home | Building Management | 120 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------------|------------------------|-----------------------|
| Eagle Ridge Housing Partnership, LLC | Apartments | \$40,937,800 |
| National Grid | Utility | 20,883,978 |
| LeRay Housing Associates | Apartments | 19,297,000 |
| LeRay 300 LLC | Apartments/Vacant Land | 17,846,800 |
| Walmart Real Estate Business Trust | Retail | 12,511,100 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 18.08% 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 Jefferson and St. Lawrence Counties.

| | Year Average | | | | |
|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Jefferson County | 9.9% | 9.2% | 7.6% | 6.6% | 6.2% |
| St. Lawrence County | 10.2 | 9.1 | 7.7 | 7.3 | 6.6 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 4,333 | 4,471 | 4,310 | 4,073 | 3,930 | 4,050 | 4,150 |

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> |
|-----------------------------------|---|--|
| 15 | Indian River Association of Professional Administrators | June 30, 2019 |
| 375 | Indian River Education Association | June 30, 2019 |
| 269 | Civil Service Employee’s Association | June 30, 2017 ⁽¹⁾ |
| 20 | Management/Confidential | Exempt |

⁽¹⁾ Current 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 2, 2017⁽¹⁾**

| | |
|--|---------------------|
| Full Valuation of Taxable Real Property | \$798,608,306 |
| Debt Limit (10% of Full Valuation) | 79,860,831 |
| Gross Indebtedness ⁽²⁾ | \$57,245,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | <u>\$57,245,000</u> |
| Net Debt Contracting Margin | \$22,615,831 |
| Percentage of Debt Contracting Power Exhausted | 71.68% |

- (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 \$8,695,000 School District Bonds to DASNY in connection with the refunding of \$10,000,000 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.

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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 2015 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: | | | | | |
| Jefferson | \$16,015,000 | \$0 | \$16,015,000 | 9.07% | \$1,452,561 |
| St. Lawrence | 40,720,000 | 10,000,000 | 30,720,000 | 0.05 | 15,360 |
| Towns of: | | | | | |
| Antwerp | 33,967 | 0 | 33,967 | 97.41 | 33,087 |
| Theresa | 0 | 0 | 0 | 94.44 | 0 |
| LeRay | 13,906,949 | 11,983,616 | 1,923,333 | 61.26 | 1,178,234 |
| Philadelphia | 36,000 | 0 | 36,000 | 100.00 | 36,000 |
| Pamelia | 2,418,631 | 0 | 2,418,631 | 10.13 | 245,007 |
| Alexandria | 6,420,297 | 1,665,771 | 4,754,526 | 0.11 | 5,230 |
| Orleans | 366,900 | 0 | 366,900 | 0.03 | 110 |
| Rossie | 0 | 0 | 0 | 5.96 | 0 |
| Villages of: | | | | | |
| Philadelphia | 2,115,285 | 2,055,285 | 60,000 | 100.00 | 60,000 |
| Antwerp | 4,244,324 | 4,244,324 | 0 | 100.00 | 0 |
| Evans Mills | 629,700 | 629,700 | 0 | 100.00 | 0 |
| Theresa | 2,674,022 | 2,674,022 | 0 | 100.00 | 0 |
| Total | | | | | \$3,025,589 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|--|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$57,245,000 | \$2,601.10 | 7.17% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 60,270,589 | 2,738.58 | 7.55 |

(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 22,008.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$798,608,306.

(4) The District expects to deliver \$8,695,000 School District Bonds to DASNY in connection with the refunding of \$10,000,000 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 School District has not issued tax and/or revenue anticipation notes in the past five fiscal years, and does not reasonably expect to issue any in the foreseeable future.

Capital Project Plans

On January 22, 2014, the District sought voter approval for a \$33,211,700 capital project. The project was approved by a vote of 190-Yes to 46-No. Contracts totaling \$1,329,300 were awarded Jul 23, 2015 for Phase I; contracts totaling \$9,752,000 were awarded August 6, 2015 for Phase II. Contracts for Phase III were opened February 4, 2016 and totaled \$22,456,355. When combined with the prior phases and the development costs, these contracts exceeded the authorization by \$4.6M. On March 30, 2016, the District sought voter approval for a supplemental appropriation of \$4,500,000 to bridge the shortfall for Phase III. The supplemental appropriation was approved by a vote of 237-Yes to 29-No. The Board of Education awarded the contracts on March 30, 2016 and work began in April 2016. Phases I and II are nearing completion in October 2016, with Phase III expected to be complete in November 2017. The District has used existing funds to finance the project to date. To date, the District has issued \$22,000,000 bond anticipation notes against this authorization. Permanent funding will be sought on a timeline designed to have the first payments of New York State Building Aid received approximately simultaneous to the need to make payments on the permanent bonds. The proceeds of the School District Bonds will permanently finance \$10,000,000 bond anticipation notes maturing July 14, 2017. The District will renew \$12,000,000 bond anticipation notes in July 2017. The bond anticipation notes will be permanently financed in June/July 2018.

Other than as described above and the aforementioned School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes

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.

Indian River Central School District at Philadelphia
<http://emma.msrb.org/EP954216-EP740268-EP1141855.pdf>
Base CUSIP: 454354

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 State Comptroller designates the District's current fiscal score as 28.3%, placing the District in the "Susceptible to Fiscal Stress" category. 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 for the next 30 days. On or about November 1, uncollected taxes are returnable to the Counties of Jefferson and St. Lawrence for collection. The School District receives this amount from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Antwerp | \$90,059,853 | \$90,608,521 | \$90,704,852 | \$91,741,789 | \$92,629,131 |
| Theresa | 98,140,223 | 99,820,600 | 220,023,601 ⁽¹⁾ | 221,560,734 | 223,667,720 |
| LeRay | 283,838,079 | 302,883,861 | 324,004,785 | 347,100,720 | 348,369,987 |
| Philadelphia | 89,837,994 | 90,421,796 | 90,774,925 | 99,135,804 | 93,656,149 |
| Pamelia | 14,660,191 | 14,575,318 | 14,632,799 | 14,766,913 | 14,976,126 |
| Alexandria | 691,175 | 693,015 | 695,222 | 728,315 | 738,654 |
| Orleans | 104,749 | 100,870 | 101,858 | 102,945 | 112,560 |
| Rossie | 2,472,733 | 2,503,246 | 2,503,218 | 2,503,002 | 2,502,482 |
| Total Assessed Valuation | <u>\$579,804,997</u> | <u>\$601,607,227</u> | <u>\$743,441,360</u> | <u>\$777,640,222</u> | <u>\$776,652,809</u> |

⁽¹⁾ Significant change from previous year due to town-wide revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|---------------|-----------------------|---------------|---------------|
| Towns of: | | | | | |
| Antwerp | 100.00% | 100.00% | 100.00% | 100.00% | 90.00% |
| Theresa | 51.00 | 48.50 | 100.00 ⁽¹⁾ | 100.00 | 100.00 |
| LeRay | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Philadelphia | 100.00 | 93.23 | 98.50 | 100.00 | 100.00 |
| Pamelia | 60.00 | 59.00 | 58.50 | 58.50 | 57.00 |
| Alexandria | 94.00 | 94.00 | 94.00 | 97.50 | 97.00 |
| Orleans | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Rossie | 100.00 | 100.00 | 97.00 | 97.00 | 88.00 |
| Taxable Full Valuation | \$687,765,798 | \$724,344,315 | \$755,327,547 | \$788,213,482 | \$798,608,306 |

⁽¹⁾ Significant change from previous year due to town-wide revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$2,824,798 | \$2,921,727 | \$2,988,645 | \$3,009,015 | \$3,082,031 |
| % Uncollected When Due ⁽¹⁾ | 6.21% | 5.97% | 6.75% | 5.65% | 4.90% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$43,865,684 | \$83,335,185 | 52.64% |
| 2013-2014 | 46,843,300 | 79,084,485 | 59.23 |
| 2014-2015 | 49,937,162 | 79,807,134 | 62.57 |
| 2015-2016 | 50,611,321 | 73,670,151 | 68.74 |
| 2016-2017 (Budgeted) | 51,422,290 | 66,553,909 | 77.26 |
| 2017-2018 (Proposed) | 52,372,065 | 67,512,070 | 77.57 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,200,448 | \$2,504,634 |
| 2013-2014 | 1,344,824 | 3,640,695 |
| 2014-2015 | 1,281,421 | 4,052,883 |
| 2015-2016 | 1,247,710 | 3,157,348 |
| 2016-2017 (Budgeted) | 1,520,404 | 2,931,728 |
| 2017-2018 (Proposed) | 1,271,475 | 2,581,179 |

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

GASB 45 and OPEB

The District contracted with an actuarial firm to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$46,603,029. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$46,603,029. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$25,301,833. The District's annual OPEB expense was \$4,427,581 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$729,832 to the Plan for the fiscal year ending June 30, 2016 to 174 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,697,749, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$28,999,582. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Appendix C

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 expenditure exceeded its revenues by \$4,586,208 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,054,048 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$6,246,269 | | \$6,246,269 |
| 2017-2018 | 5,745,119 | \$688,622 | 6,433,741 |
| 2018-2019 | 5,745,319 | 806,500 | 6,551,819 |
| 2019-2020 | 5,140,119 | 804,500 | 5,944,619 |
| 2020-2021 | 5,140,219 | 803,100 | 5,943,319 |
| 2021-2022 | 5,136,269 | 806,100 | 5,942,369 |
| 2022-2023 | 4,593,469 | 803,850 | 5,397,319 |
| 2023-2024 | 4,592,869 | 805,250 | 5,398,119 |
| 2024-2025 | 2,378,744 | 806,000 | 3,184,744 |
| 2025-2026 | 278,594 | 805,500 | 1,084,094 |
| 2026-2027 | 278,750 | 803,750 | 1,082,500 |
| 2027-2028 | 278,469 | 805,750 | 1,084,219 |
| 2028-2029 | 277,750 | 806,250 | 1,084,000 |
| 2029-2030 | 276,594 | 805,250 | 1,081,844 |
| 2030-2031 | | 802,750 | 802,750 |
| 2031-2032 | | 803,750 | 803,750 |
| 2032-2033 | | 618,000 | 618,000 |
| 2033-2034 | | 139,750 | 139,750 |
| 2034-2035 | | 139,000 | 139,000 |
| 2035-2036 | | 138,000 | 138,000 |
| 2036-2037 | | 141,750 | 141,750 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- Portions of the Annual Financial Information and Operating Data for fiscal year 2012 were not filed with the MSRB. The District did file Annual Financial Information and Operating Data for fiscal year 2012; however, the disclosure statement was dated as of January 18, 2012, which was prior to the close of the June 30, 2012 fiscal year. For fiscal year ending June 30, 2012, the District did file its audited financial report in a timely manner.

**APPENDIX C-21
DESCRIPTION OF
JOHNSON CITY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-21 a brief description of the Johnson City 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 Upstate New York in the geographical region known as the Southern Tier. It is approximately 5 miles west of the City of Binghamton, and is part of the metropolitan area of that City. The District has a land area of approximately 25 square miles.

The Village of Johnson City is located within the District, which encompasses 4.5 square miles.

Major highways in and in close proximity of the District include Interstate #81, the primary north-south route extending from Tennessee to Canada. The Southern Tier Expressway runs east-west and connects with Interstate #87 just north of New York City and with Interstate #90 near Erie, Pennsylvania. Interstate #88 provides direct access to Albany and principal New England Cities.

Air transportation through the Broome County Airport is provided by various national, commuter and regional airlines and includes U. S. Airways Express, Delta and United. Emery Air Freight and Federal Express also operate from the airport. The District is also served by the Tri-Cities Airport, located in nearby Endicott.

Population

The current estimated population of the District is 19,722. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-------------------------------|-------------|------------------|
| Broome County | Government | 2,400 |
| Binghamton University (SUNY) | Education | 1,973 |
| United Health Services | Health Care | 1,450 |
| Lourdes Hospital | Health Care | 1,400 |
| New York State Electric & Gas | Utility | 1,250 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------|---------------|-----------------------|
| New York State Electric & Gas | Utility | \$92,544,376 |
| Oakdale Mall | Shopping Mall | 66,364,771 |
| United Health Service | Hospital | 16,516,096 |
| Levin Properties | Real Estate | 16,063,927 |
| Feinberg Ridge | Real Estate | 12,728,311 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 24.8% 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) is Broome County.

| | Year Average | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Broome County | 8.7% | 7.8% | 6.6% | 6.0% | 5.4% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 2,541 | 2,578 | 2,566 | 2,469 | 2,513 | 2,500 | 2,500 |

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> |
|----------------------------|---|---------------------------------|
| 262* | Johnson City Teachers’ Association | June 30, 2019 |
| 256 | Johnson City Employees’ Association | June 30, 2019 |
| 11 | Johnson City Building Administrators’ Association | June 30, 2017 ⁽¹⁾ |
| 8 | Johnson City District Administrators’ Association | June 30, 2019 |
| 5 | Johnson City Confidential Employees’ Association | June 30, 2019 |

* Excludes Substitute Teachers.

⁽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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$992,303,736 |
| Debt Limit (10% of Full Valuation) | 99,230,374 |
| Gross Indebtedness ⁽²⁾ | \$52,181,938 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$52,181,938 |
| Net Debt Contracting Margin | \$47,048,436 |
| Percentage of Debt Contracting Power Exhausted | 52.59% |

(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 \$12,105,000 School District Bonds to DASNY in connection with the refunding of \$13,920,000 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 2015 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: | | | | | |
| Broome | \$158,227,029 | \$15,272,029 | \$142,955,000 | 9.92% | \$14,181,136 |
| Towns of: | | | | | |
| Chenango | 10,055,208 | 6,747,000 | 3,308,208 | 4.95 | 163,756 |
| Dickinson | 1,565,000 | 0 | 1,565,000 | 23.38 | 365,897 |
| Maine | 3,166,455 | 38,021 | 3,128,434 | 12.81 | 400,752 |
| Union | 6,412,490 | 0 | 6,412,490 | 32.14 | 2,060,974 |
| | | | | Total | \$17,172,516 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|---|---------------|--------------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$52,181,938 | \$2,645.87 | 5.26% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 69,354,454 | 3,516.60 | 6.99 |

(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 19,722.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$992,303,736.

(4) The District expects to deliver \$12,105,000 School District Bonds to DASNY in connection with the refunding of \$13,920,000 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 Borrowings

The District has not issued tax anticipation notes in the past. The District has issued revenue anticipation notes in the past. The last such borrowing was in the 2009-10 fiscal year. The District has no plans to issue cash flow borrowings in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Johnson City Central School District
<http://emma.msrb.org/ES987839-ES773227-ES1174547.pdf>
Base CUSIP: 478238

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 on September 1st and are payable without penalties until September 30th. There is a 2% penalty if not paid between October 1st and October 31st. After October 31st unpaid taxes are then returned to Broome County and added to the County tax rolls as a re-levied school tax.

The District is reimbursed by the County for all unpaid taxes in April of each year and is thus assured of 100% 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Union | \$39,015,983 | \$39,064,501 | \$38,639,140 | \$38,243,169 | \$38,232,841 |
| Chenango | 24,670,017 | 24,460,015 | 24,591,497 | 24,503,210 | 24,517,593 |
| Dickinson | 36,374,810 | 36,012,779 | 36,450,216 | 36,815,556 | 39,014,504 |
| Maine | 21,054,561 | 21,020,488 | 21,012,665 | 21,101,469 | 21,036,178 |
| Total Assessed Valuation | <u>\$121,115,371</u> | <u>\$120,557,783</u> | <u>\$120,693,518</u> | <u>\$120,663,404</u> | <u>\$122,601,116</u> |

| | State Equalization Rates Years Ending June 30, | | | | |
|-----------------------------------|---|----------------------|----------------------|------------------------|----------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Union | 4.85% | 4.97% | 4.60% | 4.27% | 4.38% |
| Chenango | 66.25 | 66.25 | 70.00 | 70.00 | 70.00 |
| Dickinson | 65.00 | 65.00 | 71.50 | 72.50 | 75.00 |
| Maine | 70.00 | 66.22 | 64.00 | 64.00 | 65.00 |
| Taxable Full Valuation | \$927,730,210 | \$910,074,522 | \$958,923,626 | \$1,014,380,275 | \$992,303,736 |

Total District Property Tax Collections Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$23,185,667 | \$23,735,325 | \$24,458,481 | \$24,764,238 | \$24,854,164 |
| % Uncollected When Due ⁽¹⁾ | 4.49% | 5.28% | 4.79% | 4.96% | 4.77% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$20,403,549 | \$45,699,019 | 44.65% |
| 2013-2014 | 20,962,713 | 46,201,495 | 45.37 |
| 2014-2015 | 22,051,092 | 48,135,627 | 45.81 |
| 2015-2016 | 23,584,132 | 50,076,207 | 47.10 |
| 2016-2017 (Budgeted) | 25,524,710 | 51,942,900 | 49.14 |
| 2017-2018 (Proposed) | 26,288,814 | 53,257,539 | 49.36 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$623,010 | \$1,712,454 |
| 2013-2014 | 1,166,157 | 2,433,243 |
| 2014-2015 | 716,207 | 2,695,167 |
| 2015-2016 | 586,414 | 1,864,961 |
| 2016-2017 (Budgeted) | 666,849 | 1,883,685 |
| 2017-2018 (Proposed) | 661,400 | 1,673,701 |

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

GASB 45 and OPEB

The District contracted with an actuarial firm to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$93,828,387. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$93,828,387. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$37,898,617. The District's annual OPEB expense was \$8,700,086 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$4,473,659 to the Plan for the fiscal year ending June 30, 2016 to 509 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,226,427, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$42,125,044. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$2,197,064 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,346,379 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,401,386 | | \$3,401,386 |
| 2017-2018 | 3,411,156 | \$1,227,800 | 4,638,956 |
| 2018-2019 | 2,746,746 | 1,230,150 | 3,976,896 |
| 2019-2020 | 2,764,006 | 1,229,600 | 3,993,606 |
| 2020-2021 | 2,768,256 | 1,231,400 | 3,999,656 |
| 2021-2022 | 2,779,946 | 1,227,000 | 4,006,946 |
| 2022-2023 | 2,797,046 | 1,229,000 | 4,026,046 |
| 2023-2024 | 2,810,986 | 1,227,000 | 4,037,986 |
| 2024-2025 | 2,825,586 | 1,230,500 | 4,056,086 |
| 2025-2026 | 2,847,836 | 1,226,750 | 4,074,586 |
| 2026-2027 | 2,861,168 | 1,231,000 | 4,092,168 |
| 2027-2028 | 2,868,153 | 1,227,750 | 4,095,903 |
| 2028-2029 | 2,897,835 | 1,227,250 | 4,125,085 |
| 2029-2030 | 2,554,774 | 1,229,250 | 3,784,024 |
| 2030-2031 | 2,175,230 | 1,228,500 | 3,403,730 |
| 2031-2032 | 2,185,820 | | 2,185,820 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- 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 November 6, 2012, S&P upgraded its rating of the District's underlying general obligation debt to "A+" with a stable outlook from "A".
- The District, also, on occasion, did not file material event notices for the credit rating changes of the bond insurer of the District's \$43,415,000 School District (Serial) Bonds, 2005 and \$1,800,000 School District Refunding (Serial) Bonds, 2002.
- The District was several days late in filing its annual financial information and operating data for fiscal year ending June 30, 2013.

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**APPENDIX C-22
DESCRIPTION OF
LAFAYETTE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-22 a brief description of the LaFayette 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 Central New York State, and is situated in the County of Onondaga. It is approximately ten miles south of the City of Syracuse. The City of Cortland is located twenty miles to the south. It encompasses an estimated land area of 39 square miles.

The District is primarily residential and agricultural in character. A portion of the Onondaga Nation Native American Reservation is located within the District. Commercial and professional services, as well as employment opportunities are located in the hamlet of LaFayette, as well as in other sectors of the Syracuse metropolitan area.

Major highways serving the District include Interstate #81, #11 and #20, as well as State Highways #11A and #91. Air transportation is available at the Syracuse Hancock International Airport, which is located within twenty miles of the District.

Population

The current estimated population of the District is 4,991. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----------------------------------|-----------------------|------------------|
| LaFayette Central School District | School District | 250 |
| Byrne Dairy | Mini-Mart/Gas Station | 30 |
| McDonalds | Fast Food | 30 |
| Town of LaFayette | Municipality | 20 |
| Nice and Easy | Mini-Mart/Gas Station | 15 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|------------------------|-------------|-----------------------|
| National Grid | Utility | \$20,431,562 |
| Tennessee Gas Pipeline | Utility | 14,666,810 |
| Willow Wood Apart LLC | Real Estate | 3,118,280 |
| AR Apartments LLC | Real Estate | 1,984,410 |
| Web Hollow Development | Real Estate | 1,777,742 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.7% 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 Onondaga County.

| | Year Average | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Onondaga County | 7.9% | 6.8% | 5.5% | 4.9% | 4.5% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 875 | 865 | 872 | 898 | 918 | 900 | 900 |

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 | LaFayette Teachers' Association | June 30, 2019 |
| 57 | LaFayette Non-Instructional Employee Association | June 30, 2017 ⁽¹⁾ |
| 6 | LaFayette Clerical Association | June 30, 2020 |
| 5 | LaFayette Administrators’ Association | June 30, 2019 |
| (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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$315,059,362 |
| Debt Limit (10% of Full Valuation) | 31,505,936 |
| Gross Indebtedness ⁽²⁾ | \$18,268,222 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$18,268,222 |
| Net Debt Contracting Margin | \$13,237,714 |
| Percentage of Debt Contracting Power Exhausted | 57.98% |

(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 \$8,425,000 School District Bonds to DASNY in connection with the refunding of \$9,675,000 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 2015 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: | | | | | |
| Onondaga | \$642,977,979 | \$334,458,144 | \$308,519,835 | 1.15% | \$3,547,978 |
| Town of: | | | | | |
| Fabius | 0 | 0 | 0 | 2.09 | 0 |
| LaFayette | 4,021,000 | 0 | 4,021,000 | 78.07 | 3,139,195 |
| Onondaga | 1,764,190 | 0 | 1,764,190 | 3.24 | 57,160 |
| Tully | 380,000 | 0 | 380,000 | 0.20 | 760 |
| | | | | Total | \$6,745,093 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|-------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$18,268,222 | \$3,660.23 | 5.80% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 25,013,315 | 5,011.68 | 7.94 |

- (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 4,991.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$315,059,362.
- (4) The District expects to deliver \$8,425,000 School District Bonds to DASNY in connection with the refunding of \$9,675,000 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 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> |
|--------------------|---------------|-------------|-------------------|-----------------|
| 2011-2012 | \$1,500,000 | RAN | 3/29/2012 | 6/29/2012 |
| 2011-2012 | 4,000,000 | RAN | 6/29/2012 | 6/28/2013 |
| 2012-2013 | 4,000,000 | RAN | 6/28/2013 | 6/26/2014 |
| 2013-2014 | 800,000 | RAN | 9/6/2013 | 11/6/2013 |
| 2013-2014 | 5,000,000 | RAN | 6/26/2014 | 6/25/2015 |
| 2014-2015 | 5,000,000 | RAN | 6/24/2015 | 6/24/2016 |
| 2015-2016 | 5,000,000 | RAN | 6/23/2016 | 6/23/2017 |

The District anticipates issuing \$4,000,000 RAN’s in June 2017.

Capital Project Plans

The School District anticipates presenting a \$5.4 million capital project to the voters in May 2017. Borrowings for the project would occur upon approval from the New York State Education Department and as the project’s cash flow needs warrant.

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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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.

LaFayette Central School District
<https://emma.msrb.org/ER987556-ER772953-ER1174284.pdf>
 Base CUSIP: 506549

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 Treasurer of Onondaga 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. Taxes unpaid after October 31st are relieved at an additional 7% penalty with the County taxes which are due on January 1st and therefore, such taxes may not be paid between October 31st and January 1st.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Fabius | \$2,616,401 | \$2,597,147 | \$2,609,735 | \$2,592,405 | \$2,629,084 |
| LaFayette | 242,559,837 | 245,544,326 | 244,481,869 | 244,003,137 | 247,477,305 |
| Onondaga | 45,378,48 | 45,026,488 | 45,186,842 | 44,814,591 | 45,144,470 |
| Tully | 496,169 | 493,700 | 493,700 | 493,700 | 493,700 |
| Total Assessed Valuation | <u>\$291,090,855</u> | <u>\$293,661,661</u> | <u>\$292,772,146</u> | <u>\$291,903,833</u> | <u>\$295,744,559</u> |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Fabius | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| LaFayette | 93.00 | 93.00 | 97.00 | 93.00 | 93.00 |
| Onondaga | 100.00 | 100.00 | 100.00 | 100.00 | 98.50 |
| Tully | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$309,308,048 | \$312,143,492 | \$300,333,441 | \$310,269,661 | \$315,059,362 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$5,454,469 | \$5,563,560 | \$5,673,715 | \$5,729,635 | \$5,736,320 |
| % Uncollected When Due ⁽¹⁾ | 5.9% | 5.2% | 4.9% | 4.5% | 5.3% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$10,731,673 | \$19,399,153 | 55.32% |
| 2013-2014 | 12,219,387 | 21,310,538 | 57.34 |
| 2014-2015 | 12,025,703 | 20,627,841 | 58.30 |
| 2015-2016 | 12,928,744 | 21,297,505 | 60.71 |
| 2016-2017 (Budgeted) | 9,475,896 ⁽²⁾ | 17,612,146 | 53.80 |
| 2017-2018 (Proposed) | 9,672,816 | 18,735,315 | 51.63 |

⁽¹⁾ General Fund only.

⁽²⁾ Does not include Native American aid

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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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$316,204 | \$964,419 |
| 2013-2014 | 408,979 | 1,015,497 |
| 2014-2015 | 385,212 | 1,415,455 |
| 2015-2016 | 360,854 | 1,148,911 |
| 2016-2017 (Budgeted) | 328,565 | 1,197,254 |
| 2017-2018 (Proposed) | 311,082 | 1,185,281 |

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

GASB 45 and OPEB

The District contracted with Capital Region BOCES to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$18,563,029. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,563,029. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$6,903,361. The District's annual OPEB expense was \$1,486,044 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$743,932 to the Plan for the fiscal year ending June 30, 2016 to 253 employees, resulting in a net increase to its unfunded OPEB obligation of \$742,112, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$7,645,473. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$968,197 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$726,486 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.*"

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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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$1,390,458 | | \$1,390,458 |
| 2017-2018 | 1,396,268 | \$855,563 | 2,251,831 |
| 2018-2019 | 1,395,499 | 854,450 | 2,249,949 |
| 2019-2020 | 878,930 | 855,200 | 1,734,130 |
| 2020-2021 | 602,994 | 855,600 | 1,458,594 |
| 2021-2022 | 543,875 | 855,200 | 1,399,075 |
| 2022-2023 | 490,563 | 853,700 | 1,344,263 |
| 2023-2024 | 496,881 | 856,500 | 1,353,381 |
| 2024-2025 | 495,725 | 852,500 | 1,348,225 |
| 2025-2026 | | 857,250 | 857,250 |
| 2026-2027 | | 855,250 | 855,250 |
| 2027-2028 | | 856,750 | 856,750 |
| 2028-2029 | | 856,500 | 856,500 |
| 2029-2030 | | 854,500 | 854,500 |
| 2030-2031 | | 855,750 | 855,750 |

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**APPENDIX C-23
DESCRIPTION OF
LANSING CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-23 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 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 Tompkins County Airport and 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 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 7,589. (Source: 2015 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 Education | 1,200 |
| Dairy One | Agriculture | 255 |

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Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|---|-------------------|------------------------------|
| Cayuga Operating Plant | Utility | \$ 60,000,000 ⁽¹⁾ |
| New York State Electric & Gas Corporation | Utility | 24,132,658 |
| Ithaca B&T Associates | Business Services | 19,830,000 |
| Cargill, Inc. | Salt Mine | 11,577,100 |
| Cornell University | Education | 9,726,700 |

⁽¹⁾ The PILOT agreement between the Cayuga Operating Plant and Tompkins County sets the value at \$60,000,000 through June, 2017. The valuation of the Cayuga Operating plant for the 2017-2018 revenue year is \$35,000,000. The valuation of the Cayuga Operating Plant for 2018-2019 year is \$25,000,000. The valuation of the Cayuga Operating Plant for the 2019-2020 year is \$20,000,000. The Public Service Commission has recently approved the sale of the plant to Reisling Power, LLC.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 19.5% 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 Tompkins County.

| | <u>Year Average</u> | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Tompkins County | 6.1% | 5.2% | 4.4% | 4.4% | 4.1% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,190 | 1,161 | 1,182 | 1,205 | 1,227 | 1,230 | 1,245 |

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 ⁽¹⁾ |
| 98 | Lansing School Service Association | June 30, 2017 ⁽²⁾ |
| 7 | Lansing Administrators' & Supervisors' Organization | June 30, 2018 |

⁽¹⁾ Tentative agreement has been approved by both parties, waiting now on final contract draft.

⁽²⁾ Negotiations have not yet begun on this contract.

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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$836,305,034 |
| Debt Limit (10% of Full Valuation) | 83,630,503 |
| Gross Indebtedness ⁽²⁾ | \$17,015,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$17,015,000 |
| Net Debt Contracting Margin | \$66,615,503 |
| Percentage of Debt Contracting Power Exhausted | 20.35% |

⁽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 \$3,145,000 School District Bonds to DASNY in connection with the refunding of \$3,570,000 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 2015 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 | \$67,340,535 | \$2,513,924 | \$64,826,611 | 11.53% | \$7,474,508 |
| Towns of: | | | | | |
| Dryden | 640,000 | 640,000 | 0 | 0.61 | 0 |
| Groton | 0 | 0 | 0 | 0.32 | 0 |
| Lansing | 3,319,798 | 878,217 | 2,441,581 | 63.55 | 1,551,625 |
| Village of: | | | | | |
| Dryden | 4,150,777 | 389,777 | 3,761,000 | 100.00 | 3,761,000 |
| | | | | Total | \$12,787,133 |

⁽¹⁾ Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|--|---------------|----------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$17,015,000 | \$2,242.06 | 2.03% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 29,802,133 | 3,927.02 | 3.56 |

(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 7,589.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$836,305,034.

(4) The District expects to deliver \$3,145,000 School District Bonds to DASNY in connection with the refunding of \$3,570,000 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 and does not intend to issue any in the foreseeable future.

Capital Project Plans

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. The District has \$6,450,000 bond anticipation notes currently outstanding for this authorization and expects to permanently finance these notes with the issuance of bonds in June 2018.

On December 8, 2016, the District voters approved \$4,950,000 capital improvement project. The District anticipates using \$1,800,000 of capital reserve funds for the project. Borrowings will occur upon approval from the New York State Education Department and as the project's cash flow needs warrant.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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
<https://emma.msrb.org/EP972907-EP754599-EP1156191.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 Tompkins 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Dryden | \$5,639,338 | \$5,650,593 | \$5,725,592 | \$5,899,787 | \$6,201,686 |
| Groton | 684,188 | 819,039 | 818,935 | 888,931 | 888,892 |
| Lansing | 735,774,689 | 752,108,741 | 770,307,368 | 785,489,445 | 829,214,456 ⁽¹⁾ |
| Total Assessed Valuation | <u>\$742,098,215</u> | <u>\$758,578,373</u> | <u>\$776,851,895</u> | <u>\$792,489,445</u> | <u>\$836,305,034</u> |

⁽¹⁾ Significant change from the previous year is due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</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 | \$742,098,215 | \$758,578,373 | \$776,851,895 | \$792,489,445 | \$836,305,034 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$14,724,973 | \$15,695,538 | \$16,433,255 | \$17,046,980 | \$17,162,648 |
| % Uncollected When Due ⁽¹⁾ | 4.3% | 3.8% | 5.9% | 5.7% | 6.0% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$6,638,154 | \$24,430,804 | 27.17% |
| 2013-2014 | 7,132,688 | 25,952,629 | 27.48 |
| 2014-2015 | 7,754,270 | 26,819,824 | 28.91 |
| 2015-2016 | 8,357,901 | 28,189,418 | 29.65 |
| 2016-2017 (Budgeted) | 8,240,798 | 27,887,000 | 29.55 |
| 2017-2018 (Proposed) | 8,789,382 | 29,152,000 | 30.15 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$263,489 | \$1,015,453 |
| 2013-2014 | 348,446 | 1,403,793 |
| 2014-2015 | 388,426 | 1,535,370 |
| 2015-2016 | 453,586 | 1,262,454 |
| 2016-2017 (Budgeted) | 400,000 | 1,147,000 |
| 2017-2018 (Proposed) | 350,000 | 975,000 |

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 June 30, 2016, 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 \$60,964,971. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$60,964,971. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$27,775,980. The District's annual OPEB expense was \$6,270,169 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,358,982 to the Plan for the fiscal year ending June 30, 2016 to 253 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,911,187, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$32,687,167. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,210,775 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,120,977 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.*”

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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$1,157,828 | | \$1,157,828 |
| 2017-2018 | 1,075,489 | \$319,324 | 1,394,813 |
| 2018-2019 | 1,020,121 | 316,650 | 1,336,771 |
| 2019-2020 | 703,131 | 321,400 | 1,024,531 |
| 2020-2021 | 637,781 | 319,000 | 956,781 |
| 2021-2022 | 456,525 | 321,400 | 777,925 |
| 2022-2023 | 456,025 | 321,400 | 777,425 |
| 2023-2024 | 459,688 | 318,000 | 777,688 |
| 2024-2025 | 457,419 | 317,250 | 774,669 |
| 2025-2026 | 419,500 | 321,000 | 740,500 |
| 2026-2027 | 418,100 | 319,000 | 737,100 |
| 2027-2028 | 205,913 | 316,500 | 522,413 |
| 2028-2029 | 199,738 | 318,500 | 518,238 |
| 2029-2030 | 98,325 | 319,750 | 418,075 |
| 2030-2031 | | 320,250 | 320,250 |

⁽¹⁾ Schedule does not include remaining payments of \$3,664,296 due under an energy performance contract.

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**APPENDIX C-24
DESCRIPTION OF
LOWVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-24 a brief description of the Lowville 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 the Village of Lowville in the County of Lewis in Northern New York State. The village is situated about 30 miles southeast of the City of Watertown and approximately 50 miles north of the City of Utica. New York State highways 12, 26 and 812, which bisect the Village of Lowville, serve the District.

Many of its residents are employed in the various retail establishments in the Village of Lowville or in the surrounding industries. The District, other local municipalities and the county hospital are large employers in the community.

Lowville Academy was founded in 1808 as a private school, making it one of the oldest educational centers in New York State. In 1905, the school became quasi-public by admitting Village children to the Academy. In 1921, the school became completely public and three years later in May 1924, issued tax-exempt serial bonds to pay for the construction of a school building still in use today. In 1952, surrounding towns joined with the Town of Lowville to form a Central School District, and in 1957 a large addition was built enabling all K-12 students to be educated in one location.

Population

The current estimated population of the District is 8,721. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|----------------------------------|------------------|------------------|
| Lewis County General Hospital | Healthcare | 375 |
| County of Lewis | Local Government | 350 |
| Kraft Foods | Manufacturing | 325 |
| Lowville Central School District | Public School | 275 |
| Oneida-Lewis ARC | Public Service | 225 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|---------------------------|------------------|---------------------------|
| State of New York | Forest Preserves | \$16,995,010 |
| National Grid | Utility | 14,514,127 |
| Kraftco | Manufacturing | 8,700,000 |
| Iroquois Gas Transmission | Utility | 8,007,688 |
| Walmart | Commercial | 6,105,200 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 12.3% 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 Lewis County.

| | Year Average | | | | |
|----------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Lewis County | 10.0% | 9.4% | 7.8% | 6.9% | 6.7% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 1,453 | 1,445 | 1,409 | 1,401 | 1,357 | 1,400 | 1,400 |

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> |
|---------------------------------------|---|--|
| 131 | Lowville Teachers’ Association | June 30, 2019 |
| 7 | Lowville Supervisory-Administrative Group | June 30, 2017 ⁽¹⁾ |
| 97 | CSEA by the unit Lowville Academy & Central School Support Staff of the Lewis County Local 825 | June 30, 2018 |

⁽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 2, 2017 ⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$551,367,228 |
| Debt Limit (10% of Full Valuation) | 55,136,722 |
| Gross Indebtedness ⁽²⁾ | \$28,010,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$28,010,000 |
| Net Debt Contracting Margin | \$27,126,722 |
| Percentage of Debt Contracting Power Exhausted | 50.80% |

- (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 \$8,025,000 School District Bonds to DASNY in connection with the refunding of \$9,238,894 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 2015 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: | | | | | |
| Lewis | \$20,109,313 | \$0 | \$20,109,313 | 25.88% | \$5,204,290 |
| Towns of: | | | | | |
| Denmark | 556,952 | 31,952 | 525,000 | 28.85 | 151,463 |
| Greig | 0 | 0 | 0 | 1.41 | |
| Harrisburg | 0 | 0 | 0 | 47.44 | |
| Lowville | 915,857 | 915,857 | 0 | 100.00 | |
| Martinsburg | 1,858,560 | 400,560 | 1,458,000 | 68.02 | 991,732 |
| Montague | 0 | 0 | 0 | 100.00 | |
| New Bremen | 0 | 0 | 0 | 2.84 | |
| Pinckney | 0 | 0 | 0 | 59.41 | |
| Turin | 220,000 | 0 | 220,000 | 11.98 | 26,356 |
| Watson | 0 | 0 | 0 | 38.95 | 0 |
| West Turin | 0 | 0 | 0 | 0.39 | 0 |
| Villages of: | | | | | |
| Castorland | 495,250 | 30,000 | 465,250 | 100.00 | 465,250 |
| Lowville | 1,343,536 | 228,536 | 1,115,000 | 100.00 | 1,115,000 |
| | | | | Total | \$6,839,090 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$28,010,000 | \$3,211.79 | 5.08% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 34,849,090 | 3,996.00 | 6.32 |

(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 8,721.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$551,367,228.

(4) The District expects to deliver \$8,025,000 School District Bonds to DASNY in connection with the refunding of \$9,238,894 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 foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes

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.

Lowville Academy and Central School District
<http://emma.msrb.org/EP970952-EP753167-EP1154766.pdf>
Base CUSIP: 548837

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 next 30 days. On November 1st, uncollected taxes are returnable to Lewis 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.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|
| Towns of: | | | | | |
| Denmark | \$40,892,685 | \$41,679,921 | \$43,551,381 | \$44,239,028 | \$44,447,066 |
| Greig | 2,880,901 | 2,880,901 | 2,880,901 | 3,078,790 | 3,203,717 |
| Harrisburg | 15,587,342 | 16,012,692 | 16,181,038 | 16,449,625 | 16,810,187 |
| Lowville | 230,730,880 | 231,856,661 | 230,817,998 | 268,596,283 ⁽¹⁾ | 276,675,364 |
| Martinsburg | 43,703,372 | 44,776,575 | 45,063,185 | 61,136,382 ⁽¹⁾ | 60,955,549 |
| Montague | 34,667,493 | 34,415,826 | 35,672,554 | 35,397,125 | 35,107,725 |
| New Bremen | 4,259,704 | 4,430,197 | 4,412,125 | 4,464,889 | 4,837,300 |
| Pinckney | 20,229,018 | 20,322,242 | 20,288,975 | 20,757,547 | 20,806,594 |
| Turin | 6,448,884 | 6,445,205 | 6,453,542 | 7,429,308 ⁽¹⁾ | 7,544,040 |
| Watson | 70,767,612 | 74,015,583 | 74,910,283 | 77,301,289 | 78,335,202 |
| West Turin | 493,900 | 493,880 | 493,600 | 498,982 | 370,472 |
| Total Assessed Valuation | <u>\$470,661,791</u> | <u>\$477,329,683</u> | <u>\$480,725,582</u> | <u>\$539,349,248</u> | <u>\$549,093,216</u> |

⁽¹⁾ Significant change from the previous year is due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Denmark | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Greig | 100.00 | 100.00 | 96.00 | 100.00 | 100.00 |
| Harrisburg | 100.00 | 100.00 | 100.00 | 100.00 | 96.00 |
| Lowville | 94.00 | 92.00 | 90.00 | 100.00 | 100.00 |
| Martinsburg | 94.00 | 94.00 | 92.00 | 100.00 | 100.00 |
| Montague | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| New Bremen | 100.00 | 100.00 | 100.00 | 98.00 | 100.00 |
| Pinckney | 100.00 | 100.00 | 100.00 | 100.00 | 93.00 |
| Turin | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Watson | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| West Turin | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$488,178,871 | \$500,349,211 | \$510,410,602 | \$539,446,368 | \$551,367,228 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$3,861,071 | \$3,871,071 | \$3,945,071 | \$4,020,071 | \$4,020,071 |
| % Uncollected When Due ⁽¹⁾ | 12.11% | 10.98% | 10.78% | 11.38% | 9.74% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$17,042,078 | \$24,984,387 | 68.21% |
| 2013-2014 | 17,427,972 | 25,270,467 | 68.97 |
| 2014-2015 | 16,550,209 | 24,393,204 | 67.85 |
| 2015-2016 | 16,934,765 | 24,864,480 | 68.11 |
| 2016-2017 (Budgeted) | 17,108,139 | 24,639,210 | 69.43 |
| 2017-2018 (Proposed) | 18,375,373 | 25,954,444 | 70.80 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$481,263 | \$931,045 |
| 2013-2014 | 531,008 | 1,315,207 |
| 2014-2015 | 517,078 | 1,485,902 |
| 2015-2016 | 427,884 | 1,158,205 |
| 2016-2017 (Budgeted) | 460,000 | 1,095,410 |
| 2017-2018 (Proposed) | 450,000 | 943,599 |

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

GASB 45 and OPEB

The District contracted with an actuarial firm to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$32,961,580. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$32,961,580. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$14,155,014. The District's annual OPEB expense

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was \$3,129,602 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$543,710 to the Plan for the fiscal year ending June 30, 2016 to 110 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,585,892, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$16,740,906. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$60,180 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$10,358,799 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$2,849,488 | | \$2,849,488 |
| 2017-2018 | 2,771,563 | \$618,095 | 3,389,658 |
| 2018-2019 | 2,571,750 | 793,100 | 3,364,850 |
| 2019-2020 | 2,569,750 | 795,500 | 3,365,250 |
| 2020-2021 | 2,573,250 | 793,100 | 3,366,350 |
| 2021-2022 | 2,576,750 | 795,100 | 3,371,850 |
| 2022-2023 | 2,565,000 | 791,600 | 3,356,600 |
| 2023-2024 | 2,573,500 | 792,000 | 3,365,500 |
| 2024-2025 | 2,201,000 | 796,500 | 2,997,500 |
| 2025-2026 | 26,250 | 794,500 | 820,750 |
| 2026-2027 | | 791,250 | 791,250 |
| 2027-2028 | | 791,750 | 791,750 |
| 2028-2029 | | 795,750 | 795,750 |
| 2029-2030 | | 793,000 | 793,000 |
| 2030-2031 | | 793,750 | 793,750 |
| 2031-2032 | | 792,750 | 792,750 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District also failed to file a material event notice relating to a rating upgrade by Moody's Investors Service. On June 17, 2014, the District's enhanced bond rating was upgraded by Moody's Investors Service to "Aa3" from "A1". The Enhanced rating reflects the additional security provided by the New York State 99-B Post Default Enhancement Program. The District's underlying rating of "A1" remained unchanged. An event notice regarding the aforementioned was filed with EMMA.

- The “Major Employers” table was missing from the 2012-2014 Annual Financial Information and Operating Data. Portions of the Annual Financial Information and Operating Data for fiscal year 2012 were not filed with the MSRB. The District did file Annual Financial Information and Operating Data for fiscal year 2012; however, the disclosure statement was dated as of March 16, 2012, which was prior to the close of the June 30, 2012 fiscal year. For fiscal year ending June 30, 2012, the District did file its audited financial report in a timely manner.

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**APPENDIX C-25
DESCRIPTION OF
MALONE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-25 a brief description of the Malone 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 Franklin County in northern New York State. The District is adjacent to the Canadian border and contains all, or a portion of, nine townships as well as the Village of Malone - the County Seat. The District encompasses approximately 384 square miles.

The City of Montreal is located 65 miles to the northeast, the City of Plattsburgh 55 miles to the southeast and the Village of Massena 40 miles to the northwest. Highways serving the District include U. S. Route #11 and New York State Routes #30 and #37.

The District is primarily farming and residential in nature with some industry located in and around the Village of Malone. The Village also affords the residents all of the usual retail and professional services.

The District has branches of four banking institutions. Fire protection is supplied by various volunteer groups and police protection is furnished by local and State agencies. Gas and electricity is furnished by National Grid and New York State Electric and Gas Company.

Population

The current estimated population of the District is 19,592. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--------------------------------------|---------------------|------------------|
| Sunmount Development Center | Disability Services | 1,300 |
| North Star Industries | Disability Services | 750 |
| NYS Dept. of Corrections – Bare Hill | Prison System | 536 |
| NYS Dept. of Corrections – Franklin | Prison System | 506 |
| Akwesasne Mohawk Casino | Casino | 500 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|----------------------|-------------|-----------------------|
| State of NY | Government | \$40,575,268 |
| National Grid | Utility | 21,377,597 |
| Wal-Mart Real Estate | Commercial | 11,515,152 |
| ARC GSBKKNY001, LLC | Commercial | 10,303,030 |
| Papas Dairy LLC | Agriculture | 7,866,681 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 14.7% 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) is Franklin County.

| | Year Average | | | | |
|-----------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Franklin County | 9.6% | 8.8% | 7.2% | 6.5% | 5.6% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 2,399 | 2,350 | 2,300 | 2,335 | 2,330 | 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> |
|---------------------------------------|-----------------------------------|--|
| 200 | CSEA | June 30, 2018 |
| 239 | NYSUT | June 30, 2017 ⁽¹⁾ |
| 11 | Malone Administrators Association | June 30, 2018 |

⁽¹⁾ Currently in 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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$790,692,703 |
| Debt Limit (10% of Full Valuation) | 79,066,270 |
| Gross Indebtedness ⁽²⁾ | \$40,175,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$40,175,000 |
| Net Debt Contracting Margin | \$38,891,270 |
| Percentage of Debt Contracting Power Exhausted | 50.81% |

- (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 \$13,620,000 School District Bonds to DASNY in connection with the refunding of \$15,687,560 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 2015 fiscal year of the respective municipalities.

| Unit | Outstanding Indebtedness⁽¹⁾ | Exclusions⁽²⁾ | Net Indebtedness | % Within District | Applicable Net Indebtedness |
|-----------------------|---|---------------------------------|-------------------------|--------------------------|------------------------------------|
| County of: | | | | | |
| Franklin | \$3,043,417 | \$0 | \$3,043,417 | 21.38% | \$650,683 |
| Towns of: | | | | | |
| Malone | 528,500 | 132,500 | 396,000 | 100.00 | 396,000 |
| Bangor | 709,277 | 601,528 | 107,749 | 46.29 | 49,877 |
| Burke | 160,000 | 0 | 160,000 | 57.75 | 92,400 |
| Constable | 0 | 0 | 0 | 100.00 | 0 |
| Bellmont | 528,335 | 493,509 | 34,826 | 54.30 | 18,911 |
| Westville | 0 | 0 | 0 | 43.61 | 0 |
| Brandon | 0 | 0 | 0 | 32.28 | 0 |
| Duane | 0 | 0 | 0 | 100.00 | 0 |
| Franklin | 0 | 0 | 0 | 0.63 | 0 |
| Village of: | | | | | |
| Malone ⁽³⁾ | 7,412,988 | 7,412,988 | 0 | 100.00 | 0 |
| | | | | Total | \$1,207,871 |

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

(3) Debt as of fiscal year end May 31, 2016.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | Amount | Per Capita⁽²⁾ | Percentage of Full Value⁽³⁾ |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$40,175,000 | \$2,050.58 | 5.08% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 41,382,871 | 2,112.53 | 5.23 |

(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 19,592.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$790,692,703.

(4) The District expects to deliver \$13,620,000 School District Bonds to DASNY in connection with the refunding of \$15,687,560 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 borrowed for cash flow purposes through the issuance of revenue anticipation notes and/or tax anticipation notes since the 2007 fiscal year, and has no current plans to do so.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Malone Central School District
<http://emma.msrb.org/ES999736-ES783099-ES1184463.pdf>
Base CUSIP: 561319

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 3% penalty is charged for the next 31 days and a 4% penalty is charged from November 1st to November 4th. On November 9th, uncollected taxes are returnable to Franklin 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.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------|----------------------|---------------------------|---------------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Malone | \$392,428,048 | \$396,243,880 | \$384,806,747 | \$391,252,233 | \$393,967,373 |
| Bangor | 35,635,569 | 36,252,632 | 36,543,156 | 36,673,312 | 37,167,594 |
| Burke | 23,896,394 | 23,900,155 | 36,234,701 ⁽¹⁾ | 37,613,978 | 37,806,810 |
| Constable | 6,248,344 | 6,317,958 | 6,377,703 | 6,461,823 | 6,535,341 |
| Bellmont | 94,092,700 | 93,989,284 | 94,027,347 | 94,269,215 | 94,079,512 |
| Westville | 22,254,071 | 28,986,064 ⁽¹⁾ | 29,416,617 | 29,629,239 | 29,964,120 |
| Brandon | 8,472,265 | 10,002,513 | 8,750,195 | 8,751,598 | 8,919,497 |
| Duane | 50,092,294 | 48,338,333 | 48,359,230 | 48,312,770 | 48,320,237 |
| Franklin | 1,662,276 | 1,632,526 | 1,599,796 | 1,600,271 | 1,540,140 |
| Total Assessed Valuation | <u>\$634,781,961</u> | <u>\$645,663,345</u> | <u>\$646,115,492</u> | <u>\$654,564,439</u> | <u>\$658,300,624</u> |

⁽¹⁾ Significant change from previous year due to town-wide revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|-----------------------|-----------------------|---------------|---------------|
| Towns of: | | | | | |
| Malone | 84.73% | 85.00% | 85.00% | 82.50% | 84.00% |
| Bangor | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Burke | 62.19 | 63.28 | 100.00 ⁽¹⁾ | 100.00 | 100.00 |
| Constable | 11.07 | 11.11 | 11.00 | 11.00 | 11.00 |
| Bellmont | 100.00 | 100.00 | 107.02 | 100.00 | 104.00 |
| Westville | 83.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Brandon | 90.00 | 90.50 | 90.00 | 90.00 | 92.00 |
| Duane | 85.21 | 85.79 | 88.00 | 88.00 | 88.00 |
| Franklin | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$784,423,178 | \$789,063,429 | \$767,022,920 | \$797,399,864 | \$790,692,703 |

⁽¹⁾ Significant change from previous year due to town-wide revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------|
| Total Tax Levy | \$9,509,915 | \$9,841,023 | \$10,208,997 | \$10,460,780 | \$10,776,992 |
| % Uncollected When Due ⁽¹⁾ | 22.13% | 20.74% | 20.50% | 18.90% | 18.75% |

⁽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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$29,012,908 | \$42,678,999 | 67.98% |
| 2013-2014 | 30,362,070 | 44,780,497 | 67.80 |
| 2014-2015 | 32,276,737 | 46,779,460 | 69.00 |
| 2015-2016 | 32,884,020 | 47,061,893 | 69.87 |
| 2016-2017 (Budgeted) | 34,495,425 | 48,682,415 | 70.86 |
| 2017-2018 (Proposed) | 35,300,000 | 50,227,000 | 70.28 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$657,836 | \$1,777,476 |
| 2013-2014 | 699,043 | 1,867,697 |
| 2014-2015 | 688,349 | 2,520,096 |
| 2015-2016 | 569,620 | 2,786,577 |
| 2016-2017 (Budgeted) | 615,672 | 1,978,555 |
| 2017-2018 (Proposed) | 613,188 | 1,656,057 |

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 June 30, 2016, 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 \$136,957,861. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$136,957,861. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$76,225,456. The District's annual OPEB expense was \$14,254,305 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,397,351 to the Plan for the fiscal year ending June 30, 2016 to 435 employees, resulting in a net increase to its unfunded OPEB obligation of \$10,856,954, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$87,082,410. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Appendix C

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 \$634,154 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$3,751,199 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.*"

Internal Revenue Service Audits

The Internal Revenue Service (the "IRS") routinely conducts examinations of bonds and notes to determine compliance with federal tax requirements. The District's \$15,170,555 General Obligation Qualified Zone Academy Bonds, 2011, issued on November 29, 2011 (the "2011 QZABs") and its \$8,496,497 General Obligation Qualified Zone Academy Bonds, 2013, issued on May 15, 2013 (the "2013 QZABs" and together with the 2011 QZABs, the "QZABs") were the subject of recent IRS examinations.

At the time of issuance of the QZABs, the District made irrevocable elections to treat both issues of QZABs as "direct pay" bonds eligible for direct subsidy payments (the "Direct Subsidy Payments") from the Federal Government rather than as "tax credit bonds". During the course of the examinations, questions surfaced regarding the issue price at which the 2011 QZABs were sold and the direct pay status of a portion of the 2011 QZABs and all of the 2013 QZABs. The District worked with its current bond counsel to address the issues raised during the examinations of the 2011 QZABs and 2013 QZABs. The District did not pledge the Direct Subsidy Payments to the holders of its QZABs.

Based upon the terms of the settlements reached with the IRS, the District paid the United States Treasury approximately \$1,300,000 on account of Direct Subsidy Payments it received in 2013, 2014 and 2015, inclusive of interest, attributable to the District's QZABs. In addition, the District must forego certain Direct Subsidy Payments in the future totaling \$2,600,000 attributable to its QZABs.

The District does not expect the settlement of the IRS examinations to have an adverse material impact upon the ability of the District to pay the principal of and interest its outstanding bonds or notes when due, including the bonds now being sold to DASNY.

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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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$5,793,753 | | \$5,793,753 |
| 2017-2018 | 5,683,091 | \$1,167,904 | 6,850,995 |
| 2018-2019 | 2,629,419 | 1,167,450 | 3,796,869 |
| 2019-2020 | 2,537,618 | 1,171,550 | 3,709,168 |
| 2020-2021 | 2,450,571 | 1,169,550 | 3,620,121 |
| 2021-2022 | 2,450,746 | 1,171,750 | 3,622,496 |
| 2022-2023 | 2,456,981 | 1,172,000 | 3,628,981 |
| 2023-2024 | 2,453,338 | 1,167,000 | 3,620,338 |
| 2024-2025 | 2,458,463 | 1,169,750 | 3,628,213 |
| 2025-2026 | 2,455,144 | 1,170,750 | 3,625,894 |
| 2026-2027 | 296,381 | 1,170,000 | 1,466,381 |
| 2027-2028 | 93,600 | 1,167,500 | 1,261,100 |
| 2028-2029 | | 1,168,250 | 1,168,250 |
| 2029-2030 | | 1,167,000 | 1,167,000 |
| 2030-2031 | | 1,168,750 | 1,168,750 |
| 2031-2032 | | 1,168,250 | 1,168,250 |
| 2032-2033 | | 830,500 | 830,500 |
| 2033-2034 | | 832,250 | 832,250 |
| 2034-2035 | | 832,250 | 832,250 |
| 2035-2036 | | 830,500 | 830,500 |
| 2026-2037 | | 462,000 | 462,000 |

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**APPENDIX C-26
DESCRIPTION OF
MARATHON CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-26 a brief description of the Marathon 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 103 square miles and is comprised of portions of the Towns of Cincinnatus, Freetown, Harford, Lapeer, Marathon, Virgil and Willet located in Cortland County; Lisle and Triangle located in Broome County; and Richford located in Tioga County. The District lies approximately 10 miles south of the City of Cortland, 15 miles east of the City of Ithaca and 20 miles north of the City of Binghamton.

The Village of Marathon, serves as the commercial and residential hub of the District. Highways in close proximity to the District include Interstate Routes 81, which bisects the District, and 17, located 20 miles to the south. Gas and electric services are provided by New York State Electric & Gas as well as National Grid. Sewer and water services are provided in the District by the municipalities located in the District. Police protection is provided by Village, County and State agencies. Fire protection is provided by various volunteer units.

Population

The current estimated population of the District is 4,452. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|----------------------------------|---------------|--------------------------|
| Greek Peak-Hope Lodge | Recreation | 270 / 735 ⁽¹⁾ |
| Square Deal Machining | Manufacturing | 265 |
| Marathon Central School District | Education | 153 |
| E.L. Wood Braiding | Manufacturing | 75 |
| Gregg's Market | Retail | 24 |

⁽¹⁾ Seasonal employment.

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Taxable Assessed Valuation</u> |
|------------------------------|-----------------------|---------------------------------------|
| NYS Electric & Gas | Utility | \$40,636,003 |
| TE Products Pipeline Company | Business / Commercial | 10,766,352 |
| State of New York | Government | 6,642,700 |
| Farm East LLC | State Land | 1,743,500 |
| Square Deal Machining | Manufacturing | 1,376,300 |

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 25.6% 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 Broome, Cortland and Tioga Counties.

| | Year Average | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Cortland County | 8.6% | 7.7% | 6.4% | 5.9% | 5.4% |
| Broome County | 8.7 | 7.8 | 6.6 | 6.0 | 5.4 |
| Tioga County | 7.9 | 7.2 | 6.1 | 5.6 | 5.1 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 711 | 737 | 728 | 742 | 729 | 740 | 752 |

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> |
|----------------------------|--|---------------------------------|
| 95 | Marathon Teachers Association | June 30, 2018 |
| 9 | Marathon Educational Support Association | June 30, 2017 ⁽¹⁾ |
| 3 | Marathon Administrators Association | June 30, 2017 ⁽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 2, 2017⁽¹⁾**

| | |
|--|----------------|
| Full Valuation of Taxable Real Property | \$ 268,364,588 |
| Debt Limit (10% of Full Valuation) | 26,836,459 |
| Gross Indebtedness ⁽²⁾ | \$ 13,610,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$ 13,610,000 |
| Net Debt Contracting Margin | \$ 13,226,459 |
| Percentage of Debt Contracting Power Exhausted | 50.71% |

- (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 \$6,510,000 School District Bonds to DASNY in connection with the refunding of \$7,440,000 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.

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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 2015 fiscal year of the respective municipalities.

| Unit | Outstanding Indebtedness⁽¹⁾ | Exclusions⁽²⁾ | Net Indebtedness | % Within District | Applicable Net Indebtedness |
|---------------------|---|---------------------------------|-------------------------|--------------------------|------------------------------------|
| Counties of: | | | | | |
| Cortland | \$ 31,004,948 | \$ 5,906,295 | \$ 25,098,653 | 9.15% | \$2,296,527 |
| Broome | 158,227,029 | 15,272,029 | 142,955,000 | 0.23 | 328,797 |
| Tioga | 16,640,000 | 0 | 16,640,000 | 0.08 | 13,312 |
| Towns of: | | | | | |
| Cincinnatus | 198,258 | 198,258 | 0 | 0.91 | 0 |
| Freetown | 50,000 | 0 | 50,000 | 77.44 | 38,720 |
| Harford | 77,600 | 0 | 77,600 | 39.72 | 30,823 |
| Lapeer | 0 | 0 | 0 | 96.94 | 0 |
| Marathon | 38,639 | 0 | 38,639 | 99.86 | 38,585 |
| Virgil | 1,406,376 | 1,300,000 | 106,376 | 8.23 | 8,755 |
| Willet | 30,000 | 0 | 30,000 | 13.08 | 3,924 |
| Lisle | 450,000 | 0 | 450,000 | 17.76 | 79,920 |
| Triangle | 58,475 | 58,475 | 0 | 0.37 | 0 |
| Richford | 0 | 0 | 0 | 2.93 | 0 |
| Village of: | | | | | |
| Marathon | 2,171,732 | 1,601,732 | 570,000 | 100.00 | 570,000 |
| Total | | | | | <u>\$3,409,362</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | Amount | Per Capita⁽²⁾ | Percentage of Full Value⁽³⁾ |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$13,610,000 | \$3,057.05 | 5.07% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 17,019,362 | 3,822.86 | 6.34 |

(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 4,452.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$268,364,588.

(4) The District expects to deliver \$6,510,000 School District Bonds to DASNY in connection with the refunding of \$7,440,000 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 issued any revenue or tax anticipation notes in the recent past and does not anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future at this time.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes

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.

Marathon Central School District
<http://emma.msrb.org/ER1003654-ER785430-ER1186648.pdf>
Base CUSIP: 565833

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 Broome, Cortland and Tioga Counties for collection. The District receives this amount of uncollected taxes from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Cincinnatus | \$412,649 | \$421,349 | \$422,549 | \$423,646 | \$424,927 |
| Freetown | 25,814,141 | 25,854,302 | 25,986,650 | 25,760,098 | 25,922,578 |
| Harford | 22,973,535 | 22,947,124 | 22,552,670 | 22,763,229 | 22,819,046 |
| Lapeer | 49,387,433 | 49,146,147 | 78,370,251 | 77,184,735 | 77,787,017 |
| Marathon | 77,587,573 | 78,289,675 | 88,063,360 | 88,851,074 | 89,357,447 |
| Virgil | 15,512,726 | 15,358,313 | 15,202,797 | 15,337,103 | 15,433,354 |
| Willet | 5,578,928 | 5,650,516 | 5,561,595 | 5,748,008 | 5,710,888 |
| Lisle | 12,680,268 | 21,801,706 ⁽¹⁾ | 21,708,132 | 21,733,171 | 21,872,121 |
| Triangle | 288,600 | 288,600 | 602,930 ⁽¹⁾ | 595,530 | 553,700 |
| Richford | 1,967,954 | 1,970,534 | 1,965,526 | 1,994,447 | 1,989,246 |
| Total Assessed Valuation | <u>\$212,203,807</u> | <u>\$221,728,266</u> | <u>\$260,436,460</u> | <u>\$260,391,041</u> | <u>\$261,870,324</u> |

⁽¹⁾ Significant change from the previous year due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Cincinnatus | 93.00% | 93.00% | 93.00% | 93.00% | 87.00% |
| Freetown | 98.00 | 100.00 | 93.00 | 93.00 | 93.00 |
| Harford | 98.00 | 100.00 | 100.00 | 100.00 | 89.00 |
| Lapeer | 92.00 | 92.00 | 100.00 | 99.50 | 99.50 |
| Marathon | 92.00 | 92.00 | 100.00 | 99.50 | 99.50 |
| Virgil | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Willet | 100.00 | 99.00 | 96.00 | 90.00 | 88.00 |
| Lisle | 59.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Triangle | 63.00 | 63.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 |
| Richford | 100.00 | 100.00 | 97.00 | 98.00 | 98.00 |
| Taxable Full Valuation | \$233,253,045 | \$233,067,927 | \$262,716,772 | \$282,242,929 | \$268,364,588 |

⁽¹⁾ Significant change from the previous year due to revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$3,710,303 | \$3,822,005 | \$3,901,386 | \$3,940,400 | \$3,940,400 |
| % Uncollected When Due ⁽¹⁾ | 7.81% | 8.64% | 6.61% | 6.57% | 9.38% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$10,842,021 | \$14,937,997 | 72.58% |
| 2013-2014 | 10,747,924 | 14,922,981 | 72.02 |
| 2014-2015 | 11,259,257 | 15,398,115 | 73.12 |
| 2015-2016 | 11,022,393 | 15,266,694 | 72.20 |
| 2016-2017 (Budgeted) | 11,856,183 | 16,326,323 | 72.62 |
| 2017-2018 (Proposed) | 12,195,761 | 16,606,001 | 73.44 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>TRS</u> | <u>ERS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$559,823 | \$193,879 |
| 2013-2014 | 756,743 | 196,190 |
| 2014-2015 | 803,306 | 184,216 |
| 2015-2016 | 852,012 | 172,788 |
| 2016-2017 (Budgeted) | 767,840 | 190,000 |
| 2017-2018 (Proposed) | 741,000 | 190,000 |

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

GASB 45 and OPEB

The District contracted with Capital Region BOCES to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2016, 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 \$23,549,736. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,549,736. For the fiscal year ending June 30, 2016, the District’s beginning year Net OPEB obligation was \$8,079,086. The District’s annual OPEB expense was \$2,132,825 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,140,741 to the Plan for the fiscal year ending June 30, 2016 to 94 employees,

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resulting in a net increase to its unfunded OPEB obligation of \$992,084, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$9,071,170. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$600,305 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,166,911 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$708,300 | | \$708,300 |
| 2017-2018 | 709,125 | \$680,736 | 1,389,861 |
| 2018-2019 | 710,813 | 681,000 | 1,391,813 |
| 2019-2020 | 706,375 | 679,300 | 1,385,675 |
| 2020-2021 | 711,000 | 678,300 | 1,389,300 |
| 2021-2022 | 504,250 | 681,700 | 1,185,950 |
| 2022-2023 | 504,000 | 679,950 | 1,183,950 |
| 2023-2024 | 502,750 | 676,750 | 1,179,500 |
| 2024-2025 | 505,500 | 678,250 | 1,183,750 |
| 2025-2026 | 252,000 | 678,500 | 930,500 |
| 2026-2027 | | 677,500 | 677,500 |
| 2027-2028 | | 680,250 | 680,250 |
| 2028-2029 | | 676,500 | 676,500 |
| 2029-2030 | | 681,500 | 681,500 |
| 2030-2031 | | 309,750 | 309,750 |

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**APPENDIX C-27
DESCRIPTION OF
NORTH SYRACUSE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-27 a brief description of the North Syracuse 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 Central Upstate New York, north of the City of Syracuse and contains portions of the Towns of Cicero, Clay and Salina. Its land area is approximately 62 square miles. Major highways accessible to the District include Interstate Highways #81, the primary North-South route extending from Canada to Tennessee, #481 and #I-90 (the New York State Thruway). The Syracuse Hancock International Airport is adjacent to the District.

As a suburb of the City of Syracuse, the District is primarily residential and commercial in nature. The Village of North Syracuse lies within its boundaries.

Population

The current estimated population of the District is 59,192. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-------------------------------------|------------------|------------------|
| Upstate University Health System | Health Care | 9,525 |
| Syracuse University | Higher Education | 4,621 |
| St. Joseph’s Hospital Health Center | Health Care | 3,745 |
| Wegmans Food Markets | Supermarket | 3,713 |
| Crouse Hospital | Health Care | 2,700 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|---------------------------------------|-------------|-----------------------|
| National Grid Co. | Utility | \$117,363,330 |
| 7820 Hogan Dr. LLC (Driver’s Village) | Commercial | 18,606,000 |
| Verizon | Utility | 16,828,128 |
| Wal-Mart | Retail | 12,000,000 |
| AR Target Corp. | Retail | 9,100,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.0% 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) is Onondaga County.

| | Year Average | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Onondaga County | 7.9% | 6.8% | 5.5% | 4.9% | 4.5% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 9,136 | 8,934 | 8,841 | 8,745 | 8,641 | 8,555 | 8,479 |

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> |
|----------------------------|--------------------------------------|---------------------------------|
| 15 | Association of Middle Managers | June 30, 2019 |
| 61 | Food Service Workers | June 30, 2017 ⁽¹⁾ |
| 132 | Bus Drivers – Teamsters | June 30, 2017 ⁽¹⁾ |
| 13 | School Bus Engineers’ Association | June 30, 2019 |
| 53 | Office Personnel | June 30, 2019 |
| 103 | Custodial - Maintenance Unit | June 30, 2019 |
| 18 | N. S. Association of Principals | June 30, 2019 |
| 8 | Academic Directors' Association | June 30, 2019 |
| 42 | Teachers’ Aide Unit | June 30, 2019 |
| 143 | Teaching Assistants | June 30, 2019 |
| 723 | North Syracuse Education Association | June 30, 2019 |
| ⁽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 2, 2017⁽¹⁾

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$3,570,435,599 |
| Debt Limit (10% of Full Valuation) | 357,043,559 |
| Gross Indebtedness ⁽²⁾ | \$48,610,855 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$48,610,855 |
| Net Debt Contracting Margin | \$308,432,704 |
| Percentage of Debt Contracting Power Exhausted | 13.61% |

⁽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 \$2,665,000 School District Bonds to DASNY in connection with the refunding of \$3,030,000 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 2015 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: | | | | | |
| Onondaga | \$642,977,979 | \$334,458,144 | \$308,519,835 | 13.22% | \$40,786,322 |
| Town of: | | | | | |
| Cicero | 4,024,833 | 94,122 | 3,930,711 | 83.97 | 3,300,618 |
| Clay | 4,018,500 | 898,600 | 3,119,900 | 38.38 | 1,197,418 |
| Salina | 20,927,856 | 175,000 | 20,782,856 | 21.48 | 44,646,793 |
| Village of: | | | | | |
| North Syracuse | 1,080,068 | 505,068 | 575,000 | 100.00 | 575,000 |
| | | | | Total | \$90,506,151 |

⁽¹⁾ Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|---|---------------|--------------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$48,610,855 | \$811.37 | 1.36% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 139,117,006 | 2,322.02 | 3.90 |

(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 59,192.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$3,570,435,599.

(4) The District expects to deliver \$2,665,000 School District Bonds to DASNY in connection with the refunding of \$3,030,000 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 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> |
|--------------------|---------------|-------------|-------------------|-----------------|
| 2011-2012 | \$8,000,000 | RAN | 6/22/2011 | 6/22/2012 |
| 2012-2013 | 10,000,000 | RAN | 6/21/2012 | 6/21/2013 |
| 2013-2014 | 10,000,000 | RAN | 6/25/2013 | 6/25/2014 |
| 2014-2015 | 10,000,000 | RAN | 6/20/2014 | 6/19/2015 |
| 2015-2016 | 10,000,000 | RAN | 6/25/2015 | 6/24/2016 |
| 2016-2017 | 10,000,000 | RAN | 6/28/2016 | 6/28/2017 |

Capital Project Plans

On September 24, 2015, the District voters approved a \$1,000,000 proposition for the reconstruction and renovation of the Junior High School including replacement of a portion of the roof and the replacement of the gymnasium floor. The District anticipates renewing \$1,000,000 bond anticipation notes currently outstanding in August 2017.

On October 18, 2016, the District voters approved a \$22,500,000 proposition for the renovation and reconstruction of the Karl W. Saile Bear Road Elementary School and to construct an additional District Transportation Fueling Station including the purchase and installation of new above ground tanks, purchase and installation of security fencing and fire suppression system. The District anticipates issuing bond anticipation notes in July 2018 as the first borrowing against said authorization. Additional borrowings will occur as the project's cash flow needs warrant.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

North Syracuse Central School District
<https://emma.msrb.org/EP960837-EP745278-EP1146776.pdf>
 Base CUSIP: 662735

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 5% penalty is charged for the next 30 days. On or about November 1st, uncollected taxes are returnable to Onondaga County for collection. The District receives this amount from the County prior to the end of the District's fiscal year, thereby assuming 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Cicero | \$1,814,870,473 | \$1,813,308,613 | \$1,821,552,591 | \$1,828,807,074 | \$1,845,634,508 |
| Clay | 55,894,931 | 56,260,247 | 56,810,238 | 57,474,705 | 58,391,930 |
| Salina | 356,351,169 | 355,430,571 | 357,655,008 | 358,193,775 | 357,308,585 |
| Total Assessed Valuation | <u>\$2,227,116,573</u> | <u>\$2,224,999,431</u> | <u>\$2,236,017,837</u> | <u>\$2,244,475,554</u> | <u>\$2,261,335,023</u> |

| | State Equalization Rates Years Ending June 30, | | | | |
|-----------------------------------|---|-----------------|-----------------|-----------------|-----------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Cicero | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Clay | 4.34 | 4.35 | 4.33 | 4.31 | 4.27 |
| Salina | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$3,459,123,278 | \$3,462,659,920 | \$3,491,774,964 | \$3,520,969,820 | \$3,570,435,599 |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$79,916,082 | \$78,498,349 | \$80,232,221 | \$81,879,681 | \$82,774,878 |
| % Uncollected When Due ⁽¹⁾ | 4.6% | 4.6% | 5.1% | 5.1% | 4.8% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$56,834,035 | \$137,803,238 | 41.24% |
| 2013-2014 | 58,580,174 | 141,881,291 | 41.29 |
| 2014-2015 | 63,556,067 | 148,440,624 | 42.82 |
| 2015-2016 | 64,784,233 | 151,494,869 | 42.76 |
| 2016-2017 (Budgeted) | 67,582,564 ⁽²⁾ | 155,237,936 | 43.53 |
| 2017-2018 (Proposed) | 66,912,117 | 158,690,480 | 42.17 |

⁽¹⁾ General Fund only.

⁽²⁾ Does not include Native American aid

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$2,842,334 | \$5,523,350 |
| 2013-2014 | 3,095,333 | 8,318,998 |
| 2014-2015 | 2,859,636 | 8,738,455 |
| 2015-2016 | 2,726,650 | 6,829,763 |
| 2016-2017 (Budgeted) | 3,000,000 | 8,500,000 |
| 2017-2018 (Proposed) | 3,000,000 | 8,500,000 |

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, 2016, 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 \$279,950,112. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$279,950,112. For the fiscal year ending June 30,

2016, the District's beginning year Net OPEB obligation was \$89,265,324. The District's annual OPEB expense was \$26,211,237 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$8,098,285 to the Plan for the fiscal year ending June 30, 2016 to 1,883 employees, resulting in a net increase to its unfunded OPEB obligation of \$18,112,952, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$107,378,276. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – GASB 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 \$4,453,127 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$7,553,982 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.*"

In December 2015, the District was notified by the New York State Education Department ("SED") that some future building aid could be reduced due to the late filing of final cost reports for certain completed capital projects. On January 10, 2017, the District was notified by the SED that the potential reduction is \$31,083,209.

Pursuant to Chapter 59 of the Laws of 2017 of the State of New York ("Chapter 59"), the penalty for late filing of cost reports is to be made by aid reductions to school districts over a ten-year period without interest. Penalty amounts not recaptured by aid reductions at the end of the ten-year period are forgiven.

The District anticipates that the penalty in the form of building aid reductions under Chapter 59 each June during the ten-year period commencing June 2018 will equal two one-hundredths (0.02) of the District's general fund expenditures for the 2016 – 17 school year (approximately \$3,000,000) until the total penalty is recaptured during the ten-year period.

Notwithstanding Chapter 59, the District has begun working with its legislative delegation in the New York State Legislature to avoid or otherwise mitigate the building aid reductions.

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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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$7,640,838 | | \$7,640,838 |
| 2017-2018 | 7,562,888 | \$167,528 | 7,730,416 |
| 2018-2019 | 7,169,413 | 303,450 | 7,472,863 |
| 2019-2020 | 5,288,044 | 303,050 | 5,591,094 |
| 2020-2021 | 4,753,994 | 305,650 | 5,059,644 |
| 2021-2022 | 3,687,419 | 307,850 | 3,995,269 |
| 2022-2023 | 3,690,831 | 307,600 | 3,998,431 |
| 2023-2024 | 2,650,406 | 304,000 | 2,954,406 |
| 2024-2025 | 1,672,106 | 308,000 | 1,980,106 |
| 2025-2026 | 1,511,975 | 306,250 | 1,818,225 |
| 2026-2027 | 179,325 | 304,000 | 483,325 |
| 2027-2028 | 179,650 | 306,250 | 485,900 |
| 2028-2029 | 179,763 | 302,750 | 482,513 |
| 2029-2030 | 179,663 | 183,750 | 363,413 |
| 2030-2031 | 179,350 | | 179,350 |
| 2031-2032 | 178,240 | | 178,240 |
| 2032-2033 | 181,895 | | 181,895 |
| 2033-2034 | 180,080 | | 180,080 |
| 2034-2035 | 178,030 | | 178,030 |
| 2035-2036 | 180,745 | | 180,745 |
| 2036-2037 | 177,990 | | 177,990 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- On March 20, 2012, the District issued refunding bonds to currently refund the District's 2002 serial bonds. A bond call notice was not filed on EMMA. The bonds were redeemed on June 15, 2012.
- On September 18, 2012, the District issued refunding bonds and filed the escrow agreements on EMMA on September 24, 2012. The District did not file a separate event notice with respect to the refunding.

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**APPENDIX C-28
DESCRIPTION OF
PHELPS-CLIFTON SPRINGS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-28 a brief description of the Phelps-Clifton Springs 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 1967 as a result of a merger with the Clifton Springs and Phelps School Districts to become known as the Phelps-Clifton Springs Central School District. The District covers approximately 90 square miles in the Finger Lakes Region. The Villages of Phelps and Clifton Springs are located in the District. The District is located about 28 miles southeast of Rochester and 50 miles west of Syracuse on Route 96, near the cities of Geneva and Canandaigua.

Municipal services include village water and sewer services; New York State Electric and Gas provides electricity and gas and Ontario Telephone Company provides phone services. Each village has its own police protection in coordination with the Ontario County Sheriff's Department and the New York State Police. The Phelps Fire Department and Clifton Springs Fire Department provide volunteer fire protection. In the surrounding area are the Finger Lakes Community College in Canandaigua, Hobart and William Smith Colleges in Geneva, Auburn Community College and several colleges in Rochester and Syracuse. The Village of Clifton Springs has a senior citizen's complex, country club and a recreational park. The Village of Phelps offers an expansive public library and recreational park. The area also offers skiing, swimming, camping, boating, theater, summer concerts, professional and college sports.

Available transportation by bus, railroad and air is available in nearby Rochester and Syracuse. The New York State Thruway, easily accessed just outside each Village, runs parallel to Route 96 and is the main highway connecting the Villages.

Population

The current estimated population of the District is 11,646. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--|-----------------------------------|------------------|
| Clifton Springs Hospital & Clinic | Hospital | 675 |
| G.W. Lisk Company | Machining & Manufacturing | 650 |
| Phelps-Clifton Springs Central School District | Public School | 297 |
| Elderlee, Inc. | Steel Fabricator | 150 |
| Z-Axis, Inc. | Electronic Design & Manufacturing | 93 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------|-------------------|-----------------------|
| New York State Electric & Gas | Utility | \$15,719,716 |
| Prestige Communities LLC | Mobile Home Parks | 13,071,800 |
| RAER Corporation | Corporation | 12,752,500 |
| Willow Bend Farm LLC | Agriculture | 9,094,900 |
| Tennessee Gas Pipeline | Utility | 7,558,674 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.7% of the tax base of the District.

Unemployment Rate Statistics

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

| | <u>Year Average</u> | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Ontario County | 7.3% | 6.3% | 5.2% | 4.8% | 4.3% |
| Seneca County | 8.0 | 6.9 | 5.6 | 5.2 | 4.7 |
| Wayne County | 8.6 | 7.6 | 6.2 | 5.4 | 4.9 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,706 | 1,675 | 1,655 | 1,581 | 1,547 | 1,538 | 1,530 |

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> |
|--------------------------------|--|-------------------------------------|
| 176 | Phelps-Clifton Springs Faculty Association | June 30, 2020 |
| 65 | Phelps-Clifton Springs Employee's Association | June 30, 2019 |
| 31 | Phelps-Clifton Springs Sec/Aides Association | June 30, 2019 |
| 8 | Phelps-Clifton Springs Administrators' Association | June 30, 2020 |
| 7 | Phelps-Clifton Springs Management Exempt | June 30, 2019 |

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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$573,297,572 |
| Debt Limit (10% of Full Valuation) | 57,329,757 |
| Gross Indebtedness ⁽²⁾ | \$28,535,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$28,535,000 |
| Net Debt Contracting Margin | \$28,794,757 |
| Percentage of Debt Contracting Power Exhausted | 49.77% |

- (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 \$6,745,000 School District Bonds to DASNY in connection with the refunding of \$7,725,000 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.

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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. Except as noted below, estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2015 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: | | | | | |
| Ontario | \$27,560,000 | \$0 | \$27,560,000 | 6.74% | \$1,857,544 |
| Seneca | 15,020,000 | 11,550,000 | 3,470,000 | 0.17 | 5,899 |
| Wayne | 29,400,000 | 0 | 29,400,000 | 0.07 | 20,580 |
| Towns of: | | | | | |
| Arcadia | 4,403,532 | 4,403,532 | 0 | 0.58 | 0 |
| Hopewell | 1,550,000 | 1,550,000 | 0 | 15.16 | 0 |
| Junius | 478,500 | 478,500 | 0 | 5.43 | 0 |
| Lyons | 23,750 | 23,750 | 0 | 0.16 | 0 |
| Manchester | 3,400,900 | 3,180,900 | 220,000 | 39.87 | 87,714 |
| Phelps | 2,798,110 | 2,746,110 | 52,000 | 91.40 | 47,528 |
| Seneca | 0 | 0 | 0 | 18.07 | 0 |
| Villages of: | | | | | |
| Clifton Springs ⁽³⁾ | 1,155,000 | 630,000 | 525,000 | 100.00 | 525,000 |
| Phelps ⁽³⁾ | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | <u>\$2,544,265</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.
- (3) Debt outstanding as of fiscal year end May 31, 2016.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|---|---------------|----------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$28,535,000 | \$2,450.20 | 4.98% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 31,079,265 | 2,668.66 | 5.42 |

- (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 11,646.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$573,297,572.
- (4) The District expects to deliver \$6,745,000 School District Bonds to DASNY in connection with the refunding of \$7,725,000 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 found it necessary to issue \$1,600,000 revenue anticipation notes during the 2001-2002 school year against anticipated state aid. These notes were repaid in full during the 2002-2003 school year. The District has not found it necessary to issue further revenue or tax anticipation notes since and has no current plans to do so in the near future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Phelps-Clifton Springs Central School District
<https://emma.msrb.org/ES1179557.pdf>
Base CUSIP: 717243

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

District taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by November 1.

On November 15, a list of all unpaid taxes is given to the Ontario, Seneca and Wayne County Treasurers for levy on County/Town tax rolls with additional penalties.

The District is reimbursed by the Counties for all unpaid taxes so that it is assured of 100% collection of its tax levy each year.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Arcadia | \$ 3,067,066 | \$ 3,126,630 | \$ 3,149,674 | \$ 3,179,734 | \$ 3,134,952 |
| Hopewell | 33,258,389 | 33,536,182 | 34,566,685 | 34,822,084 | 34,154,837 |
| Junius | 3,155,521 | 3,192,952 | 3,199,773 | 3,268,497 | 3,216,789 |
| Lyons | 289,300 | 297,200 | 307,937 | 300,904 | 308,135 |
| Manchester | 143,855,921 | 143,871,196 | 144,361,682 | 144,959,365 | 144,448,118 |
| Phelps | 337,354,543 | 341,232,166 | 343,761,851 | 349,338,603 | 353,284,687 |
| Seneca | 32,299,429 | 32,370,236 | 32,477,213 | 33,140,299 | 33,989,736 |
| Total Assessed Valuation | <u><u>\$553,280,169</u></u> | <u><u>\$557,626,562</u></u> | <u><u>\$561,824,815</u></u> | <u><u>\$569,009,486</u></u> | <u><u>\$572,537,254</u></u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Towns of: | | | | | |
| Arcadia | 100.00% | 100.00% | 99.00% | 97.00% | 97.00% |
| Hopewell | 100.00 | 98.00 | 100.00 | 100.00 | 100.00 |
| Junius | 100.00 | 100.00 | 99.00 | 90.00 | 83.00 |
| Lyons | 100.00 | 100.00 | 100.00 | 98.00 | 100.00 |
| Manchester | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Phelps | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Seneca | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$553,280,169 | \$558,310,974 | \$561,888,951 | \$569,477,136 | \$573,293,072 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$10,267,996 | \$10,583,510 | \$10,784,014 | \$11,094,088 | \$11,337,148 |
| % Uncollected When Due ⁽¹⁾ | 4.97% | 4.99% | 5.27% | 4.58% | 4.16% |

⁽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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$18,431,244 | \$32,268,581 | 57.12% |
| 2013-2014 | 17,632,980 | 31,730,760 | 55.57 |
| 2014-2015 | 18,669,381 | 32,935,473 | 56.68 |
| 2015-2016 | 19,688,649 | 34,360,462 | 57.30 |
| 2016-2017 (Budgeted) | 21,216,519 | 35,839,627 | 59.20 |
| 2017-2018 (Proposed) | 21,401,178 | 36,359,538 | 58.86 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$466,248 | \$1,155,721 |
| 2013-2014 | 459,903 | 1,646,042 |
| 2014-2015 | 507,081 | 1,775,754 |
| 2015-2016 | 495,162 | 1,371,881 |
| 2016-2017 (Budgeted) | 462,923 | 1,323,359 |
| 2017-2018 (Proposed) | 463,971 | 1,116,447 |

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

GASB 45 and OPEB

The District contracted with Harbridge Advisors in the past and Questar BOCES III going forward to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$57,451,099. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$57,451,099. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$17,344,814. The District's annual OPEB expense was \$5,601,998 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,125,848 to the Plan for the fiscal year ending June 30, 2016 to 305 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,476,150, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$21,820,964. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Appendix C

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 \$1,500,278 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,440,663 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,128,738 | | \$3,128,738 |
| 2017-2018 | 3,143,538 | \$686,700 | 3,830,238 |
| 2018-2019 | 1,460,950 | 683,650 | 2,144,600 |
| 2019-2020 | 1,462,813 | 687,250 | 2,150,063 |
| 2020-2021 | 1,464,963 | 686,450 | 2,151,413 |
| 2021-2022 | 1,453,013 | 685,050 | 2,138,063 |
| 2022-2023 | 1,458,513 | 683,800 | 2,142,313 |
| 2023-2024 | 1,459,013 | 686,000 | 2,145,013 |
| 2024-2025 | 1,463,231 | 682,750 | 2,145,981 |
| 2025-2026 | 1,454,719 | 683,500 | 2,138,219 |
| 2026-2027 | 1,462,194 | 683,000 | 2,145,194 |
| 2027-2028 | 1,457,919 | 686,250 | 2,144,169 |
| 2028-2029 | 1,460,613 | 683,000 | 2,143,613 |
| 2029-2030 | 1,464,800 | 683,500 | 2,148,300 |
| 2030-2031 | | 682,500 | 682,500 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- Portions of the Annual Financial Information and Operating Data for fiscal year 2012 were not filed with the MSRB. The District did file Annual Financial Information and Operating Data for fiscal year 2012; however, the disclosure statement was dated as of December 30, 2011, which was prior to the close of the June 30, 2012 fiscal year. For fiscal year ending June 30, 2012, the District did file its audited financial report in a timely manner.

**APPENDIX C-29
CITY SCHOOL DISTRICT OF THE CITY OF ROME**

There follows in this Appendix C-29 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.

Population

The current estimated population of the District is 38,706. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--|-----------------|------------------|
| Turning Stone Casino | Casino/Hotel | 4,500 |
| Central New York Developmental Service | Social Services | 3,000 |
| Wal-Mart | Retail | 1,400 |
| City School District of the City of Rome | Educational | 1,243 |
| Rome Memorial Hospital | Heal | 1,051 |

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Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------------|------------------|-----------------------|
| National Grid | Utility | \$36,729,357 |
| Centro NP Holdings 11 SPE, LLC | Retail | 9,055,000 |
| DDR GLH Freedom Plaza | Shopping Complex | 8,539,585 |
| Wal-Mart Real Estate Business Trust | Retail | 8,152,100 |
| Lowe's Home Centers, Inc. | Retail | 6,000,000 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.5% 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>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Oneida County | 8.2% | 7.4% | 6.1% | 5.3% | 4.8% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 5,669 | 5,664 | 5,590 | 5,690 | 5,648 | 5,700 | 5,700 |

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> |
|--------------------------------|---|-------------------------------------|
| 35 | Rome City School District Administrators' Association | June 30, 2017 |
| 560 | Rome City School District Teachers' Association | June 30, 2021 |
| 318 | Rome City School District Aides, Monitors & Cafeterias' Employees | June 30, 2020 |
| 95 | Local200B – SEIU – AFL-CIO (The Custodial Unit) | June 30, 2016 ⁽¹⁾ |
| 35 | Rome City School District C.S.E.A. | June 30, 2019 |
| 200 | Rome City School District Substitute Teachers | June 30, 2018 |
| 11 | Rome City School District UPSEU | June 30, 2018 |

⁽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 2, 2017⁽¹⁾**

| | Based on Conventional Equalization Rates | Based On Special Equalization Ratios |
|--|---|---|
| Five Year Average Full Valuation of Taxable Real Property..... | \$1,471,255,985 | \$1,466,803,019 |
| Debt Limit (5% of full valuation) ⁽²⁾ | \$73,562,799 | \$73,340,151 |
| Outstanding Indebtedness ⁽³⁾ | | |
| <u>Inclusions</u> | | |
| Bonds..... | \$47,945,000 | \$47,945,000 |
| Bond Anticipation Notes..... | 23,662,000 | 23,662,000 |
| Total Inclusions..... | <u>\$71,607,000</u> | <u>\$71,607,000</u> |
| <u>Exclusions</u> | | |
| Bonds Previously Refunded..... | \$2,650,000 | \$2,650,000 |
| Appropriations..... | 6,730,000 | 6,730,000 |
| Total Exclusions..... | <u>\$9,380,000</u> | <u>\$9,380,000</u> |
| Total Net Indebtedness..... | \$62,227,000 | \$62,227,000 |
| Net Debt Contracting Margin..... | \$11,335,799 | \$11,113,151 |
| Percentage of Debt Contracting Power Exhausted..... | 84.59% | 84.85% |

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$7,740,000 School District Bonds to DASNY in connection with the refunding of \$8,917,000 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.

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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 2015 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: | | | | | |
| Oneida | \$177,483,634 | \$38,938,284 | \$138,544,350 | 13.21% | \$18,301,709 |
| Towns of: | | | | | |
| Lee | 0 | 0 | 0 | 87.68 | 0 |
| Western | 0 | 0 | 0 | 57.19 | 0 |
| Verona | 5,664,651 | 95,000 | 5,569,651 | 1.33 | 74,076 |
| Annsville | 336,803 | 323,903 | 12,900 | 5.55 | 716 |
| City of: | | | | | |
| Rome | 72,227,804 | 37,934,283 | 34,293,521 | 94.25 | 32,321,644 |
| | | | | Total | <u><u>\$50,698,145</u></u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$71,607,000 | \$1,850.02 | 5.06% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 122,305,145 | 3,159.85 | 8.64 |

(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 38,706.

(3) Based on the District's full value of taxable real estate using the special State equalization rates for 2016-17 of \$1,415,361,658.

(4) The District expects to deliver \$7,740,000 School District Bonds to DASNY in connection with the refunding of \$8,917,000 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 issued \$8,000,000 of Revenue Anticipation Notes in the 2011-2012 fiscal year. The District has not issued any such notes since that time, and does not expect to issue any such notes in the current fiscal year.

Capital Project Plans

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 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. \$14,500,000 bond anticipation notes are currently outstanding and mature on August 4, 2017. The bond anticipation notes will be renewed and the District anticipates issuing \$10,900,000 new monies in August 2017. Future borrowings will be dependent on construction cash flow needs.

The District received super majority approval by the voters. The District applied for and received consent to exceed its debt limit for these projects.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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
<https://emma.msrb.org/ES994069-ES778350-ES1179659.pdf>
Base CUSIP: 776066

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 real property taxes of the District are collected by the Receiver of Taxes of the District. Such taxes are due and payable on October 1, and may be paid in full until October 31, without penalty. Alternatively, such taxes may be paid in two equal installments, the first installment payable from October 1 through 31, inclusive, without penalty, and the second installment payable from April 1 through April 30, inclusive, without penalty. There is a 2% penalty upon first installment taxes paid through November. There is an additional 1% per month penalty upon first installment taxes beginning in December, through to the time of payment. The second installment may be paid anytime between October 1 and April 30, inclusive, without penalty. There is a 2% penalty upon second installment taxes paid through May 31. There is an additional 1% per month penalty upon second installment taxes beginning in June, through time of payment.

Between May 1 and June 30, uncollected school taxes are reported to the City and Oneida County, as applicable. The County normally pays in full to the District its portion of such uncollected school taxes, plus a 2% penalty, by August 1. The City collects its portion of such uncollected school taxes through the close of the succeeding fiscal year, and makes monthly payments to the District of such tax payments received. The City is required to remit in full, any remaining delinquencies upon its portion of the uncollected school taxes by October 31 of the second succeeding fiscal year.

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

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Rome | \$853,961,607 | \$851,112,821 | \$852,559,984 | \$801,016,667 | \$800,041,557 |
| Towns of: | | | | | |
| Lee | 9,556,505 | 9,604,324 | 9,611,466 | 9,751,106 | 9,770,554 |
| Western | 42,571,206 | 42,571,206 | 42,949,986 | 43,002,652 | 43,303,824 |
| Verona | 3,182,177 | 3,180,941 | 3,191,673 | 3,208,568 | 3,220,954 |
| Annsville | 3,944,017 | 4,040,874 | 4,048,347 | 4,065,838 | 4,037,693 |
| Total Assessed Valuation | <u><u>\$913,215,512</u></u> | <u><u>\$910,510,166</u></u> | <u><u>\$912,361,456</u></u> | <u><u>\$861,044,831</u></u> | <u><u>\$860,374,582</u></u> |

| | State Equalization Rates Years Ending June 30, | | | | |
|-----------------------------------|---|------------------------|------------------------|------------------------|------------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Rome | 76.50% | 76.00% | 76.50% | 76.45% | 74.85% |
| Towns of: | | | | | |
| Lee | 3.30 | 3.30 | 3.30 | 3.30 | 3.33 |
| Western | 58.25 | 58.25 | 58.25 | 58.25 | 54.50 |
| Verona | 80.00 | 80.00 | 78.00 | 74.00 | 74.00 |
| Annsville | 58.50 | 62.00 | 60.30 | 57.60 | 55.40 |
| Taxable Full Valuation | \$1,489,683,989 | \$1,494,502,742 | \$1,490,253,488 | \$1,428,472,430 | \$1,453,367,278 |

| | Special State Equalization Ratios Years Ending June 30, | | | | |
|-----------------------------------|--|------------------------|------------------------|------------------------|------------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Rome | 77.49% | 77.57% | 75.87% | 75.21% | 78.84% |
| Towns of: | | | | | |
| Lee | 3.27 | 3.27 | 3.30 | 3.26 | 3.21 |
| Western | 57.72 | 57.74 | 53.92 | 52.58 | 51.32 |
| Verona | 77.78 | 74.02 | 74.06 | 73.73 | 73.53 |
| Annsville | 60.30 | 57.46 | 55.15 | 54.66 | 54.15 |
| Taxable Full Valuation | \$1,478,662,601 | \$1,475,988,317 | \$1,506,273,343 | \$1,457,729,176 | \$1,415,361,658 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$30,015,449 | \$31,988,278 | \$32,787,985 | \$32,787,985 | \$32,657,936 |
| % Uncollected When Due ⁽¹⁾ | 28.02% | 28.70% | 27.84% | 11.80% | 14.2% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$62,555,379 | \$98,066,310 | 63.79% |
| 2013-2014 | 63,892,506 | 100,130,078 | 63.81 |
| 2014-2015 | 66,507,590 | 103,492,482 | 64.26 |
| 2015-2016 | 68,330,196 | 105,764,151 | 64.64 |
| 2016-2017 (Budgeted) | 70,080,635 | 107,155,875 | 65.40 |
| 2017-2018 (Proposed) | 71,439,638 | 108,764,731 | 65.68 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,320,838 | \$4,232,411 |
| 2013-2014 | 1,490,759 | 5,570,484 |
| 2014-2015 | 1,311,099 | 5,748,031 |
| 2015-2016 | 1,304,152 | 4,700,503 |
| 2016-2017 (Budgeted) | 1,244,781 | 4,607,210 |
| 2017-2018 (Proposed) | 1,316,147 | 4,160,911 |

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, 2016, 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 \$266,344,072. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$266,344,072. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$114,625,483. The District's annual

Appendix C

OPEB expense was \$19,013,028 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$7,370,945 to the Plan for the fiscal year ending June 30, 2016 to 1,863 employees, resulting in a net increase to its unfunded OPEB obligation of \$11,642,083, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$126,267,566. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$491,555 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$6,251,881 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*."

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$8,985,581 | | \$8,985,581 |
| 2017-2018 | 8,991,281 | \$485,029 | 9,476,310 |
| 2018-2019 | 8,926,144 | 775,100 | 9,701,244 |
| 2019-2020 | 4,701,194 | 777,800 | 5,478,994 |
| 2020-2021 | 4,089,281 | 775,800 | 4,865,081 |
| 2021-2022 | 4,035,306 | 778,200 | 4,813,506 |
| 2022-2023 | 3,797,100 | 775,200 | 4,572,300 |
| 2023-2024 | 3,514,225 | 776,000 | 4,290,225 |
| 2024-2025 | 3,518,825 | 776,000 | 4,294,825 |
| 2025-2026 | 1,807,525 | 774,750 | 2,582,275 |
| 2026-2027 | 1,527,825 | 777,250 | 2,305,075 |
| 2027-2028 | 512,750 | 778,250 | 1,291,000 |
| 2028-2029 | 514,500 | 777,750 | 1,292,250 |
| 2029-2030 | | 775,750 | 775,750 |
| 2030-2031 | | 777,250 | 777,250 |
| 2031-2032 | | 777,000 | 777,000 |

⁽¹⁾ Schedule does not include remaining payments of \$1,435,808 due under an energy performance contract.

**APPENDIX C-30
DESCRIPTION OF
ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-30 a brief description of the Rotterdam-Mohonasen 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 area of approximately 11 square miles, is located in the eastern portion of New York State, adjacent to the City of Schenectady and about 10 miles west of the City of Albany. The District is primarily suburban-residential in nature, with some commercial development; residents find employment in the District, or commute to governmental, professional and business occupations in the Capital District Region. Air transportation is provided by the Albany International Airport. Passenger rail service is provided by Amtrak's New York-Montreal corridor and rail freight service is provided by the Delaware and Hudson Railroad. Highways traversing the District include Interstate Routes #90, #890 and #87; U.S. Route #7 and New York State Route #5.

Population

The current estimated population of the District is 20,344. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|-----------------|------------------|
| Rotterdam-Mohonasen Central School District | School District | 600 |
| Price Chopper | Supermarket | 300 |
| Dutch Manor | Nursing Home | 100 |
| Price Rite | Retail | 60 |
| Hannaford | Supermarket | 50 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------|------------------|-----------------------|
| National Grid | Utility | \$21,858,534 |
| Rotterdam Ventures | Industrial | 11,551,400 |
| TimeWarner Cable Northeast LLC | Utility | 9,900,293 |
| Altamont Associates | Shopping Centers | 8,628,900 |
| Helderberg LLC | Commercial | 5,188,900 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.43% of the tax base of the District.

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Appendix C

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Albany and Schenectady Counties.

| | Year Average | | | | |
|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Albany County | 7.1% | 6.0% | 4.9% | 4.3% | 4.0% |
| Schenectady County | 7.7 | 6.7 | 5.3 | 4.7 | 4.3 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 3,008 | 2,861 | 2,786 | 2,814 | 2,961 | 2,960 | 3,008 |

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 | Mohonasen Teachers’ Association | June 30, 2018 |
| 238 | Mohonasen Support Staff Association (Civil Service) | June 30, 2017 ⁽¹⁾ |
| 48 | Mohonasen Teachers’ Association (Substitutes) | June 30, 2018 |
| 14 | Mohonasen Administrators’ Association | June 30, 2018 |
| 7 | Mohonasen Support Staff Supervisors’ Association | June 30, 2017 ⁽²⁾ |

⁽¹⁾ Currently under negotiations.

⁽²⁾ Negotiations expected to be settled prior to expiration date.

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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 2, 2017⁽¹⁾

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$1,470,009,225 |
| Debt Limit (10% of Full Valuation) | 147,000,922 |
| Gross Indebtedness ⁽²⁾ | \$63,450,772 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$63,450,772 |
| Net Debt Contracting Margin | \$83,550,150 |
| Percentage of Debt Contracting Power Exhausted | 43.16% |

(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 \$23,900,000 School District Bonds to DASNY in connection with the refunding of \$26,200,000 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 2015 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: | | | | | |
| Schenectady | \$83,304,150 | \$0 | \$83,304,150 | 13.64% | \$11,362,686 |
| Albany | 258,476,824 | 0 | 258,476,824 | 0.51 | 1,318,232 |
| Town of: | | | | | |
| Rotterdam | 6,301,598 | 1,326,725 | 4,974,873 | 52.47 | 2,610,316 |
| Colonie | 98,797,078 | 39,308,678 | 59,488,400 | 0.64 | 380,726 |
| Guilderland | 17,772,965 | 14,777,965 | 2,995,000 | 1.85 | 55,408 |
| | | | | Total | \$15,727,367 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|-------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$63,450,772 | \$3,118.89 | 4.32% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 79,178,139 | 3,891.97 | 5.39 |

(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 20,344.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$1,470,009,225.

(4) The District expects to deliver \$23,900,000 School District Bonds to DASNY in connection with the refunding of \$26,200,000 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 and has no plans to issue any in the foreseeable future.

Capital Project Plans

The District authorized a \$48.2 million capital project on November 12, 2013. The project includes building upgrades and various additions across the District, many for health and safety needs and functionality. It also includes District-wide technology upgrades, a synthetic turf field, a new transportation facility, and a new Advanced Technology Regional Education Center that will operate in partnership with Schenectady County Community College and Capital Region BOCES. A majority of this project is now completed, with only portions of the high school yet to have renovations completed.

Other than as described above and the aforementioned School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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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.

Rotterdam-Mohonasen Central School District
<http://emma.msrb.org/EP967128-EP750455-EP1152050.pdf>
 Base CUSIP: 778850

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 during the month of September. Taxes paid during the month of October are subject to a 2% penalty fee. All taxes remaining unpaid after October 31 are turned over to Albany and Schenectady Counties for collection. The Counties reimburse the District in full before the end of the District's 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Colonie | \$37,260,288 | \$37,122,221 | \$36,703,236 | \$36,864,708 | \$37,632,378 |
| Guilderland | 56,470,177 | 56,669,326 | 56,204,314 | 56,532,014 | 56,585,163 |
| Rotterdam | <u>1,325,601,073</u> | <u>1,336,181,535</u> | <u>1,332,745,275</u> | <u>1,341,064,213</u> | <u>1,349,956,232</u> |
| Total Assessed Valuation | <u>\$1,419,331,538</u> | <u>\$1,429,973,082</u> | <u>\$1,425,652,825</u> | <u>\$1,434,460,213</u> | <u>\$1,444,173,773</u> |

State Equalization Rates
Years Ending June 30,

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Colonie | 69.75% | 70.25% | 68.50% | 67.75% | 67.50% |
| Guilderland | 87.72 | 92.00 | 90.00 | 88.00 | 88.00 |
| Rotterdam | 100.00 | 102.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$1,443,396,328 | \$1,424,422,010 | \$1,448,775,879 | \$1,459,919,520 | \$1,470,009,225 |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$22,938,507 | \$23,844,578 | \$24,663,248 | \$25,189,220 | \$25,744,700 |
| % Uncollected When Due ⁽¹⁾ | 4.5% | 5.3% | 4.5% | 4.7% | 4.6% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$17,534,514 | \$41,347,080 | 42.41% |
| 2013-2014 | 18,085,780 | 43,769,533 | 41.32 |
| 2014-2015 | 19,233,026 | 44,830,158 | 42.90 |
| 2015-2016 | 20,250,170 | 46,278,286 | 43.76 |
| 2016-2017 (Budgeted) | 19,889,459 | 46,490,409 | 42.78 |
| 2017-2018 (Proposed) | 20,829,821 | 50,940,000 | 40.89 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$859,383 | \$2,085,840 |
| 2013-2014 | 888,319 | 2,967,737 |
| 2014-2015 | 825,508 | 3,029,121 |
| 2015-2016 | 848,023 | 2,485,153 |
| 2016-2017 (Budgeted) | 800,000 | 2,450,000 |
| 2017-2018 (Proposed) | 775,000 | 2,100,000 |

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

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GASB 45 and OPEB

The District contracted with Capital District BOCES to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2016, 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 \$25,829,477. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$25,829,477. For the fiscal year ending June 30, 2016, the District’s beginning year Net OPEB obligation was \$7,427,741. The District’s annual OPEB expense was \$2,021,175 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,108,382 to the Plan for the fiscal year ending June 30, 2016 to 632 employees, resulting in a net increase to its unfunded OPEB obligation of \$912,793, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$8,340,534. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$452,506 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,934,615 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.*”

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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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$3,509,602 | | \$3,509,602 |
| 2017-2018 | 3,415,744 | \$1,515,579 | 4,931,323 |
| 2018-2019 | 3,362,319 | 1,514,563 | 4,876,882 |
| 2019-2020 | 3,264,451 | 1,516,663 | 4,781,114 |
| 2020-2021 | 3,198,039 | 1,513,863 | 4,711,902 |
| 2021-2022 | 2,750,994 | 1,515,463 | 4,266,457 |
| 2022-2023 | 2,691,481 | 1,516,463 | 4,207,944 |
| 2023-2024 | 2,698,100 | 1,516,263 | 4,214,363 |
| 2024-2025 | 2,588,844 | 1,515,013 | 4,103,857 |
| 2025-2026 | 1,090,788 | 1,517,513 | 2,608,301 |
| 2026-2027 | 1,092,300 | 1,513,513 | 2,605,813 |
| 2027-2028 | 828,700 | 1,518,263 | 2,346,963 |
| 2028-2029 | 830,200 | 1,516,263 | 2,346,463 |
| 2029-2030 | 827,400 | 1,517,763 | 2,345,163 |
| 2030-2031 | 824,000 | 1,517,513 | 2,341,513 |
| 2031-2032 | | 1,515,513 | 1,515,513 |
| 2032-2033 | | 1,516,763 | 1,516,763 |
| 2033-2034 | | 1,516,013 | 1,516,013 |
| 2034-2035 | | 1,513,263 | 1,513,263 |
| 2035-2036 | | 1,513,513 | 1,513,513 |
| 2036-2037 | | 1,516,513 | 1,516,513 |
| 2037-2038 | | 1,517,013 | 1,517,013 |
| 2038-2039 | | 1,514,313 | 1,514,313 |
| 2039-2040 | | 1,515,563 | 1,515,563 |
| 2040-2041 | | 1,514,063 | 1,514,063 |
| 2041-2042 | | 1,514,813 | 1,514,813 |
| 2042-2043 | | 1,517,563 | 1,517,563 |
| 2043-2044 | | 1,513,438 | 1,513,438 |
| 2044-2045 | | 1,517,625 | 1,517,625 |
| 2045-2046 | | 1,514,750 | 1,514,750 |

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**APPENDIX C-31
DESCRIPTION OF
SCIO CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-31 a brief description of the Scio 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 the southwest portion of Upstate New York, in the County of Allegany. The City of Olean is approximately 35 miles west and the City of Buffalo approximately 80 miles northwest. Major highways bisecting the District include New York State Routes 19 and 417. An exchange to the Southern Tier Expressway (I86) is located 8 miles north of the District.

The land area of the District is approximately 125 square miles, the District has an estimated population of 2,272 and is residential and agricultural in nature. Many of the residents are employed in and around the Olean metropolitan area as well as in the Village of Wellsville, which is located within five minutes of the District.

Population

The current estimated population of the District is 2,261. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----------------------------|-----------------------|------------------|
| Allegany County | Government | 570 |
| Alstom | Air Preheater Company | 515 |
| Dresser Rand - Siemens | Commercial | 500 |
| Jones Memorial Hospital | Hospital | 385 |
| Saputo - Friendship Diaries | Manufacturing | 270 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------|-------------|-----------------------|
| National Grid | Utility | \$3,061,547 |
| State of New York | Government | 2,662,268 |
| Dominion Resources | Utility | 2,654,359 |
| National Fuel | Utility | 1,446,507 |
| Verizon | Utility | 713,923 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 13.58% of the tax base of the District.

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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 Allegany County.

| | Year Average | | | | |
|-----------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Allegany County | 8.4% | 7.5% | 6.2% | 6.5% | 6.2% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 378 | 347 | 345 | 335 | 336 | 333 | 333 |

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> |
|---------------------------------------|---|--|
| 49 | Scio Central School Teachers' Association | June 30, 2019 |
| 27 | Scio Central School C.S.E.A. | June 30, 2017 ⁽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 2, 2017⁽¹⁾

| | |
|--|--------------|
| Full Valuation of Taxable Real Property | \$93,669,497 |
| Debt Limit (10% of Full Valuation) | 9,366,950 |
| Gross Indebtedness ⁽²⁾ | \$5,317,300 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$5,317,300 |
| Net Debt Contracting Margin | \$4,049,650 |
| Percentage of Debt Contracting Power Exhausted | 56.77% |

(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 \$2,325,000 School District Bonds to DASNY in connection with the refunding of \$2,647,846 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 2015 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 | \$27,385,000 | \$0 | \$27,385,000 | 4.57% | \$1,251,495 |
| Towns of: | | | | | |
| Alma | 43,800 | 0 | 43,800 | 20.24 | 8,865 |
| Amity | 55,225 | 0 | 55,225 | 6.57 | 3,628 |
| Andover | 180,824 | 0 | 180,824 | 0.31 | 561 |
| Bolivar | 371,441 | 371,441 | 0 | 4.04 | 0 |
| Friendship | 1,303,118 | 1,049,528 | 253,590 | 0.02 | 51 |
| Scio | 940,560 | 729,949 | 210,611 | 90.24 | 190,055 |
| Ward | 0 | 0 | 0 | 36.30 | 0 |
| Wellsville | 1,423,381 | 1,060,000 | 363,381 | 0.02 | 73 |
| Wirt | 0 | 0 | 0 | 0 | 0 |
| | | | | Total | \$1,454,727 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|---|---------------|----------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$5,317,300 | \$2,351.75 | 5.68% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 6,772,027 | 2,995.15 | 7.23 |

(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 2,261.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$93,669,497.

(4) The District expects to deliver \$2,325,000 School District Bonds to DASNY in connection with the refunding of \$2,647,846 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 borrowed for cash flow purposes through the issuance of revenue anticipation notes in the past but does not have plans to issue revenue anticipation notes or tax anticipation notes in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Scio Central School District
<http://emma.msrb.org/ER1002033-ER776149-ER1177430.pdf>
Base CUSIP: 808835

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 State Comptroller designates the District's current fiscal score as 43.3%, placing the District in the "Susceptible to Fiscal Stress" category. 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 1st to October 31st. Payments received from November 1 to November 4 carry a penalty of 3%. On November 15, all unpaid taxes are turned over to Allegany County for re-levy on the

following year's town and county tax bills. 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 tax 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Alma | \$6,056,930 | \$6,031,057 | \$7,374,556 ⁽¹⁾ | \$7,263,879 | \$7,248,258 |
| Amity | 4,893,803 | 4,924,896 | 4,955,288 | 5,043,899 | 5,065,274 |
| Andover | 168,007 | 167,819 | 167,977 | 169,609 | 169,986 |
| Bolivar | 2,489,215 | 2,488,900 | 2,488,671 | 2,548,051 | 2,738,912 |
| Friendship | 10,200 | 23,700 ⁽¹⁾ | 23,700 | 26,760 | 23,765 |
| Scio | 38,967,277 | 38,941,542 | 38,904,051 | 63,564,425 ⁽¹⁾ | 62,943,773 |
| Ward | 9,106,506 | 9,125,387 | 10,554,647 ⁽¹⁾ | 10,500,530 | 10,560,688 |
| Wellsville | 49,600 | 49,600 | 65,000 ⁽¹⁾ | 95,173 | 95,180 |
| Wirt | 2,975,715 | 2,933,815 | 2,890,715 | 2,935,908 | 2,987,859 |
| Total Assessed Valuation | \$64,717,253 | \$64,686,716 | \$67,424,605 | \$92,145,234 | \$91,923,695 |

⁽¹⁾ Significant change from previous year due to town wide revaluation.

| State Equalization Rates | | | | | |
|---------------------------------|---------------------|-----------------------|------------------------|-----------------------|---------------------|
| Years Ending June 30, | | | | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Alma | 83.00% | 85.00% | 100.00% ⁽¹⁾ | 100.00% | 100.00% |
| Amity | 100.00 | 100.00 | 100.00 | 92.00 | 90.00 |
| Andover | 92.00 | 89.00 | 85.00 | 77.00 | 73.00 |
| Bolivar | 100.00 | 100.00 | 98.00 | 95.00 | 90.00 |
| Friendship | 70.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Scio | 69.00 | 71.00 | 71.00 | 100.00 ⁽¹⁾ | 100.00 |
| Ward | 98.00 | 96.00 | 100.00 ⁽¹⁾ | 100.00 | 97.00 |
| Wellsville | 83.00 | 85.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 |
| Wirt | 100.00 | 100.00 | 100.00 | 92.00 | 86.00 |
| Taxable Full Valuation | \$83,679,853 | \$82,066,440 | \$83,395,424 | \$93,023,901 | \$93,669,497 |

⁽¹⁾ Significant change from previous year due to town wide revaluation.

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$1,922,253 | \$1,947,687 | \$1,960,802 | \$1,999,038 | \$2,018,029 |
| % Uncollected When Due ⁽¹⁾ | 12.87% | 12.95% | 12.23% | 10.66% | 10.11% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$6,739,627 | \$9,029,283 | 74.64% |
| 2013-2014 | 6,679,829 | 8,972,045 | 74.45 |
| 2014-2015 | 6,763,239 | 8,996,875 | 75.17 |
| 2015-2016 | 6,951,603 | 9,268,021 | 75.01 |
| 2016-2017 (Budgeted) | 7,384,755 | 9,587,474 | 77.03 |
| 2017-2018 (Proposed) | 7,580,541 | 9,831,322 | 77.11 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|------------|
| 2012-2013 | \$194,627 | \$324,420 |
| 2013-2014 | 188,858 | 468,349 |
| 2014-2015 | 182,041 | 521,834 |
| 2015-2016 | 155,294 | 387,772 |
| 2016-2017 (Budgeted) | 175,055 | 386,915 |
| 2017-2018 (Proposed) | 164,579 | 306,181 |

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

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GASB 45 and OPEB

The District contracted with Nyhart Actuary and Employee Benefits to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2016, 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 \$500,581. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$500,581. For the fiscal year ending June 30, 2016, the District’s beginning year Net OPEB obligation was \$31,664. The District’s annual OPEB expense was \$67,983 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$65,643 to the Plan for the fiscal year ending June 30, 2016 to 5 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,340, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$34,004. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$19,572 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$158,821 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.*”

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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$748,802 | | \$748,802 |
| 2017-2018 | 730,917 | \$153,739 | 884,656 |
| 2018-2019 | 723,706 | 238,900 | 962,606 |
| 2019-2020 | 700,628 | 240,000 | 940,628 |
| 2020-2021 | 294,359 | 239,600 | 533,959 |
| 2021-2022 | 282,206 | 239,000 | 521,206 |
| 2022-2023 | 143,150 | 236,750 | 379,900 |
| 2023-2024 | | 240,750 | 240,750 |
| 2024-2025 | | 237,750 | 237,750 |
| 2025-2026 | | 239,500 | 239,500 |
| 2026-2027 | | 240,750 | 240,750 |
| 2027-2028 | | 236,500 | 236,500 |
| 2028-2029 | | 237,000 | 237,000 |
| 2029-2030 | | 237,000 | 237,000 |
| 2030-2031 | | 236,500 | 236,500 |
| 2031-2032 | | 115,500 | 115,500 |

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**APPENDIX C-32
DESCRIPTION OF
SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT AT CONKLIN**

There follows in this Appendix C-32 a brief description of the Susquehanna Valley Central School District at Conklin (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 southern tier of Upstate New York, in the County of Broome. The District encompasses a portion of the Towns of Binghamton, Kirkwood, Vestal and Windsor, and 100% of the Town of Conklin (the “Towns”). The land area of the District is approximately 125 square miles and is residential and agricultural in nature. Many of the residents are employed in and around the Binghamton metropolitan area.

Major highways within and in close proximity to the District include U. S. Route #11, Interstate #81 which extends north to Canada and south to Tennessee, Interstate #88 which runs northeast to Albany, Route #17 (The Southern Tier Expressway) which runs east-west and connects with Interstate #87 north of New York City and Interstate #90 near Erie, Pennsylvania, and State Routes #7, #12 and #26. Bus service is provided to and from the School District by Capital Trailways, Greyhound Bus Lines and Short Lines. The County transit system provides local daily bus service.

Air transportation through the Broome County/Edwin A. Link Airport is provided by various national, commuter and regional airlines. Emery Air Freight and Federal Express also operate from the Airport. The District is also served by the Tri-Cities Airport, located in nearby Endicott. Railroads providing freight service to the area include Conrail, the Delaware and Hudson Railroad and the Delaware and Otsego Railroad.

Electric and natural gas utility services are provided by New York State Electric and Gas Corporation. Police services are provided by State and municipal law enforcement agencies. Fire protection is provided by volunteer forces.

Population

The current estimated population of the District is 10,730. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------|---------------------|------------------|
| Binghamton University (SUNY) | Higher Education | 5,943 |
| United Health Services | Healthcare | 5,428 |
| Lockheed Martin | Systems Integration | 2,700 |
| Lourdes Hospital | Healthcare | 2,311 |
| New York State | Government | 2,034 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-----------------------------|--------------|-----------------------|
| NYSEG | Utility | \$20,960,624 |
| Universal Instruments Corp. | Manufacturer | 6,552,969 |
| Reed Elsevier | Manufacturer | 5,017,558 |
| W & D Realty LLC | Real Estate | 3,332,388 |
| PSD Realty LLC | Real Estate | 2,932,254 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.85% 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 Broome County.

| | <u>Year Average</u> | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Broome County | 8.7% | 7.8% | 6.6% | 6.0% | 5.4% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,636 | 1,574 | 1,578 | 1,547 | 1,523 | 1,523 | 1,523 |

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> |
|--------------------------------|---|-------------------------------------|
| 161 | Susquehanna-Valley Teachers' Association (SVTA) | June 30, 2019 |
| 140 | Susquehanna-Valley Employee Educational Support Services Association (SVESSA) | June 30, 2019 |
| 17 | Certified Non-Classroom Teachers’ Association (CNCT) | June 30, 2020 |
| 3 | District-Wide Resource Unit (DWRU) | June 30, 2018 |

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 2, 2017⁽¹⁾

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$574,629,427 |
| Debt Limit (10% of Full Valuation) | 57,462,943 |
| Gross Indebtedness ⁽²⁾ | \$26,745,525 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$26,745,525 |
| Net Debt Contracting Margin | \$30,717,418 |
| Percentage of Debt Contracting Power Exhausted | 53.46% |

(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 \$2,070,000 School District Bonds to DASNY in connection with the refunding of \$2,331,000 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 2015 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: | | | | | |
| Broome | \$158,227,029 | \$15,272,029 | \$142,955,000 | 6.24% | \$8,920,392 |
| Towns of: | | | | | |
| Binghamton | 1,402,000 | 1,402,000 | 0 | 80.98 | 0 |
| Conklin | 2,221,112 | 1,011,210 | 1,209,902 | 100.00 | 1,209,902 |
| Kirkwood | 1,175,000 | 1,175,000 | 0 | 12.38 | 0 |
| Vestal | 16,964,025 | 6,367,086 | 10,596,939 | 0.15 | 15,895 |
| Windsor | 6,180,594 | 0 | 6,180,594 | 0.47 | 29,048 |
| | | | | Total | \$10,175,237 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|--|---------------|----------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$26,745,525 | \$2,492.59 | 4.65% |
| Gross Indebtedness Plus Net Overlapping Indebtedness | 36,920,762 | 3,440.89 | 6.43 |

(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 10,730.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$574,629,427.

(4) The District expects to deliver \$2,070,000 School District Bonds to DASNY in connection with the refunding of \$2,331,000 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 is currently analyzing its future capital needs. A District-wide capital improvement project for approximately \$15.2 million was approved by the voters in December 2016. The District plans to use approximately \$2.7 million of capital reserves to offset any tax increases for the project.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Susquehanna Valley Central School District at Conklin
<http://emma.msrb.org/ER1002054-ER780479-ER1181734.pdf>
Base CUSIP: 869206

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 September 1st and may be paid without penalty during the month of September. Taxes paid during the next 45 days are subject to a 2% penalty. On November 15th uncollected taxes are turned over to the Commissioner of Finance for collection with a penalty and additional interest added. The Commissioner of Finance of Broome County reimburses the District in full before 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Binghamton | \$179,880,109 | \$180,007,149 | \$180,846,272 | \$180,395,881 | \$180,434,480 |
| Conklin | 175,419,908 | 178,195,817 | 176,267,995 | 176,219,071 | 175,187,538 |
| Kirkwood | 33,963,565 | 34,894,066 | 35,043,203 | 35,466,916 | 35,473,214 |
| Vestal | 2,817,474 | 2,875,790 | 2,875,894 | 2,877,588 | 2,735,627 |
| Windsor | 1,150,300 | 1,150,300 | 1,150,300 | 1,150,300 | 1,150,300 |
| Total Assessed Valuation | <u>\$393,231,356</u> | <u>\$397,123,122</u> | <u>\$396,183,664</u> | <u>\$396,109,756</u> | <u>\$394,981,159</u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Binghamton | 66.90% | 67.90% | 71.00% | 66.50% | 68.30% |
| Conklin | 65.50 | 66.50 | 68.00 | 65.10 | 67.00 |
| Kirkwood | 79.50 | 79.00 | 79.00 | 76.50 | 79.50 |
| Vestal | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Windsor | 70.00 | 68.00 | 67.00 | 69.00 | 71.00 |
| Taxable Full Valuation | \$583,877,965 | \$581,807,004 | \$562,881,943 | \$592,868,489 | \$574,629,427 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$15,420,069 | \$15,721,763 | \$16,012,298 | \$16,291,330 | \$16,262,294 |
| % Uncollected When Due ⁽¹⁾ | 6.00% | 6.02% | 5.94% | 5.69% | 5.31% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$15,729,247 | \$33,269,743 | 47.28% |
| 2013-2014 | 16,599,501 | 34,449,990 | 48.18 |
| 2014-2015 | 17,393,846 | 35,315,056 | 49.25 |
| 2015-2016 | 18,411,058 | 36,716,825 | 50.14 |
| 2016-2017 (Budgeted) | 19,174,294 | 36,711,079 | 52.23 |
| 2017-2018 (Proposed) | 19,648,471 | 37,784,919 | 52.00 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|------------|-------------|
| 2012-2013 | \$825,965 | \$1,360,986 |
| 2013-2014 | 425,322 | 1,875,644 |
| 2014-2015 | 450,046 | 2,073,305 |
| 2015-2016 | 465,819 | 1,505,853 |
| 2016-2017 (Budgeted) | 452,789 | 1,416,095 |
| 2017-2018 (Proposed) | 445,060 | 1,224,298 |

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, 2016, 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 \$86,177,009. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$86,177,009. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$33,915,505. The District's annual OPEB expense was \$7,768,001 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,364,351 to the Plan for the fiscal year ending June 30, 2016 to 299 employees, resulting in a net increase to its unfunded OPEB obligation of \$4,403,650, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$38,319,155. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,541,453 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,366,205 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,722,556 | | \$3,722,556 |
| 2017-2018 | 3,910,210 | \$208,104 | 4,118,314 |
| 2018-2019 | 3,027,250 | 208,500 | 3,235,750 |
| 2019-2020 | 2,168,581 | 205,050 | 2,373,631 |
| 2020-2021 | 2,163,463 | 205,450 | 2,368,913 |
| 2021-2022 | 2,166,994 | 205,650 | 2,372,644 |
| 2022-2023 | 2,160,819 | 209,400 | 2,370,219 |
| 2023-2024 | 2,158,088 | 209,000 | 2,367,088 |
| 2024-2025 | 2,158,650 | 207,000 | 2,365,650 |
| 2025-2026 | 2,160,300 | 209,750 | 2,370,050 |
| 2026-2027 | 445,625 | 207,000 | 652,625 |
| 2027-2028 | 443,600 | 209,000 | 652,600 |
| 2028-2029 | 286,275 | 205,500 | 491,775 |
| 2029-2030 | 58,225 | 206,750 | 264,975 |
| 2030-2031 | 56,775 | 207,500 | 264,275 |
| 2031-2032 | 55,275 | 57,750 | 113,025 |
| 2032-2033 | 58,775 | | 58,775 |
| 2033-2034 | 57,089 | | 57,089 |
| 2034-2035 | 60,400 | | 60,400 |
| 2035-2036 | 58,400 | | 58,400 |
| 2036-2037 | 56,400 | | 56,400 |
| 2037-2038 | 59,400 | | 59,400 |
| 2038-2039 | 57,200 | | 57,200 |

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**APPENDIX C-33
DESCRIPTION OF
THOUSAND ISLANDS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-33 a brief description of the Thousand Islands 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 formed in 1967 as a result of the merger of the former Cape Vincent Central School District and the Clayton Central School District. The District is located in the Towns of Brownville, Cape Vincent, Clayton, Lyme and Orleans, Jefferson County which is on the St. Lawrence River, 20 miles north of the City of Watertown and 90 miles north of the City of Syracuse. The District covers approximately 193 square miles. The District is served by a network of State highways. Bus service is available in the City of Watertown. Air transportation is available at the Watertown and Syracuse Airports.

The economy of the area is based on tourism and dairy and beef cattle farming. The Cape Vincent Correctional Facility and three state parks also contribute to the District's economy. Water and sewer services are provided in part by the Villages of Cape Vincent and Clayton, as well as by private wells and septic systems. Electricity is provided by National Grid; telephone service by Spectrotel and Time Warner Cable. Police protection is provided by the Village of Clayton and supplemented by the County Sheriffs' Department and the New York State Police. Fire protection and ambulance service are provided by various volunteer organizations.

The District provides public education for grades K-12. Opportunities for higher education are provided by the many colleges and universities in and around the northern and central New York area. District residents find commercial and financial services in the Villages of Cape Vincent and Clayton. The District's location in the Thousand Islands area of New York State and Canada assures the availability of recreational and cultural facilities.

Population

The current estimated population of the District is 8,027. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------------|--------------|------------------|
| Jefferson County ⁽¹⁾ | Government | 810 |
| Cape Vincent Correctional Facility | State Prison | 330 |
| Thousand Islands CSD | Education | 156 |
| National Grid ⁽¹⁾ | Utility | 100 |
| 1000 Islands Harbor Hotel | Hotel | 90 |

⁽¹⁾ Includes jobs throughout the County and outside of the District.

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------------------|------------------|--------------------------|
| National Grid | Utility | \$19,999,422 |
| WGS Clayton Housing Association LLC | Mobile Home Park | 5,084,000 ⁽¹⁾ |
| Wood Farms LLC | Private | 4,585,000 |
| Shaw's Mobile Home Park, Inc. | Mobile Home Park | 2,967,600 |
| Casa Flume LLC | Private | 2,415,300 |

⁽¹⁾ WGS Clayton Housing Association LLC is seeking a reduction in its assessment of \$4,067,200. The outcome of this claim is not known at this time.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.2% 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 Jefferson County.

| | <u>Year Average</u> | | | | |
|------------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Jefferson County | 9.9% | 9.2% | 7.6% | 6.7% | 6.2% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 1,028 | 997 | 995 | 984 | 939 | 930 | 930 |

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> |
|--------------------------------|--|-------------------------------------|
| 90 | Thousand Islands Education Association (NYSUT) | June 30, 2017 ⁽¹⁾ |
| 72 | CSEA – Non Instructional | June 30, 2017 ⁽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 2, 2017⁽¹⁾**

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$1,098,123,341 |
| Debt Limit (10% of Full Valuation) | 109,812,334 |
| Gross Indebtedness ⁽²⁾ | \$15,949,307 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$15,949,307 |
| Net Debt Contracting Margin | \$93,863,027 |
| Percentage of Debt Contracting Power Exhausted | 14.52% |

- (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 \$3,555,000 School District Bonds to DASNY in connection with the refunding of \$4,035,000 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.

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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 2015 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: | | | | | |
| Jefferson | \$16,015,000 | \$0 | \$16,015,000 | 14.05% | \$2,250,108 |
| Towns of: | | | | | |
| Brownville | 923,790 | 923,790 | 0 | 0.15 | 0 |
| Cape Vincent | 6,911,749 | 6,911,749 | 0 | 98.70 | 0 |
| Clayton | 2,446,275 | 0 | 2,446,275 | 91.54 | 2,239,320 |
| Lyme | 792,500 | 0 | 792,500 | 1.05 | 8,321 |
| Orleans | 3,666,900 | 3,666,900 | 0 | 14.31 | 0 |
| Villages of: | | | | | |
| Cape Vincent | 9,397,930 | 6,042,200 | 3,355,730 | 100.00 | 3,355,730 |
| Clayton | 11,306,833 | 8,827,433 | 2,479,400 | 100.00 | 2,479,400 |
| | | | | Total | <u>\$10,332,879</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$15,949,307 | \$1,986.96 | 1.45% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 26,282,186 | 3,274.22 | 2.39 |

(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 8,027.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$1,098,123,341.

(4) The District expects to deliver \$3,555,000 School District Bonds to DASNY in connection with the refunding of \$4,035,000 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 December 13, 2016, the voters of the District approved a \$6.9 million capital project for school upgrades and maintenance. The project will include a new turf athletic field, new fire alarms in all buildings, a new roof for the middle school, new windows for the high school as well as new hot water heaters. The District anticipates utilizing \$3.1 million of reserves and together with anticipated State building aid the project is not expected to have any local tax impact. The District anticipates issuing a bond anticipation note for approximately \$900,000 in August 2017 for this project.

On May 16, 2017 the voters will be asked to authorize \$394,414 for the purchase of buses. If the voters approve the proposition, the District plans on issuing five year serial bonds in December 2017.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Thousand Islands Central School District
<http://emma.msrb.org/ER1002058-EP744431-EP1145967.pdf>
Base CUSIP: 885465

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 1st. If paid by September 30th, 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 Jefferson County Treasurer for relevy on County/Town tax rolls with a 3% 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.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Brownville | \$421,646 | \$421,624 | \$422,100 | \$422,405 | \$536,701 |
| Cape Vincent | 219,217,245 | 334,666,315 ⁽¹⁾ | 336,649,664 | 372,520,052 | 375,049,556 |
| Clayton | 633,795,999 | 650,170,451 | 652,882,477 | 656,063,538 | 661,554,484 |
| Lyme | 1,194,191 | 3,582,392 ⁽¹⁾ | 3,567,087 | 3,715,935 | 3,743,055 |
| Orleans | 55,076,229 | 55,178,355 | 55,629,795 | 55,994,925 | 57,239,545 |
| Total Assessed Valuation | <u>\$909,705,310</u> | <u>\$1,044,019,137</u> | <u>\$1,049,151,123</u> | <u>\$1,088,716,855</u> | <u>\$1,098,123,341</u> |

⁽¹⁾ Significant change from previous year due to town-wide revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Towns of: | | | | | |
| Brownville | 63.00% | 65.00% | 65.00% | 65.00% | 100.00% |
| Cape Vincent | 59.50 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Clayton | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Lyme | 31.00 | 100.00 ⁽¹⁾ | 100.00 | 100.00 | 100.00 |
| Orleans | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$1,061,826,081 | \$1,044,246,165 | \$1,049,381,408 | \$1,088,944,303 | \$1,098,123,341 |

⁽¹⁾ Significant change from previous year due to town-wide revaluation.

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$10,302,337 | \$10,619,089 | \$10,969,999 | \$11,368,821 | \$11,585,208 |
| % Uncollected When Due ⁽¹⁾ | 5.11% | 5.08% | 4.76% | 5.28% | 4.75% |

⁽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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$7,613,755 | \$18,748,614 | 40.61% |
| 2013-2014 | 7,669,694 | 19,109,307 | 40.14 |
| 2014-2015 | 8,435,160 | 20,416,491 | 41.32 |
| 2015-2016 | 8,621,916 | 20,820,801 | 41.41 |
| 2016-2017 (Budgeted) | 9,361,294 | 21,772,238 | 43.00 |
| 2017-2018 (Proposed) | 9,198,929 | 21,760,659 | 42.27 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$425,295 | \$654,396 |
| 2013-2014 | 439,712 | 919,132 |
| 2014-2015 | 458,403 | 999,375 |
| 2015-2016 | 310,574 | 765,319 |
| 2016-2017 (Budgeted) | 407,860 | 714,741 |
| 2017-2018 (Proposed) | 425,919 | 658,013 |

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

GASB 45 and OPEB

The District contracted with Bowers and Company to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$45,289,388. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$45,289,388. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$15,478,432. The District's annual OPEB expense was \$3,893,903 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,055,061 to the Plan for the fiscal year ending June 30, 2016 to 120 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,838,842, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$18,317,274. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Appendix C

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 \$1,390,673 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$857,420 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$1,899,967 | | \$1,899,967 |
| 2017-2018 | 1,316,446 | \$350,471 | 1,666,917 |
| 2018-2019 | 1,310,509 | 351,300 | 1,661,809 |
| 2019-2020 | 1,227,028 | 350,600 | 1,577,628 |
| 2020-2021 | 1,122,967 | 347,800 | 1,470,767 |
| 2021-2022 | 1,025,028 | 349,800 | 1,374,828 |
| 2022-2023 | 942,825 | 349,300 | 1,292,125 |
| 2023-2024 | 543,225 | 350,500 | 893,725 |
| 2024-2025 | 182,425 | 349,000 | 531,425 |
| 2025-2026 | 183,550 | 352,000 | 535,550 |
| 2026-2027 | 183,750 | 349,250 | 533,000 |
| 2027-2028 | 183,800 | 351,000 | 534,800 |
| 2028-2029 | 183,700 | 352,000 | 535,700 |
| 2029-2030 | 118,450 | 347,250 | 465,700 |
| 2030-2031 | | 352,000 | 352,000 |
| 2031-2032 | | 225,750 | 225,750 |

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The "Major Employers" table was not included in the District's 2013-2016 filings of its Annual Information and Operating Data.

**APPENDIX C-34
DESCRIPTION OF
UNION-ENDICOTT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-34 a brief description of the Union-Endicott 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 Upstate New York in the geographical location known as the Southern Tier. The District encompasses approximately 55 square miles. The District is located in the Village of Endicott, four miles west of the City of Binghamton, and includes approximately 53% of the Town of Union. The District has 88% of its full valuation in the Town of Union in Broome County, and 12% in the Town of Owego in Tioga County. The District is located within the Binghamton Metropolitan Statistical Area, also called the “Greater Binghamton Area” or the “Triple Cities”, and is made up of the City of Binghamton and the Villages of Johnson City and Endicott.

Residents may be employed in any of over 100 manufacturing firms in the County including: i3 Electronics, supplier of advanced electronic packaging solutions including printed circuit board fabrication, semiconductor packaging and assembly services; BAE Systems, manufacturer of cockpit displays, simulation systems, engine controls and condition monitoring, and spacecraft controls; Universal Instruments Corporation, manufacturer of printed circuit board assembly machines, component preparation machines and semi-automatic wire-termination machines; Raymond Corporation, manufacturer of narrow-aisle electric fork-lift trucks; and Lockheed Martin supplier of federal systems and defense solutions. Major employers located within the area are shown under “Larger Employers” herein.

Several utilities also have offices in the County including New York State Electric and Gas Corporation and Verizon.

The Village of Endicott owns and operates a library and an airport which accommodates private and corporate aircraft. The En-Joie Public Golf Club, which is the site of the Legends Annual Dick’s Senior Open Golf Tournament, is located in the Village.

Population

The current estimated population of the District is 30,982. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------|---------------------|------------------|
| Binghamton University (SUNY) | Education | 5,943 |
| United Health Services | Healthcare | 5,428 |
| Lockheed Martin | Systems Integration | 2,700 |
| Broome County Government | Government | 2,500 |
| BAE Systems | Mission Systems | 2,311 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Taxable Assessed Valuation</u> |
|------------------------------|---------------|---------------------------------------|
| NYSEG | Utility | \$2,802,240 |
| Millennium Pipeline Co., LLC | Utility | 2,071,165 |
| Huron | Manufacturing | 1,980,400 |
| Glenncott | Manufacturing | 1,228,297 |
| 602 Partners LLC | Apartments | 366,993 |

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 4.6% 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 Broome and Tioga Counties.

| | <u>Year Average</u> | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Broome County | 8.7% | 7.8% | 6.6% | 6.0% | 5.4% |
| Tioga County | 7.9 | 7.2 | 6.1 | 5.6 | 5.1 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 4,016 | 3,938 | 3,909 | 4,006 | 3,874 | 3,860 | 3,900 |

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> |
|--------------------------------|--|-------------------------------------|
| 33 | Cafeteria | June 30, 2017 ⁽¹⁾ |
| 41 | Transportation Employees | June 30, 2017 ⁽¹⁾ |
| 53 | Office Personnel | June 30, 2017 ⁽¹⁾ |
| 132 | Aids/Monitors | June 30, 2017 ⁽¹⁾ |
| 363 | Endicott Teachers' Association – ETA | June 30, 2018 |
| 26 | Union-Endicott Administrators Association – UEAA | June 30, 2018 |
| 58 | Maintenance | June 30, 2017 ⁽¹⁾ |
| 2 | Computer Services | June 30, 2017 ⁽¹⁾ |
| 3 | Unaffiliated | June 30, 2017 ⁽¹⁾ |
| 3 | Union-Endicott Central Office Administrators | June 30, 2017 ⁽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 2, 2017⁽¹⁾**

| | |
|--|----------------------|
| Full Valuation of Taxable Real Property | \$ 1,469,693,635 |
| Debt Limit (10% of Full Valuation) | 146,969,364 |
| Gross Indebtedness ⁽²⁾ | \$ 45,593,186 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | <u>\$ 45,593,186</u> |
| Net Debt Contracting Margin | \$ 103,376,178 |
| Percentage of Debt Contracting Power Exhausted | 29.66% |

- (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 \$5,205,000 School District Bonds to DASNY in connection with the refunding of \$5,955,000 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.

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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 2015 fiscal year of the respective municipalities.

| Unit | Outstanding Indebtedness⁽¹⁾ | Exclusions⁽²⁾ | Net Indebtedness | % Within District | Applicable Net Indebtedness |
|---------------------|---|---------------------------------|-------------------------|--------------------------|------------------------------------|
| Counties of: | | | | | |
| Broome | \$ 158,227,029 | \$ 15,272,029 | \$ 142,955,000 | 14.60% | \$ 20,871,430 |
| Tioga | 16,640,000 | 0 | 16,640,000 | 7.60 | 1,264,640 |
| Towns of: | | | | | |
| Union | 6,412,490 | 0 | 6,412,490 | 16.25 | 1,042,030 |
| Owego | 8,893,820 | 4,734,820 | 4,159,000 | 46.70 | 1,942,253 |
| Villages of: | | | | | |
| Endicott | 9,066,128 | 10,428 | 9,055,700 | 100.00 | 9,055,700 |
| Endwell | 3,200,000 | 0 | 3,200,000 | 20.00 | 640,000 |
| West Corners | 284,200 | 284,200 | 0 | 100.00 | 0 |
| West Endicott | 145,900 | 0 | 145,900 | 100.00 | 145,900 |
| Total | | | | | <u>\$ 34,961,953</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | Amount | Per Capita⁽²⁾ | Percentage of Full Value⁽³⁾ |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$45,593,186 | \$1,471.60 | 3.10% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 80,555,139 | 2,600.06 | 5.48 |

(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 30,982.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$1,469,693,635.

(4) The District expects to deliver \$5,205,000 School District Bonds to DASNY in connection with the refunding of \$5,955,000 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, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Capital Project Plans

On December 8, 2015, the District voters approved a \$14,219,000 capital project using \$3,500,000 capital reserves and \$10,919,000 borrowed funds. Financing will occur depending on State Education Department approval. The District is also using \$2,984,982 of SMART School Bonds grant money to improve the technology of the District. The District plans to issue \$10,719,000 bond anticipation notes in June 2017, as the first borrowing against this authorization.

On May 16, 2017, the District voters will vote on a proposition for the purchase of school buses for \$603,000. Should the proposition pass, the District plans to borrow in October, 2017.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Union-Endicott Central School District
<http://emma.msrb.org/EP955564-EP741283-EP1142852.pdf>
Base CUSIP: 906582

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 on the first seven days of September. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On or about November 15th, uncollected taxes are returnable to Broome and Tioga 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.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Owego | \$ 139,109,444 | \$ 138,896,482 | \$ 138,711,652 | \$ 139,026,748 | \$ 139,202,094 |
| Union | <u>56,701,397</u> | <u>56,844,659</u> | <u>56,768,510</u> | <u>56,449,076</u> | <u>56,339,575</u> |
| Total Assessed Valuation | <u>\$ 195,810,841</u> | <u>\$ 195,741,141</u> | <u>\$ 195,480,162</u> | <u>\$ 195,475,824</u> | <u>\$ 195,541,669</u> |

| State Equalization Rates | | | | | |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Years Ending June 30, | | | | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Owego | 80.00% | 80.00% | 80.00% | 77.00% | 75.90% |
| Union | 4.85% | 4.97% | 4.60% | 4.27% | 4.38% |
| Taxable Full Valuation | <u>\$1,342,987,774</u> | <u>\$1,317,376,317</u> | <u>\$1,407,487,608</u> | <u>\$1,502,546,630</u> | <u>\$1,469,693,635</u> |

(1) Significant change from the previous year is due to revaluation.

| Total District Property Tax Collections | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Years Ending June 30, | | | | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Total Tax Levy | \$30,560,974 | \$31,241,473 | \$32,260,320 | \$32,668,279 | \$32,847,544 |
| % Uncollected When Due ⁽¹⁾ | 5.88% | 5.75% | 5.33% | 5.18% | 5.46% |

(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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$27,954,526 | \$68,115,462 | 41.04% |
| 2013-2014 | 32,899,654 | 73,564,726 | 44.72 |
| 2014-2015 | 34,287,452 | 76,213,205 | 44.99 |
| 2015-2016 | 33,893,031 | 75,740,254 | 44.75 |
| 2016-2017 (Budgeted) | 35,617,169 | 77,029,018 | 46.24 |
| 2017-2018 (Proposed) | 37,097,920 | 79,778,189 | 46.50 |

⁽¹⁾ General Fund only. Includes inter-fund transfers.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$1,084,379 | \$2,849,643 |
| 2013-2014 | 912,806 | 3,458,798 |
| 2014-2015 | 978,682 | 3,790,804 |
| 2015-2016 | 780,964 | 2,885,246 |
| 2016-2017 (Budgeted) | 760,000 | 2,692,688 |
| 2017-2018 (Proposed) | 822,000 | 2,357,700 |

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, 2016, 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 \$201,282,381. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$201,282,381. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$79,176,532. The District's annual OPEB expense was \$20,242,197 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$5,181,898 to the Plan for the fiscal year ending June 30, 2016 to 1,159 employees, resulting in a net increase to its unfunded OPEB obligation of \$15,060,229, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$94,236,831. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Appendix C

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 \$2,279,249 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,891,550 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$5,475,400 | | \$5,475,400 |
| 2017-2018 | 5,441,744 | \$521,968 | 5,963,712 |
| 2018-2019 | 5,391,319 | 525,050 | 5,916,369 |
| 2019-2020 | 5,346,106 | 521,350 | 5,867,456 |
| 2020-2021 | 5,016,663 | 524,550 | 5,541,213 |
| 2021-2022 | 4,756,788 | 522,150 | 5,278,938 |
| 2022-2023 | 3,345,138 | 521,150 | 3,866,288 |
| 2023-2024 | 3,344,381 | 522,750 | 3,867,131 |
| 2024-2025 | 2,808,431 | 525,250 | 3,333,681 |
| 2025-2026 | 720,850 | 521,750 | 1,242,600 |
| 2026-2027 | 723,800 | 522,500 | 1,246,300 |
| 2027-2028 | | 522,250 | 522,250 |
| 2028-2029 | | 521,000 | 521,000 |
| 2029-2030 | | 523,750 | 523,750 |
| 2030-2031 | | 525,250 | 525,250 |
| 2031-2032 | | 115,500 | 115,500 |

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**APPENDIX C-35
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF UTICA**

There follows in this Appendix C-35 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 61,604. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|--------------------|------------------|
| Oneida Indian Nation | Resort Casino | 4,500 |
| Mohawk Valley Network | Medical facilities | 4,029 |
| Resource Center for Independent Living Inc. | Human Services | 1,935 |
| Utica School District | Education | 1,232 |
| Metropolitan Life Insurance Co. | Finance/Insurance | 1,200 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Estimated Assessed Valuation</u> |
|----------------------------|-----------------|---|
| National Grid | Utility | \$48,275,560 |
| Riverside Enterprises, LLC | Shopping Mall | 27,729,887 |
| Verizon | Utility | 6,777,758 |
| AMA Properties, LLC | Shopping Center | 4,499,000 |
| Eton Centers Co. | Shopping Center | 3,950,000 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 7.3% 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>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Oneida County | 8.2% | 7.5% | 6.1% | 5.4% | 4.8% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|-------------------------------------|
| K-12 | 9,935 | 10,135 | 10,072 | 10,120 | 10,370 | 10,500 | 10,500 |

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> |
|---------------------------------------|--|--|
| 27 | Utica Administrators’ Association | June 30, 2016 ⁽¹⁾ |
| 727 | Utica Teachers’ Association | June 30, 2016 ⁽¹⁾ |
| 12 | Mohawk Valley Building & Construction Trades Council | June 30, 2018 |
| 94 | Teamsters Local 182 (Custodial) | June 30, 2020 |
| 93 | Teamsters Local 182 (Secretarial/Nursing) | June 30, 2020 |
| 521 | Service Employees International | June 30, 2017 ⁽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 2, 2017⁽¹⁾**

| | Based on Conventional Equalization Rates | Based On Special Equalization Ratios |
|--|---|---|
| Five Year Average Full Valuation of Taxable Real Property..... | \$7,541,955,102 | \$7,770,295,375 |
| Debt Limit (5% of full valuation) ⁽²⁾ | \$377,097,755 | \$388,514,769 |
| Outstanding Indebtedness ⁽³⁾ | | |
| <u>Inclusions</u> | | |
| Bonds..... | \$123,600,000 | \$123,600,000 |
| Bond Anticipation Notes..... | 41,270,000 | 41,270,000 |
| Tax Anticipation Notes..... | 1,400,000 | 1,400,000 |
| Revenue Anticipation Notes..... | 10,000,000 | 10,000,000 |
| Total Inclusions..... | <u>\$176,270,000</u> | <u>\$176,270,000</u> |
| <u>Exclusions</u> | | |
| Bonds Previously Refunded..... | \$0 | \$0 |
| Tax Anticipation Notes..... | 1,400,000 | 1,400,000 |
| Revenue Anticipation Notes..... | 10,000,000 | 10,000,000 |
| Appropriations..... | 5,910,000 | 5,910,000 |
| Total Exclusions..... | <u>\$17,310,000</u> | <u>\$17,310,000</u> |
| Total Net Indebtedness..... | \$158,960,000 | \$158,960,000 |
| Net Debt Contracting Margin..... | \$218,137,755 | \$229,554,769 |
| Percentage of Debt Contracting Power Exhausted..... | 42.15% | 40.91% |

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$17,690,000 School District Bonds to DASNY in connection with the refunding of \$20,000,000 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.

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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 2015 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 | \$177,482,634 | \$38,938,284 | \$138,544,350 | 15.29% | \$ 21,183,431 |
| City of: | | | | | |
| Utica | 70,763,378 | 20,061,659 | 50,701,719 | 100.00 | 50,701,719 |
| | | | | Total | <u>\$ 71,885,150</u> |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita</u> ⁽²⁾ | <u>Percentage of Full Value</u> ⁽³⁾ |
|---|---------------|----------------------------------|--|
| Gross Indebtedness ⁽⁴⁾ | \$176,260,000 | \$2,861.34 | 10.97% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 248,155,150 | 4,028.23 | 15.44 |

(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 61,604.

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2016-17 of \$1,607,216,365.

(4) The District expects to deliver \$17,690,000 School District Bonds to DASNY in connection with the refunding of \$20,000,000 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.

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Cash Flow Borrowing

The District annually issues revenue anticipation notes in anticipation of State aid. The District has also issued tax anticipation notes for the 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 fiscal years for cash flow purposes.

A listing of such borrowings for the past five years and the 2016-17 fiscal year is shown below.

| <u>Fiscal Year</u> | <u>Amount</u> | <u>Type</u> | <u>Issue Date</u> | <u>Due Date</u> |
|--------------------|---------------|-------------|-------------------|-----------------|
| 2011-2012 | \$ 10,000,000 | RAN | 6/16/2011 | 6/15/2012 |
| 2012-2013 | 10,000,000 | RAN | 6/15/2012 | 6/14/2013 |
| 2012-2013 | 1,100,000 | TAN | 12/7/2012 | 12/6/2013 |
| 2013-2014 | 10,000,000 | RAN | 6/14/2013 | 6/13/2014 |
| 2013-2014 | 1,400,000 | TAN | 12/13/2013 | 12/12/2014 |
| 2014-2015 | 10,000,000 | RAN | 6/13/2014 | 6/12/2015 |
| 2014-2015 | 2,100,000 | TAN | 12/19/2014 | 12/11/2015 |
| 2015-2016 | 10,000,000 | RAN | 6/23/2015 | 6/23/2016 |
| 2015-2016 | 2,000,000 | TAN | 12/10/2015 | 12/9/2016 |
| 2016-2017 | 10,000,000 | RAN | 6/23/2016 | 6/23/2017 |
| 2016-2017 | 1,400,000 | TAN | 12/8/2016 | 12/7/2017 |

The District will be issuing a revenue anticipation note this June 2017. The amount is unknown at this time.

Capital Project Plans

On July 29, 2008, the voters of the District approved an \$187,600,000 capital improvement project. The District plans on using all or a portion of the \$7,035,887 EXCEL (Expanding our Children's Education and Learning) Aid along with their current 98% state building aid ratio to minimize the impact on the taxpayers of the District. To date, the District has issued \$186,565,000 of the total \$187,600,000 obligations authorized under the aforementioned bond resolution. There is currently \$1,035,000 of the authorization that remains to be issued.

On March 24, 2015, the District Board of Education adopted a bond resolution authorizing the issuance of not to exceed \$9,750,000 serial bonds of the District to finance improvements to Kernan Elementary School. On May 19, 2015, District voters approved the borrowing for this project. The District has received authorization to exceed its debt limit under Section 104.00 of the Local Finance Law for this project from the New York State Board of Regents and the Office of the State Comptroller.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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/ES989175-ES774262-ES1175578.pdf>
 Base CUSIP: 917763

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.

The State Comptroller designates the District’s current fiscal score as 45.0%, placing the District in the “Moderate Fiscal Stress” category. See “PART 4 – THE SCHOOL DISTRICTS –Fiscal Stress Monitoring.”

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. 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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Utica | \$1,107,319,149 | \$1,102,771,240 | \$1,102,771,240 | \$1,109,704,233 | \$1,108,014,962 |
| Total Assessed Valuation | <u>\$1,107,319,149</u> | <u>\$1,102,771,240</u> | <u>\$1,102,771,240</u> | <u>\$1,109,704,233</u> | <u>\$1,108,014,962</u> |
| State Equalization Rates Years Ending June 30, | | | | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Utica | 74.00% | 75.00% | 76.00% | 70.00% | 72.00% |
| Taxable Full Valuation | \$1,496,377,228 | \$1,470,361,653 | \$1,451,014,789 | \$1,585,291,761 | \$1,538,909,669 |
| Special State Equalization Ratios Years Ending June 30, | | | | | |
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| City of: | | | | | |
| Utica | 75.60% | 69.55% | 71.74% | 70.43% | 68.94% |
| Taxable Full Valuation | \$1,464,707,869 | \$1,585,580,503 | \$1,537,177,641 | \$1,575,612,996 | \$1,607,216,365 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$29,054,336 | \$29,635,423 | \$30,005,865 | \$30,005,865 | \$30,005,865 |
| % Uncollected When Due ⁽¹⁾ | 7.43% | 8.78% | 5.22% | 5.22% | 7.70% |

⁽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 2017-2018 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> |
|----------------------|--|-------------------------------------|---|
| 2012-2013 | \$99,755,057 | \$133,987,375 | 74.45% |
| 2013-2014 | 98,879,474 | 134,541,672 | 73.49 |
| 2014-2015 | 104,904,389 | 142,452,243 | 73.64 |
| 2015-2016 | 124,932,157 | 161,092,436 | 77.55 |
| 2016-2017 (Budgeted) | 127,542,104 | 166,027,878 | 76.82 |
| 2017-2018 (Proposed) | 133,542,543 | 170,951,199 | 78.12 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$2,000,513 | \$6,194,077 |
| 2013-2014 | 2,067,873 | 7,516,630 |
| 2014-2015 | 1,617,892 | 8,034,026 |
| 2015-2016 | 1,877,968 | 6,609,194 |
| 2016-2017 (Budgeted) | 1,908,659 | 6,616,650 |
| 2017-2018 (Proposed) | 1,727,466 | 6,038,376 |

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, 2016, 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 \$293,665,491. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$293,665,491. For the fiscal year ending June 30, 2016, the District’s beginning year Net OPEB obligation was \$123,354,207. The District’s annual OPEB expense was \$29,457,684 and is equal to the adjusted annual required contribution (ARC). The District is on

Appendix C

a pay-as-you-go funding basis and paid \$6,946,194 to the Plan for the fiscal year ending June 30, 2016, resulting in a net increase to its unfunded OPEB obligation of \$22,511,490, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$145,865,697. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$2,073,530 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$2,428,790 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$ 16,048,987 | | \$16,048,987 |
| 2017-2018 | 17,924,156 | | 17,924,156 |
| 2018-2019 | 16,286,263 | \$2,064,650 | 18,350,913 |
| 2019-2020 | 12,862,300 | 2,061,025 | 14,923,325 |
| 2020-2021 | 12,862,175 | 2,064,000 | 14,926,175 |
| 2021-2022 | 12,852,268 | 2,060,550 | 14,912,818 |
| 2022-2023 | 12,861,786 | 2,062,650 | 14,924,436 |
| 2023-2024 | 12,854,593 | 2,060,200 | 14,914,793 |
| 2024-2025 | 12,855,208 | 2,064,250 | 14,919,458 |
| 2025-2026 | 12,858,301 | 2,061,750 | 14,920,051 |
| 2026-2027 | 6,407,311 | 2,060,125 | 8,467,436 |
| 2027-2028 | 5,941,006 | 2,064,000 | 8,005,006 |
| 2028-2029 | 3,624,978 | 2,063,125 | 5,688,103 |
| 2029-2030 | 1,202,275 | 1,004,500 | 2,206,775 |
| 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 |

Recent Late Payment of Interest

On July 12, 2016, the District filed a material event notice stating that on July 1, 2016, the District had an interest payment due in the total amount of \$177,600. As a result of a clerical oversight, on July 1, 2016 the District paid only \$146,850. The District paid the remaining \$30,750 portion of the interest payment on July 12, 2016. The District has rectified the oversight and foresees no reason to believe the oversight will happen again in the future.

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District did not 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 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.

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**APPENDIX C-36
DESCRIPTION OF
WATERVILLE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-36 a brief description of the Waterville 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 upstate New York and is situated principally in the County of Oneida, with a small portion situated in Madison County. The City of Utica is approximately 14 miles north. The District encompasses an area approximately 68 square miles. Major highways of service to the District include U.S. #20 and State highways #8 and #12. Exchanges to the New York State Thruway are within one-half hour from the District, as is the Oneida County Airport.

The District is primarily residential and agricultural in nature. Many of its residents are employed in the Utica metropolitan area. Professional and commercial services are available to residents in the incorporated Village of Waterville as well as the City of Utica.

Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Population

The current estimated population of the District is 5,741. (Source: 2015 U.S. Census Bureau estimate)

Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------------|------------------|------------------|
| Waterville Central School District | Public Education | 140 |
| Harding Nursing Home | Nursing Home | 100 |
| Champion Home Builders | Modular Homes | 90 |
| Hanson Aggregates | Gravel Pit | 75 |
| Gallagher Farms | Farm | 40 |

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|----------------------|----------------------|---------------------------|
| NYSEG | Utility | \$ 6,078,210 |
| Dominion Resources | Utility-Gas | 3,212,576 |
| Tenneco Inc. | Utility-Gas Pipeline | 2,321,497 |
| Erik Gallagher Farms | Dairy Farm | 2,042,944 |
| Titan Homes | Commercial | 1,845,000 |

The total estimated assessed valuation of the top **ten (10)** taxpayers represents approximately 12.21% 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 Madison and Oneida Counties.

| | Year Average | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Madison County | 8.5% | 7.6% | 6.4% | 5.7% | 5.2% |
| Oneida County | 8.3 | 7.4 | 6.1 | 5.4 | 4.8 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | Projected <u>2017-18</u> | Projected <u>2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------------|------------------------------------|
| K-12 | 870 | 865 | 825 | 815 | 772 | 775 | 775 |

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> |
|----------------------------|---------------------------------------|---------------------------------|
| 80 | NYSUT | June 30, 2015 ⁽¹⁾ |
| 43 | Service Employees International Union | June 30, 2016 ⁽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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$286,410,489 |
| Debt Limit (10% of Full Valuation) | 28,641,049 |
| Gross Indebtedness ⁽²⁾ | \$16,297,000 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$16,297,000 |
| Net Debt Contracting Margin | \$12,344,049 |
| Percentage of Debt Contracting Power Exhausted | 56.90% |

- (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 \$4,675,000 School District Bonds to DASNY in connection with the refunding of \$5,335,000 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.

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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 2015 fiscal year of the respective municipalities.

| <u>Municipality</u> | <u>Status of Debt as of</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 | 12/31/2015 | \$ 177,482,634 | \$ 38,938,284 | \$ 138,544,350 | 2.35% | \$ 3,255,792 |
| Madison | 12/31/2015 | 9,020,000 | - | 9,020,000 | 0.41% | 36,982 |
| Town of: | | | | | | |
| Augusta | 12/31/2015 | 21,991 | 21,991 | - | 39.73% | - |
| Brookfield | 12/31/2015 | 263,374 | 263,374 | - | 10.21% | - |
| Kirkland | 12/31/2015 | 4,568,444 | 3,681,444 | 887,000 | 0.98% | 8,693 |
| Madison | 12/31/2015 | - | - | - | 2.00% | - |
| Marshall | 12/31/2015 | 343,000 | - | 343,000 | 84.51% | 289,869 |
| Paris | 12/31/2015 | 1,418,871 | 1,403,871 | 15,000 | 0.01% | 2 |
| Sangerfield | 12/31/2015 | 296,079 | 158,079 | 138,000 | 99.56% | 137,393 |
| Vernon | 12/31/2015 | - | - | - | 0.01% | - |
| Village of: | | | | | | |
| Waterville | 5/31/2016 | 203,886 | 125,000 | 78,886 | 100.00% | 78,886 |
| Clayville | 5/31/2016 | - | - | - | 100.00% | - |
| Madison | 5/31/2016 | 330,150 | 330,150 | - | 100.00% | - |
| Total: | | | | | | <u>\$ 3,807,616</u> |

- (1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

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Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|-------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$16,297,000 | \$2,838.70 | 5.69% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 20,104,616 | 3,501.94 | 7.02 |

- (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 5,741.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$286,410,489.
- (4) The District expects to deliver \$4,675,000 School District Bonds to DASNY in connection with the refunding of \$5,335,000 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

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Waterville Central School District
<http://emma.msrb.org/ER1002070-EP745586-EP1147085.pdf>
 Base CUSIP: 942316

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 from September 1st through September 30th, but a 2% penalty is charged from October 1st to October 31st and from then on until November 15th when uncollected taxes are returnable to the Counties of Oneida and Madison for collection. The District receives this amount of uncollected taxes from said Counties on or before April 30th, thereby assuring 100% tax collection annually.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Towns of: | | | | | |
| Augusta | \$23,666,080 | \$23,315,298 | \$23,616,990 | \$23,480,824 | \$23,853,786 |
| Brookfield | 11,947,099 | 11,638,046 | 11,870,691 | 11,777,669 | 11,953,838 |
| Kirkland | 3,216,815 | 3,331,671 | 3,410,158 | 3,564,750 | 3,426,345 |
| Madison | 3,289,286 | 3,280,919 | 3,285,635 | 3,253,598 | 3,187,968 |
| Marshall | 63,552,158 | 64,003,154 | 64,508,126 | 64,321,500 | 64,418,166 |
| Paris | 15,426 | 16,965 | 17,307 | 17,652 | 18,001 |
| Sangerfield | 70,816,491 | 71,199,987 | 71,207,870 | 70,900,446 | 73,068,211 |
| Vernon | 41,398 | 48,134 | 49,085 | 50,202 | 48,818 |
| Total Assessed Valuation | <u>\$176,544,753</u> | <u>\$176,834,174</u> | <u>\$177,965,862</u> | <u>\$177,366,641</u> | <u>\$179,975,133</u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Augusta | 70.50% | 74.50% | 72.00% | 66.00% | 62.00% |
| Brookfield | 100.00 | 100.00 | 100.00 | 98.00 | 98.00 |
| Kirkland | 65.00 | 67.00 | 63.00 | 63.00 | 65.00 |
| Madison | 86.00 | 81.00 | 80.50 | 78.50 | 80.00 |
| Marshall | 65.00 | 68.00 | 68.00 | 67.00 | 64.50 |
| Paris | 100.00 | 107.92 | 100.00 | 100.00 | 100.00 |
| Sangerfield | 69.00 | 68.00 | 64.50 | 61.50 | 57.75 |
| Vernon | 75.00 | 75.00 | 75.00 | 71.50 | 73.50 |
| Taxable Full Valuation | \$254,765,474 | \$250,864,956 | \$259,513,993 | \$268,773,461 | \$286,410,489 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Tax Levy | \$4,477,787 | \$4,589,937 | \$4,681,735 | \$4,798,778 | \$4,954,258 |
| % Uncollected When Due ⁽¹⁾ | 7.51% | 6.83% | 8.46% | 8.13% | 7.25% |

⁽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 2017-2018 fiscal year.

| <u>Fiscal Year</u> | State Aid and Revenues | | Percentage of Total |
|---------------------------|---|--|---|
| | <u>Total State Aid⁽¹⁾</u> | <u>Total Revenues⁽¹⁾</u> | Revenues Consisting of State Aid⁽¹⁾ |
| 2012-2013 | \$10,087,483 | \$15,195,075 | 67.79% |
| 2013-2014 | 10,184,693 | 15,368,882 | 66.27 |
| 2014-2015 | 10,511,174 | 15,896,963 | 66.12 |
| 2015-2016 | 11,188,862 | 16,545,917 | 67.62 |
| 2016-2017 (Budgeted) | 11,864,819 | 17,281,577 | 68.66 |
| 2017-2018 (Proposed) | 12,104,547 | 17,685,355 | 68.43 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$227,863 | \$569,941 |
| 2013-2014 | 280,612 | 705,572 |
| 2014-2015 | 293,975 | 839,550 |
| 2015-2016 | 244,599 | 636,780 |
| 2016-2017 (Budgeted) | 250,000 | 650,000 |
| 2017-2018 (Proposed) | 260,000 | 600,000 |

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 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 \$38,065,703. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$38,065,703. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$19,446,942. The District's annual OPEB expense was \$3,779,748 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$849,620 to the Plan for the fiscal year ending June 30, 2016 to 134 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,930,128, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$22,377,070. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$89,719 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$809,351 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.*”

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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$2,108,503 | | \$2,108,503 |
| 2017-2018 | 1,933,068 | \$473,793 | 2,406,861 |
| 2018-2019 | 1,646,389 | 475,550 | 2,121,939 |
| 2019-2020 | 1,644,757 | 472,600 | 2,117,357 |
| 2020-2021 | 1,566,312 | 476,800 | 2,043,112 |
| 2021-2022 | 1,472,204 | 475,400 | 1,947,604 |
| 2022-2023 | 791,706 | 475,650 | 1,267,356 |
| 2023-2024 | 789,875 | 473,250 | 1,263,125 |
| 2024-2025 | 781,751 | 477,250 | 1,259,001 |
| 2025-2026 | 458,750 | 475,250 | 934,000 |
| 2026-2027 | 244,988 | 472,500 | 717,488 |
| 2027-2028 | | 474,000 | 474,000 |
| 2028-2029 | | 474,500 | 474,500 |
| 2029-2030 | | 474,000 | 474,000 |
| 2030-2031 | | 472,500 | 472,500 |

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**APPENDIX C-37
DESCRIPTION OF
WEBSTER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-37 a brief description of the Webster 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 the Towns of Webster and Penfield in Monroe County and the Towns of Ontario and Walworth in Wayne County. The District covers approximately 51 square miles.

The District is served by New York State Routes 104, 404 and 250, with access to the New York State Thruway available some 15 miles to the south at Exit 45. Bus service is available in the Village of Webster, and rail service is available in Rochester. Air service is available at the Greater Rochester International Airport.

The District is primarily a residential/suburban community. Many residents find employment in the District, at such industries as Xerox Corporation, while others commute to Rochester, less than ten miles to the west.

Water and sewer services are provided by various municipal systems. Electricity and natural gas are provided by Rochester Gas & Electric, telephone service by Frontier Communications. Police protection is provided by the Town of Webster, the County Sheriff's Departments and the New York State Police. Ambulance service and fire protection are provided by various volunteer organizations.

The District provides public education for grades K-12. Opportunities for higher education include the University of Rochester, Rochester Institute of Technology, St. John Fisher College and Nazareth College, among others.

Commercial businesses along Route 404 in Webster and West Webster provide a wide array of retail and service outlets.

Population

The current estimated population of the District is 56,399. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---------------------------------|-------------------------|------------------|
| Xerox Corporation | Office Machines | 5,300 |
| Webster Central School District | Public Education | 1,450 |
| Visiting Nurse | Health Care Services | 782 |
| Paychex | Payroll Services | 500 |
| Trident Machine | Precision Manufacturing | 145 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|--------------------------------------|-----------------|-----------------------|
| Xerox Corporation ⁽¹⁾ | Office Machines | \$82,755,100 |
| Rochester Gas & Electric Corporation | Utility | 39,020,851 |
| COR Holt Rd. Co. LLC | Plaza | 38,003,135 |
| Wegmans Food Markets | Food Retail | 16,203,300 |
| Oakmonte Apartment Homes | Apartments | 10,266,100 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.1% of the tax base of the District.

⁽¹⁾ This taxpayer has filed a petition against the Town of Webster Assessor under Article 7 of the Real Property Law challenging their assessment for three parcels that are located in the Town and School District. They have previously challenged the assessment in prior years for the same three parcels. The District is currently in negotiations with the Town and Xerox attorneys. See “LITIGATION” section herein.

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 Monroe and Wayne Counties.

| | <u>Year Average</u> | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Monroe County | 7.9% | 7.0% | 5.8% | 5.2% | 4.7% |
| Wayne County | 8.6 | 7.6 | 6.2 | 5.4 | 4.9 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 8,752 | 8,726 | 8,750 | 8,700 | 8,600 | 8,870 | 8,890 |

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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> |
|-----------------------------------|---|--|
| 51 | Webster Educational Leadership Association | June 30, 2017 ⁽¹⁾ |
| 789 | Webster Teachers' Association | June 30, 2019 |
| 77 | WCS Association of Educational Office Professionals | June 30, 2017 ⁽¹⁾ |
| 113 | CCMA – WCS | June 30, 2017 ⁽¹⁾ |
| 207 | WCS Educational Support Association | June 30, 2019 |
| 175 | Transportation Unit Local 1635 | June 30, 2019 |
| 51 | WCS Food Service | June 30, 2017 ⁽¹⁾ |
| 53 | Managerial Confidential Staff | N/A |

⁽¹⁾ Currently in 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 2, 2017⁽¹⁾

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$4,612,805,049 |
| Debt Limit (10% of Full Valuation) | 461,280,505 |
| Gross Indebtedness ⁽²⁾ | \$77,015,105 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$77,015,105 |
| Net Debt Contracting Margin | \$384,265,400 |
| Percentage of Debt Contracting Power Exhausted | 16.70% |

⁽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 \$7,805,000 School District Bonds to DASNY in connection with the refunding of \$8,925,000 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.

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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 2015 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: | | | | | |
| Monroe | \$738,441,687 | \$97,648,690 | \$640,792,997 | 10.76% | \$68,949,326 |
| Wayne | 29,400,000 | 0 | 29,400,000 | 0.36 | 105,840 |
| Towns of: | | | | | |
| Webster | 13,887,999 | 4,613,599 | 9,274,400 | 99.86 | 9,261,416 |
| Penfield | 14,915,442 | 10,332,542 | 4,582,900 | 37.72 | 1,728,670 |
| Walworth | 1,160,000 | 0 | 1,160,000 | 2.98 | 34,568 |
| Ontario | 2,719,059 | 796,059 | 1,923,000 | 0.24 | 4,615 |
| Village of: | | | | | |
| Webster ⁽³⁾ | 1,705,000 | 1,180,000 | 525,000 | 100.00 | 525,000 |
| | | | | Total | <u>\$80,609,435</u> |

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

(3) Debt outstanding as of fiscal year end May 31, 2016.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$77,015,105 | \$1,365.54 | 1.67% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 157,624,540 | 2,794.81 | 3.42 |

(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 56,399.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$4,612,805,049.

(4) The District expects to deliver \$7,805,000 School District Bonds to DASNY in connection with the refunding of \$8,925,000 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 and does not expect to issue such notes in the foreseeable future.

Capital Project Plans

Other than the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Webster Central School District
<http://emma.msrb.org/ES829187-ES650623-ES1045694.pdf>
Base CUSIP: 948123

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

There are two plans for payment of taxes in the District, which are as follows:

Option A – Full Payment – Taxes are due September 1 and may be paid through September 30 with no penalty. For payments made between October 1 and November 1, an interest penalty of 2% is added.

Unpaid taxes are turned over to Monroe and Wayne Counties on November 1 each year. Payments under Option A made from November 1 to November 15 include an interest penalty of 5%. No payments are accepted after November 15.

Option B- Installment Payments – Taxes under Option B are due in three equal payments to be made on September 15, October 15 and November 15. The taxpayer who chooses Option B automatically incurs a service charge of 1.5%. If an installment is not paid on or before the 15th of the month due, an interest charge of 1% for each month or fraction thereof is added to the total amount due.

As in Option A, unpaid taxes are turned over to the Counties on November 1, payable to the Counties through November 15 with an interest penalty dependent upon the date paid and amount due.

Under both options above, taxes which remain unpaid after November 15, plus accrued interest and penalties, are relieved on Town and County tax bills.

The District is reimbursed by the Counties for all unpaid taxes each year and is therefore assured of 100% collection of its annual tax levy.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Webster | \$2,854,609,596 | \$2,877,048,741 | \$2,905,236,738 | \$2,930,958,155 | \$2,945,480,844 |
| Penfield | 1,092,305,609 | 1,115,192,605 | 1,194,216,043 | 1,221,426,790 | 1,247,740,818 |
| Walworth | 15,315,081 | 15,452,298 | 15,667,237 | 15,642,300 | 16,121,975 |
| Ontario | 1,585,988 | 1,623,764 | 1,585,486 | 1,594,301 | 1,804,933 |
| Total Assessed Valuation | <u><u>\$3,963,816,274</u></u> | <u><u>\$4,009,317,408</u></u> | <u><u>\$4,116,705,504</u></u> | <u><u>\$4,169,621,546</u></u> | <u><u>\$4,211,148,570</u></u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Towns of: | | | | | |
| Webster | 91.00% | 91.00% | 90.00% | 90.00% | 88.00% |
| Penfield | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Walworth | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Ontario | 100.00 | 100.00 | 100.00 | 97.00 | 100.00 |
| Taxable Full Valuation | \$4,246,140,300 | \$4,293,860,690 | \$4,439,509,586 | \$4,495,332,872 | \$4,612,805,049 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$88,509,952 | \$91,690,324 | \$93,960,254 | \$97,248,862 | \$98,804,306 |
| % Uncollected When Due ⁽¹⁾ | 2.32% | 2.26% | 2.23% | 2.20% | 2.52% |

⁽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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$37,532,958 | \$137,660,454 | 27.26% |
| 2013-2014 | 41,864,507 | 144,523,170 | 28.97 |
| 2014-2015 | 39,441,354 | 144,944,201 | 27.21 |
| 2015-2016 | 44,127,980 | 153,735,801 | 28.70 |
| 2016-2017 (Budgeted) | 47,799,827 | 156,435,481 | 30.56 |
| 2017-2018 (Proposed) | 49,373,495 | 167,959,062 | 29.39 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$2,911,582 | \$6,666,090 |
| 2013-2014 | 2,905,594 | 9,200,095 |
| 2014-2015 | 2,673,095 | 10,350,003 |
| 2015-2016 | 2,304,588 | 8,114,286 |
| 2016-2017 (Budgeted) | 2,800,000 | 8,000,000 |
| 2017-2018 (Proposed) | 2,800,000 | 7,081,256 |

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

GASB 45 and OPEB

The District contracted with Burke Group to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2016, 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 \$154,103,329. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$154,103,329. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$27,915,407. The District's annual OPEB expense was \$10,520,735 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$4,917,403 to the Plan for the fiscal year ending June 30, 2016 to 1,100 employees, resulting in a net increase to its unfunded OPEB obligation of \$5,603,332, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$33,518,739. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB.*"

Appendix C

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 \$287,270 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$6,813,577 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.*”

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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$9,427,112 | | \$9,427,112 |
| 2017-2018 | 9,388,832 | \$788,014 | 10,176,846 |
| 2018-2019 | 9,147,919 | 790,900 | 9,938,819 |
| 2019-2020 | 8,748,025 | 787,550 | 9,535,575 |
| 2020-2021 | 8,459,375 | 789,350 | 9,248,725 |
| 2021-2022 | 5,962,031 | 790,100 | 6,752,131 |
| 2022-2023 | 5,555,100 | 790,600 | 6,345,700 |
| 2023-2024 | 4,067,175 | 790,000 | 4,857,175 |
| 2024-2025 | 558,250 | 788,250 | 1,346,500 |
| 2025-2026 | | 790,250 | 790,250 |
| 2026-2027 | | 790,750 | 790,750 |
| 2027-2028 | | 789,750 | 789,750 |
| 2028-2029 | | 787,250 | 787,250 |
| 2029-2030 | | 788,250 | 788,250 |
| 2030-2031 | | 787,500 | 787,500 |

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**APPENDIX C-38
DESCRIPTION OF
WEST GENESEE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-38 a brief description of the West Genesee 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 48 square miles and is comprised of the incorporated Village of Camillus, and portions of the Towns of Camillus, Elbridge, Geddes, Onondaga and Van Buren. The District is located in Onondaga County in central New York State, approximately 5 miles west of the City of Syracuse.

As a suburb of the City of Syracuse, the District is primarily residential and commercial in nature. The District has available to its residents all of the necessary retail and professional services, a majority of which are found in one of several shopping malls located within the District. Many of the District's residents are employed in the various industries, service companies or commercial/retail establishments that constitute the diverse economic base of the Syracuse metropolitan area.

Major highways serving the District or in close proximity include: U.S. Route #5 and Interstate Routes #81, #690 and #90 (The New York State Thruway). Railway transportation is provided by Amtrak with a station located in Syracuse. Centro Bus Lines serves the District providing easy access for residents throughout central New York. Hancock International Airport is located 2 miles north of the City of Syracuse.

The following services and service providers are afforded to residents of the District: water - Onondaga County Water Authority (OCWA); sewer - Onondaga County Sanitary Sewer District and Camillus Consolidated Sewer District; electricity and gas – National Grid and New York State Electric and Gas; police - Town of Camillus Police Department, County Sheriff's Department and New York State Police; fire - Village of Camillus Fire Department, Fairmount Fire Department, Onondaga Hill Fire Department, Taunton Fire Department and Warrens Fire Department, all of which are volunteer units.

Population

The current estimated population of the District is 31,510. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|--------------------|---------------|------------------|
| Wegmans | Grocery Store | 545 |
| Walmart | Retail | 476 |
| Top's | Grocery Store | 208 |
| Home Depot | Retail | 160 |
| Southern Container | Manufacturing | 130 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|-------------------------|---------------|-----------------------|
| Buckeye Pipeline | Utility | \$75,438,818 |
| Allied Corporation | Utility | 64,923,800 |
| National Grid | Utility | 46,888,853 |
| AT&T Communication | Communication | 35,507,038 |
| Buffalo Main Street LLC | Real Estate | 33,500,500 |

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.19% 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 Onondaga County.

| | <u>Year Average</u> | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Onondaga County | 7.9% | 6.8% | 5.6% | 5.0% | 4.5% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| K-12 | 4,785 | 4,809 | 4,765 | 4,626 | 4,626 | 4,650 | 4,650 |

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> |
|--------------------------------|--|-------------------------------------|
| 440 | West Genesee Teachers' Association | June 30, 2020 |
| 222 | West Genesee Substitute Teacher Association | June 30, 2020 |
| 184 | West Genesee Paraprofessionals | June 30, 2020 |
| 104 | West Genesee Central School Bus Drivers' Union | June 30, 2020 |
| 40 | West Genesee Custodial Association | June 30, 2020 |
| 39 | West Genesee Food Service Employees | June 30, 2020 |
| 26 | West Genesee Office Personnel | June 30, 2020 |
| 19 | West Genesee Administrators' Association | June 30, 2020 |
| 8 | West Genesee Head Custodians' Operating Unit | June 30, 2020 |
| 7 | West Genesee Mechanics and Mechanics' Helpers Division | June 30, 2020 |
| 7 | West Genesee Maintenance Division Employees | June 30, 2020 |
| 1 | West Genesee School Lunch Managers | June 30, 2020 |

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 2, 2017⁽¹⁾

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$2,022,838,396 |
| Debt Limit (10% of Full Valuation) | 202,283,839 |
| Gross Indebtedness ⁽²⁾ | \$42,196,532 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$42,196,532 |
| Net Debt Contracting Margin | \$160,087,307 |
| Percentage of Debt Contracting Power Exhausted | 20.86% |

(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 \$19,755,000 School District Bonds to DASNY in connection with the refunding of \$22,790,000 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 2015 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: | | | | | |
| Onondaga | \$642,977,979 | \$334,458,144 | \$308,519,835 | 7.61% | \$23,478,359 |
| Towns of: | | | | | |
| Camillus | 3,584,035 | 914,794 | 2,669,241 | 95.69 | 2,554,196 |
| Elbridge | 272,298 | 222,298 | 50,000 | 0.25 | 125 |
| Geddes | 2,198,537 | 0 | 2,198,537 | 12.21 | 268,441 |
| Onondaga | 1,764,190 | 0 | 1,764,190 | 22.94 | 404,705 |
| Van Buren | 921,081 | 126,375 | 794,706 | 8.66 | 68,821 |
| Village of: | | | | | |
| Camillus | 0 | 0 | 0 | 100.00 | 0 |
| | | | | Total | \$26,774,647 |

(1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|-------------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$42,196,532 | \$1,339.15 | 2.09% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 68,971,179 | 2,188.87 | 3.41 |

- (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 31,510.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$2,022,838,396.
- (4) The District expects to deliver \$19,755,000 School District Bonds to DASNY in connection with the refunding of \$22,790,000 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> |
|--------------------|---------------|-------------|-------------------|-----------------|
| 2012-2013 | \$5,000,000 | RAN | 6/8/12 | 12/28/12 |
| 2013-2014 | 5,000,000 | RAN | 6/17/13 | 12/6/13 |
| 2014-2015 | 5,000,000 | RAN | 6/18/14 | 12/18/14 |
| 2015-2016 | 6,000,000 | RAN | 6/18/15 | 12/18/15 |
| 2016-2017 | 5,000,000 | RAN | 6/24/16 | 12/16/16 |

The District currently plans to issue \$5,000,000 revenue anticipation notes on June 27, 2017.

Capital Project Plans

The District typically issues bond anticipation notes annually for the purchase of buses. The District currently has authorization to issue \$1,110,305 of obligations to finance the purchase of buses and plans to issue notes in July 2017.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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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.

West Genesee Central School District
<http://emma.msrb.org/ER1002080-EP745549-EP1147049.pdf>
 Base CUSIP: 952859

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 establishes a tax rate for each Town within the District each August. A warrant is issued to each Town Collector specifying total taxes to be collected. Tax payments are due in September. The penalties for late payment are as follows: none for the first 30 days after due date and 2% for the next 30 days. On November 15, the Town Collectors return uncollected items to Onondaga County. In April of each year, the District is reimbursed by the County for those taxes not paid, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Tax Collectors are elected Town officials in the Towns of Camillus, Geddes, Onondaga and Van Buren. The Secretary to the District Assistant Superintendent for Management Services acts as Receiver of Taxes for the Town of Elbridge, in which there are ten parcels of property that are within the District.

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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Camillus | \$1,471,052,357 | \$1,478,137,245 | \$1,507,129,669 | \$1,510,275,710 | \$1,540,815,067 |
| Elbridge | 758,293 | 771,077 | 773,336 | 775,766 | 784,229 |
| Geddes | 99,951,233 | 100,611,884 | 98,191,722 | 97,519,722 | 98,525,801 |
| Onondaga | 308,717,088 | 310,709,470 | 311,535,019 | 310,703,794 | 312,169,090 |
| Van Buren | 56,260,752 | 56,881,185 | 57,713,423 | 57,346,908 | 56,619,626 |
| Total Assessed Valuation | <u>\$1,936,739,723</u> | <u>\$1,956,110,861</u> | <u>\$1,975,343,241</u> | <u>\$1,976,621,900</u> | <u>\$2,008,913,813</u> |

Appendix C

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Towns of: | | | | | |
| Camillus | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Elbridge | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Geddes | 93.00 | 93.00 | 93.00 | 92.00 | 91.50 |
| Onondaga | 100.00 | 100.00 | 100.00 | 100.00 | 98.50 |
| Van Buren | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Taxable Full Valuation | \$1,944,280,934 | \$1,963,683,799 | \$1,982,734,016 | \$1,985,101,876 | \$2,022,838,396 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$33,782,153 | \$34,855,425 | \$36,704,333 | \$37,730,071 | \$38,225,608 |
| % Uncollected When Due ⁽¹⁾ | 4.9% | 4.0% | 4.0% | 3.9% | 4.3% |

⁽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 2017-2018 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> |
|----------------------|--------------------------------------|-------------------------------------|---|
| 2012-2013 | \$25,108,480 | \$68,595,095 | 36.60% |
| 2013-2014 | 28,479,271 | 73,510,320 | 38.74 |
| 2014-2015 | 28,322,909 | 75,575,957 | 37.48 |
| 2015-2016 | 30,303,244 | 78,649,463 | 38.53 |
| 2016-2017 (Budgeted) | 32,451,395 | 80,827,170 | 40.15 |
| 2017-2018 (Proposed) | 34,282,490 | 83,816,870 | 40.90 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|----------------------|-------------|-------------|
| 2012-2013 | \$1,412,727 | \$3,447,200 |
| 2013-2014 | 1,392,798 | 5,054,913 |
| 2014-2015 | 1,381,931 | 5,485,761 |
| 2015-2016 | 1,292,998 | 4,286,160 |
| 2016-2017 (Budgeted) | 1,242,700 | 4,165,150 |
| 2017-2018 (Proposed) | 1,174,390 | 3,659,705 |

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, 2016, 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 \$21,198,600. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21,198,600. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$11,045,737. The District's annual OPEB expense was \$2,582,573 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,266,664 to the Plan for the fiscal year ending June 30, 2016 to 586 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,315,909, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$12,361,646. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$1,839,498 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$3,284,087 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.*"

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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⁽¹⁾

| <u>Fiscal Year</u> | <u>Existing Debt Service</u> | <u>New Debt Service</u> | <u>Total Debt Service</u> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$3,809,609 | | \$3,809,609 |
| 2017-2018 | 3,800,209 | \$1,963,888 | 5,764,097 |
| 2018-2019 | 3,807,109 | 1,959,500 | 5,766,609 |
| 2019-2020 | 3,796,459 | 1,962,550 | 5,759,009 |
| 2020-2021 | 3,790,859 | 1,963,550 | 5,754,409 |
| 2021-2022 | 2,041,109 | 1,962,750 | 4,003,859 |
| 2022-2023 | 288,659 | 1,963,250 | 2,251,909 |
| 2023-2024 | 287,059 | 1,963,250 | 2,250,309 |
| 2024-2025 | 290,309 | 1,963,250 | 2,253,559 |
| 2025-2026 | 288,259 | 1,960,000 | 2,248,259 |
| 2026-2027 | 291,059 | 1,963,500 | 2,254,559 |
| 2027-2028 | 288,559 | 1,963,250 | 2,251,809 |
| 2028-2029 | 290,909 | 1,964,250 | 2,255,159 |
| 2029-2030 | 292,694 | 1,961,250 | 2,253,944 |
| 2030-2031 | 289,100 | 1,574,250 | 1,863,350 |
| 2031-2032 | | 1,307,250 | 1,307,250 |

⁽¹⁾ Schedule does not include remaining principal payments of \$1,226,000 due under an energy performance contract.

Historical Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into thereby pursuant to Securities Exchange Commission Rule 15c2-12; however;

- The District did not file a notice of bond call relating to an advance refunding of its \$13,935,000 School District (Serial) Bonds, 2003 and \$10,500,000 School District (Serial) Bonds, 2004. The 2003 series bonds were advance refunded on March 29, 2012 and redeemed on March 15, 2013. It should be noted the District filed a Notice of Advance Refunding with respect to the 2003 series bonds on October 27, 2011 which included a Form of Redemption Notice. The District filed a Notice of Advance Refunding with respect to the 2004 series bonds on April 2, 2012 which included a Form of Redemption Notice.

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**APPENDIX C-39
DESCRIPTION OF
WHITESBORO CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-39 a brief description of the Whitesboro 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 central upstate New York, northwest and adjacent to the City of Utica. Its land area is approximately 65 square miles with portions of the School District located in Oneida and Herkimer Counties.

As a suburb of the City of Utica, the District is primarily residential and commercial in character. Many of its residents are employed by the various industries in or near the Utica metropolitan area which are principally hospitality, healthcare, finance/insurance, social services, education and manufacturing.

Major highways serving the area include Interstate Highway #90 (New York State Thruway), which passes through the Mohawk Valley connecting the area to Albany to the east and Syracuse, Rochester and Buffalo to the west. Other major roadways which connect the region include State Routes #5, #8 and #12. Union Station in Utica is a beautifully restored train station that serves Amtrak, Adirondack Scenic Railway, and an occasional New York, Susquehanna & Western passenger train. Bus service is provided by Greyhound, Trailways, Utica Transit and other local bus lines.

Population

The current estimated population of the District is 25,876. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers⁽¹⁾

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|---|--------------------------------|------------------|
| Bank of America, N.A. | Financial Institution | 800 |
| Whitesboro Central School District | Public Education | 522 |
| Carbone Auto Group | Automobile Sales & Services | 500 |
| Mohawk Valley Community Action Agency, Inc. | Community Service Organization | 304 |
| State University of New York Polytechnic Institute ⁽²⁾ | Higher Education | 297 |

⁽¹⁾ Herkimer County IDA announced that Tractor Supply Company is reviewing plans to build a 930,000 square foot distribution center in Frankfort, New York that will create 350 new jobs over the next six years. The Frankfort Industrial Park is located thirteen miles east of the Whitesboro Central School District.

⁽²⁾ Danfoss Silicon Power, a German Company, and General Electric have agreed to operate a computer-chip packaging facility on the campus of SUNY Polytechnic Institute, Marcy New York in the new Quad-C Facility. Danfoss will begin packaging silicon-carbide wafers manufactured at the SUNY Poly’s Albany campus. The packaging process combines silicon-carbide wafers with a housing that allows the interconnection of wafers with applications. Danfoss expects to create 300 jobs at the Quad-C Facility in early 2018.

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Full Valuation</u> |
|------------------------------|--------------------|-----------------------|
| National Grid ⁽¹⁾ | Utility | \$99,037,995 |
| Utica Realty | Manufacturer | 4,901,429 |
| Verizon New York, Inc. | Utility | 4,212,709 |
| ORS | Research | 4,005,571 |
| Donald VanWaes | Apartment Building | 4,000,000 |

⁽¹⁾ In 2009 National Grid filed a notice of petition with the Town of Marcy seeking a judicial review and reduction of assessments for real property on the grounds that it was illegally and/or unequally overvalued for assessment purposes. The total exposure from the National Grid proceedings as of November 2015 was \$4,868,198. On April 13, 2017 an agreement was reached resolving the National Grid tax certiorari litigation. The agreement provides for an acceptance of assessments for the nine years under litigation (2008-2016). Therefore no refunds will be due. In addition, the Stipulation and Order of Settlement provides an agreement for increasing assessments in tax years 2017 through 2024 from \$35,453,015 in 2016 to \$46,149,268 in 2017, ending with an assessment of \$81,801,782 in 2024. The increase in assessment is due to the expansion and planned upgrade to facilities to meet the future needs of the proposed semiconductor manufacturing site expansion in Marcy. The School District has been able to set aside \$2,386,758, or 49.0% of the claimed assessment into a reserve fund in anticipation of settlement.

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.72% 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 Herkimer and Oneida Counties.

| | <u>Year Average</u> | | | | |
|-----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Herkimer County | 8.8% | 7.8% | 6.8% | 6.3% | 5.5% |
| Oneida County | 8.3 | 7.4 | 6.1 | 5.4 | 4.8 |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|--|----------------|----------------|----------------|----------------|----------------|------------------------------|------------------------------|
| | K-12 | 3,346 | 3,282 | 3,282 | 3,260 | 3,200 | 3,200 |

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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> |
|----------------------------|---|---------------------------------|
| 314 | Whitesboro Teachers' Association | June 30, 2017 ⁽¹⁾ |
| 197 | Whitesboro Employees' Union | June 30, 2018 |
| 11 | Whitesboro Administrators' Organization | June 30, 2017 ⁽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 2, 2017⁽¹⁾**

| | |
|--|-----------------|
| Full Valuation of Taxable Real Property | \$1,348,853,926 |
| Debt Limit (10% of Full Valuation) | 134,885,392 |
| Gross Indebtedness ⁽²⁾ | \$51,526,505 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$51,526,505 |
| Net Debt Contracting Margin | \$83,358,877 |
| Percentage of Debt Contracting Power Exhausted | 38.20% |

⁽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 \$14,005,000 School District Bonds to DASNY in connection with the refunding of \$9,435,000 of the District's outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 2015 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: | | | | | |
| Herkimer | \$7,610,000 | \$0 | \$7,610,000 | 1.82% | \$138,502 |
| Oneida | 177,482,634 | 0 | 177,482,634 | 12.26 | 21,759,371 |
| Towns of: | | | | | |
| Deerfield | 4,570,200 | 0 | 4,570,200 | 92.73 | 4,237,946 |
| Marcy | 4,473,400 | 0 | 4,473,400 | 82.65 | 3,697,265 |
| Schuyler | 261,997 | 0 | 261,997 | 52.58 | 137,758 |
| Trenton | 481,736 | 0 | 481,736 | 1.38 | 6,648 |
| Whitestown | 4,333,275 | 0 | 4,333,275 | 67.84 | 2,939,694 |
| Villages of: | | | | | |
| Whitesboro | 255,000 | 0 | 255,000 | 100.00 | 255,000 |
| Yorkville | 476,676 | 0 | 476,676 | 100.00 | 476,676 |
| | | | | Total | <u>\$33,648,860</u> |

(1) Bonds and bond anticipation notes as of close of 2015 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Information not available.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of May 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$51,526,505 | \$1,991.29 | 3.82% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 85,175,365 | 3,291.67 | 6.31 |

(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 25,876.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2016-17 of \$1,348,853,926.

(4) The District expects to deliver \$14,005,000 School District Bonds to DASNY in connection with the refunding of \$9,435,000 of the District's outstanding bond anticipation notes and the financing of school district capital facilities and school district capital equipment. 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 January 20, 2015 the Board of Education adopted a Bond Resolution authorizing the issuance of \$29,678,027 serial bonds to finance the cost of construction and reconstruction of school buildings and facilities. As of the date of this Appendix C-39, \$3,878,027 remains unissued and the District is planning a short-term financing against said resolution in June 2017.

On May 16, 2017 the District voters will consider a proposition for the acquisition of school buses at an estimated cost of \$419,597. If approved by the voters, the District may obtain financing for the buses in September of 2017. However, as of the date of this Appendix C-39, there are no definite borrowing plans.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Whitesboro Central School District
<http://emma.msrb.org/EP966747-EP750131-EP1151751.pdf>
Base CUSIP: 965560

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. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to Herkimer and Oneida Counties for relevy on County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Deerfield | \$36,819,902 | \$36,654,932 | \$36,763,858 | \$36,781,548 | \$36,938,421 |
| Marcy | 267,218,531 | 268,767,681 | 271,738,161 | 272,948,036 | 275,891,067 |
| Schuyler | 74,750,284 | 74,807,605 | 74,442,273 | 74,641,234 | 76,110,287 |
| Trenton | 2,596,868 | 2,591,866 | 2,534,788 | 2,494,393 | 2,454,300 |
| Whitestown | 457,344,361 | 460,212,788 | 460,391,686 | 460,490,368 | 461,428,899 |
| Total Assessed Valuation | <u>\$838,729,946</u> | <u>\$843,034,872</u> | <u>\$845,870,766</u> | <u>\$847,355,579</u> | <u>\$852,822,974</u> |

| | State Equalization Rates Years Ending June 30, | | | | |
|-------------------------------|---|--------------------|--------------------|--------------------|--------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Deerfield | 16.30% | 16.30% | 16.30% | 16.30% | 15.50% |
| Marcy | 75.00 | 78.00 | 79.00 | 80.00 | 76.00 |
| Schuyler | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| Trenton | 65.00 | 72.00 | 72.00 | 70.00 | 65.00 |
| Whitestown | 71.00 | 71.00 | 69.50 | 70.00 | 70.00 |
| Taxable Full Valuation | \$1,313,378,382 | \$1,304,357,232 | \$1,318,185,750 | \$1,311,180,217 | \$1,348,853,926 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Tax Levy | \$28,416,314 | \$29,594,139 | \$30,176,500 | \$30,773,414 | \$31,275,402 |
| % Uncollected When Due ⁽¹⁾ | 5.29% | 5.16% | 5.26% | 4.45% | 4.09% |

⁽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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$24,014,282 | \$53,055,783 | 45.26% |
| 2013-2014 | 24,189,498 | 53,974,373 | 44.82 |
| 2014-2015 | 24,735,193 | 55,371,990 | 44.67 |
| 2015-2016 | 27,565,010 | 58,565,708 | 47.07 |
| 2016-2017 (Budgeted) | 28,300,506 | 60,048,856 | 47.13 |
| 2017-2018 (Proposed) | 29,785,981 | 62,018,433 | 48.03 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$936,619 | \$2,343,638 |
| 2013-2014 | 1,080,846 | 3,287,759 |
| 2014-2015 | 980,871 | 3,647,122 |
| 2015-2016 | 862,099 | 2,820,261 |
| 2016-2017 (Budgeted) | 963,391 | 2,753,420 |
| 2017-2018 (Proposed) | 945,263 | 2,222,002 |

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, 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 \$103,082,601. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$103,082,601. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$45,968,856. The District's annual OPEB expense was \$9,712,336 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,574,119 to the Plan for the fiscal year ending June 30, 2016, resulting in a net increase to its unfunded OPEB obligation of \$7,138,217, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$53,107,073. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*."

Appendix C

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 \$2,154,298 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$3,370,941 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.*"

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> |
|--------------------|------------------------------|-------------------------|---------------------------|
| 2016-2017 | \$4,634,959 | | \$4,634,959 |
| 2017-2018 | 4,547,600 | \$1,601,796 | 6,149,396 |
| 2018-2019 | 4,424,613 | 1,303,913 | 5,728,526 |
| 2019-2020 | 4,267,713 | 1,303,363 | 5,571,076 |
| 2020-2021 | 3,910,950 | 1,300,163 | 5,211,113 |
| 2021-2022 | 3,906,138 | 1,300,963 | 5,207,101 |
| 2022-2023 | 3,919,500 | 1,302,963 | 5,222,463 |
| 2023-2024 | 3,930,463 | 1,300,963 | 5,231,426 |
| 2024-2025 | 3,932,788 | 1,299,463 | 5,232,251 |
| 2025-2026 | 3,921,125 | 1,300,963 | 5,222,088 |
| 2026-2027 | 2,086,300 | 1,300,213 | 3,386,513 |
| 2027-2028 | 1,276,925 | 1,302,213 | 2,579,138 |
| 2028-2029 | 854,388 | 1,301,713 | 2,156,101 |
| 2029-2030 | 719,738 | 1,303,713 | 2,023,451 |
| 2030-2031 | 622,875 | 1,302,963 | 1,925,838 |
| 2031-2032 | 112,750 | 1,219,463 | 1,332,213 |
| 2032-2033 | | 527,213 | 527,213 |

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**APPENDIX C-40
DESCRIPTION OF
WINDSOR CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-40 a brief description of the Windsor 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 upstate New York in the eastern portion of the County of Broome. The City of Binghamton is approximately 15 miles west. The District encompasses approximately 117 square miles of land area. Major highways of service to the District include Interstate Route 81, U.S. Route 17 (I-86) and State highways 7 and 79.

The District is mixed in character; primarily commercial and industrial to the north and west near Binghamton and primarily residential and agricultural to the south and east near the Catskills. Professional and commercial services are available to residents in Binghamton.

Many of the residents are employed in the more than 350 manufacturing firms in Broome County. Located in the District are the L3 Communications, Link Simulation & Training, Frito Lay, Willow Run Foods, Falchar, Laser Northeast Gathering, American Pipe & Plastics, Inc. Other firms in the County include International Business Machines Corporation (IBM), manufacturing data-processing equipment and computer circuits; Universal Instruments Corporation, manufacturing printed circuit board assembly machines, component preparation machines, and semi-automatic wire termination machines; the Raymond Corporation, manufacturing narrow-aisle electric fork-lift trucks as well as Impress (recycling), Crowley Foods, and Rockwell Collins.

Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Population

The current estimated population of the District is 10,558. (Source: 2015 U.S. Census Bureau estimate)

Five Largest Employers

| <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|------------------------------|------------------|------------------|
| United Health Services | Private Hospital | 5,508 |
| Binghamton University (SUNY) | Education | 5,493 |
| Our Lady of Lourdes Hospital | Private Hospital | 2,361 |
| New York State | Government | 2,034 |
| Broome County | Government | 1,913 |

Appendix C

Five Largest Taxpayers

| <u>Name</u> | <u>Type</u> | <u>Assessed Valuation</u> |
|------------------------------------|------------------------------|---------------------------|
| Laser Northeast Gathering | Utility | \$38,306,813 |
| NYSEG | Utility | 23,304,837 |
| Millennium Pipeline ⁽¹⁾ | Utility | 20,395,367 |
| Willow Run Foods | Food Distributor | 15,971,900 |
| Kirkwood Warehouse Investors, LLC | Public, Commercial Warehouse | 10,000,000 |

⁽¹⁾ Millenium Pipeline has filed a Notice of Petition contesting the Final Special Franchise Full Values that were determined by the NYS Board of Real Property Services (2010, 2011, 2012, and 2013). See following table for specifics:

| <u>Fiscal Year Ending</u> | <u>Full Value</u> | <u>Requested Full Value</u> | <u>Potential Adjustment to Full Value</u> |
|---------------------------|-------------------|-----------------------------|---|
| 2010 | \$ 402,721 | \$ 80,000 | \$ (322,721) |
| 2011 | 360,067 | 80,000 | (280,067) |
| 2012 | 380,057 | 80,000 | (300,057) |
| 2013 | 399,932 | 80,000 | (319,932) |
| 2014 | 399,932 | 80,000 | (319,932) |
| 2015 | 399,932 | 80,000 | (319,932) |
| 2016 | 399,932 | 80,000 | (319,932) |

The District has budgeted \$52,475 for the repayment to the Millenium Pipeline should they be successful in their contest of their Full Values.

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 27.99% 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 Broome County.

| | <u>Year Average</u> | | | | |
|----------------|---------------------|-------------|-------------|-------------|-------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Broome County | 8.7% | 7.8% | 6.6% | 6.0% | 5.4% |
| New York State | 8.5 | 7.7 | 6.3 | 5.3 | 4.8 |

Enrollment

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

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>Projected 2017-18</u> | <u>Projected 2018-19</u> |
|------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| K-12 | 1,820 | 1,781 | 1,777 | 1,704 | 1,697 | 1,700 | 1,700 |

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> |
|----------------------------|--|---------------------------------|
| 10 | Windsor Administrators' Association | June 30, 2017 ⁽¹⁾ |
| 171 | Windsor Teachers' Association | June 30, 2017 ⁽¹⁾ |
| 58 | Windsor Custodial and Transportation Staff | June 30, 2017 ⁽¹⁾ |
| 78 | Windsor School Related Professionals | June 30, 2017 ⁽¹⁾ |
| 4 | Unrepresented Administrators | N/A |

⁽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 2, 2017⁽¹⁾**

| | |
|--|---------------|
| Full Valuation of Taxable Real Property | \$669,033,555 |
| Debt Limit (10% of Full Valuation) | 66,903,356 |
| Gross Indebtedness ⁽²⁾ | \$27,783,229 |
| Less: Exclusions – Estimated Building Aid ⁽³⁾ | 0 |
| Total Net Indebtedness | \$27,783,229 |
| Net Debt Contracting Margin | \$39,120,127 |
| Percentage of Debt Contracting Power Exhausted | 41.53% |

⁽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 \$10,680,000 School District Bonds to DASNY in connection with the refunding of \$12,284,732 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 2015 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: | | | | | |
| Broome | \$158,227,029 | \$15,272,029 | \$142,955,000 | 6.85% | \$9,792,418 |
| Town of: | | | | | |
| Colesville | 45,000 | 0 | 45,000 | 8.41 | 3,785 |
| Kirkwood | 1,175,000 | 1,175,000 | 0 | 75.16 | 0 |
| Sanford | 951,000 | 0 | 951,000 | 4.60 | 43,746 |
| Windsor | 6,180,593 | 0 | 6,180,593 | 99.51 | 6,150,308 |
| Village of: | | | | | |
| Windsor | 7,500 | 7,500 | 0 | 100.00 | 0 |
| | | | | Total | <u><u>\$15,990,256</u></u> |

- (1) Bonds and bond anticipation notes as of close of 2015 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 2, 2017.

Debt Ratios⁽¹⁾

| | <u>Amount</u> | <u>Per Capita⁽²⁾</u> | <u>Percentage of Full Value⁽³⁾</u> |
|---|---------------|---------------------------------|---|
| Gross Indebtedness ⁽⁴⁾ | \$27,783,229 | \$2,631.49 | 4.15% |
| Gross Indebtedness Plus Net Overlapping Indebtedness..... | 43,773,485 | 4,146.00 | 6.54 |

- (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 10,558.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2016-17 of \$669,033,555.
- (4) The District expects to deliver \$10,680,000 School District Bonds to DASNY in connection with the refunding of \$12,284,732 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 a revenue anticipation note since the 2006-2007 fiscal year and does not expect to issue such notes for the foreseeable future.

Capital Project Plans

On January 7, 2013, the Board of Education accepted the vote results in which authorized voters approved a proposition to embark on a capital improvement project in the total project amount of \$15,981,108 (\$794,862 of capital reserve monies and the remaining \$15,186,246 financed through bonding). The District will use capital reserve to offset a portion of the tax impact, taking into account anticipated State Aid. The District issued \$12,400,000 bond anticipation notes on August 19, 2015 as the first borrowing against such authorization. The District, along with \$681,246 available funds, then renewed these bond anticipation notes, and issued \$2,786,246 new monies, to mature on August 8, 2017. The issuance of the DASNY Bonds, along with \$432,750 in available funds, will permanently finance a \$12,554,056 portion of these maturing \$14,505,000 bond anticipation notes. The District plans to permanently finance the remaining \$1,950,944 portion of these notes, along with a \$67,250 in available funds, as a part of a competitive bond issuance in August, 2017.

A \$14,500,000 project was approved by the qualified voters on April 11, 2017 for, reconstruction of various district facilities. The District plans to use \$1,895,000 capital reserve Capital Reserve Funds and \$2,750,000 in appropriated fund balance. The District anticipates borrowing against such authorization in July, 2017.

Other than as described above and the School District Bonds, the District has no authorized and unissued indebtedness for capital or other purposes.

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.

Windsor Central School District
<http://emma.msrb.org/ER1002089-ER780839-ER1182086.pdf>
Base CUSIP: 973675

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 5th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 6th to November 5th. On or about November 6th, uncollected taxes are returnable to the County of Broome 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.

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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>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Towns of: | | | | | |
| Colesville | \$1,642,306 | \$1,675,672 | \$1,705,989 | \$1,716,022 | \$1,715,904 |
| Kirkwood | 206,240,419 | 204,991,150 | 205,854,638 | 211,232,205 | 211,467,948 |
| Sanford | 7,018,438 | 10,526,058 | 14,924,998 | 14,251,872 | 14,323,800 |
| Windsor | 244,992,929 | 244,274,774 | 244,158,768 | 245,207,728 | 254,061,324 |
| Total Assessed Valuation | <u>\$459,894,092</u> | <u>\$461,467,654</u> | <u>\$466,014,393</u> | <u>\$472,407,827</u> | <u>\$481,568,976</u> |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Towns of: | | | | | |
| Colesville | 7.95% | 7.95% | 7.95% | 8.20% | 8.20% |
| Kirkwood | 79.50 | 79.00 | 79.00 | 76.50 | 79.50 |
| Sanford | 66.00 | 60.00 | 57.00 | 58.50 | 59.00 |
| Windsor | 70.00 | 68.00 | 67.00 | 69.00 | 71.00 |
| Taxable Full Valuation | \$640,703,743 | \$657,331,142 | \$671,529,488 | \$676,783,320 | \$669,033,555 |

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

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$11,948,539 | \$12,649,416 | \$13,157,783 | \$13,558,444 | \$14,004,430 |
| % Uncollected When Due ⁽¹⁾ | 6.63% | 6.21% | 6.15% | 5.91% | 5.97% |

⁽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 2017-2018 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> |
|---------------------------|---|--|--|
| 2012-2013 | \$17,121,969 | \$31,446,552 | 54.45% |
| 2013-2014 | 17,920,409 | 33,042,839 | 54.23 |
| 2014-2015 | 18,888,025 | 34,508,588 | 54.73 |
| 2015-2016 | 19,906,230 | 36,178,045 | 55.02 |
| 2016-2017 (Budgeted) | 20,342,026 | 36,687,626 | 55.45 |
| 2017-2018 (Proposed) | 20,932,721 | 37,786,973 | 55.40 |

⁽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 2012-2013 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2017-2018 fiscal year are as follows:

| <u>Fiscal Year</u> | <u>ERS</u> | <u>TRS</u> |
|---------------------------|-------------------|-------------------|
| 2012-2013 | \$392,293 | \$1,269,581 |
| 2013-2014 | 487,794 | 1,817,308 |
| 2014-2015 | 491,099 | 1,947,756 |
| 2015-2016 | 388,925 | 1,596,811 |
| 2016-2017 (Budgeted) | 402,457 | 1,528,906 |
| 2017-2018 (Proposed) | 382,000 | 1,321,198 |

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, 2016, 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 \$40,785,406. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$40,785,406. For the fiscal year ending June 30, 2016, the District's beginning year Net OPEB obligation was \$12,502,454. The District's annual OPEB expense was \$4,103,162 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,401,504 to the Plan for the fiscal year ending June 30, 2016 to 265 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,701,658, for a fiscal year ending June 30, 2016 total net unfunded OPEB obligation of \$15,204,112. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2016 financial statements. The District has reserved \$0 toward its OPEB liability. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB 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 \$860,079 in its General Fund for the fiscal year ended June 30, 2016, resulting in an unassigned General Fund balance of \$1,412,836 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.*”

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> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| 2016-2017 | \$2,047,791 | | \$2,047,791 |
| 2017-2018 | 1,621,359 | \$662,396 | 2,283,755 |
| 2018-2019 | 1,530,863 | 1,140,094 | 2,670,957 |
| 2019-2020 | 1,534,363 | 1,120,894 | 2,655,257 |
| 2020-2021 | 1,530,663 | 1,125,294 | 2,655,957 |
| 2021-2022 | 1,525,013 | 1,143,494 | 2,668,507 |
| 2022-2023 | 1,532,413 | 1,127,744 | 2,660,157 |
| 2023-2024 | 1,532,213 | 1,133,344 | 2,665,557 |
| 2024-2025 | 879,663 | 1,024,844 | 1,904,507 |
| 2025-2026 | 879,163 | 1,029,844 | 1,909,007 |
| 2026-2027 | 78,663 | 1,042,844 | 1,121,507 |
| 2027-2028 | 36,225 | 1,063,344 | 1,099,569 |
| 2028-2029 | | 1,040,844 | 1,040,844 |
| 2029-2030 | | 1,042,344 | 1,042,344 |
| 2030-2031 | | 1,026,594 | 1,026,594 |
| 2031-2032 | | 704,344 | 704,344 |
| 2032-2033 | | 25,844 | 25,844 |

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**SUMMARY OF CERTAIN PROVISIONS
OF THE FINANCING AGREEMENTS**

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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;

Appendix D

(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;

(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, the Authority shall direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used in an account to pay the Refunded Obligations as they become due. Amounts in such account shall be held uninvested or invested as directed by the Authority in Government Obligations. Earnings, if any, on such amounts shall 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 Financing 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. Disbursements will be made from such account only (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.

(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 or (ii) to the extent that the unspent proceeds of the Refunded Obligations are not needed to complete the Project, the School District shall apply such proceeds to pay the Refunded Obligations as they become due. In either case, the School District shall, prior to the issuance of DASNY Bonds, transfer any unspent proceeds of the Refunded Obligations to 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 shall be invested as directed by the School District in accordance with the General Municipal Law.

(E) The School District expressly acknowledges and agrees that DASNY shall have the right to obtain and review the records of the Bank relating to accounts established for the School District pursuant to the Agreement (i) agrees to deliver to DASNY on a monthly basis bank statements with respect to such accounts, and (ii) authorizes the Bank to deliver copies of such records to DASNY upon request of DASNY. The School District covenants and agrees to maintain records as required by the Arbitrage and Use of Proceeds Certificate, including but not limited to records with respect to Project costs, expenditure of proceeds of the Loan and investment of proceeds of the Loan, for a period of not less than three (3) years subsequent to the maturity or earlier redemption of the DASNY Bonds (or, if the School District Bonds are refunded by tax-exempt obligations three (3) years after such tax-exempt obligations are retired) and expressly acknowledges and agrees to provide copies of such records to DASNY upon request.

(Section 3.4)

Appendix D

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)

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

Appendix D

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 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)

Appendix D

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 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**

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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.

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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)

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)

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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)

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

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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 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)

Appendix E

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 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

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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 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 Barclay Damon, LLP

[Date of Delivery of the Series 2017A Bonds, Series 2017B Bonds,
Series 2017C Bonds and Series 2017D Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$284,820,000 Dormitory Authority of the State of New York
School Districts Revenue Bond Financing Program Revenue Bonds
\$92,135,000 Series 2017A (the "Series 2017A Bonds")
\$131,050,000 Series 2017B (the "Series 2017B Bonds")
\$39,485,000 Series 2017C (the "Series 2017C Bonds")
\$22,150,000 Series 2017D (the "Series 2017D 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 \$284,820,000 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 2017 Resolutions"), adopted March 8, 2017. The Master Resolution and the Series 2017 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 2017A Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the "Series 2017A Financing Agreements"), with the school districts identified on Schedule A (the "Series 2017A School Districts") providing, among other things, for a loan to the Series 2017A School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution. With respect to the Series 2017B Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the "Series 2017B Financing Agreements"), with the school districts identified on Schedule A (the "Series 2017B School Districts") providing, among other things, for a loan to the Series 2017B School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution. With respect to the Series 2017C Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the "Series 2017C Financing Agreements"), with the school districts identified on Schedule A (the "Series 2017C School Districts") providing, among other things, for a loan to the Series 2017C School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution. With respect to the Series 2017D Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the "Series 2017D Financing Agreements"), with the school districts identified on Schedule A (the "Series 2017D School Districts") providing, among other things, for a loan to the Series 2017D School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution.

Pursuant to the Series 2017A Financing Agreements, the Series 2017A 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 2017A 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 2017A Bonds. Pursuant to the Series 2017B Financing Agreements, the Series 2017B 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 2017B Bonds as the same become due, which payments have been pledged by the Authority to the Trustee for the benefit of the holders

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of the Series 2017B Bonds. Pursuant to the Series 2017C Financing Agreements, the Series 2017C 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 2017C 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 2017C Bonds. Pursuant to the Series 2017D Financing Agreements, the Series 2017D 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 2017D 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 2017D 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 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, Barclay Damon, 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 2017 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 2017 Resolutions, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2017 Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2017 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 2017 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2017 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.

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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).

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 2017A Bond, an executed Series 2017B Bond, an executed Series 2017C Bond and an executed Series 2017D Bond, and the forms of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE A

Series 2017A:

Averill Park Central School District
Chazy Central Rural School District
Edwards-Knox Central School District
Fillmore Central School District
Frewsburg Central School District
Hancock Central School District
Holland Patent Central School District
Johnson City Central School District
Marathon Central School District
Scio Central School District
Susquehanna Valley Central School District at Conklin
Thousand Islands Central School District
Waterville Central School District
Whitesboro Central School District
Windsor Central School District

Series 2017B:

Alfred-Almond Central School District
Belleville Henderson Central School District
Churchville-Chili Central School District
City School District of the City of Binghamton
City School District of the City of Fulton
City School District of the City of Rome
Fredonia Central School District
Greene Central School District
Indian River Central School District at Philadelphia
Lansing Central School District
Lowville Central School District
Malone Central School District
North Syracuse Central School District
Phelps-Clifton Springs Central School District
Rotterdam-Mohonasen Central School District
Union-Endicott Central School District
West Genesee Central School District

Series 2017C:

Akron Central School District
Cazenovia Central School District
East Rochester Union Free School District
Homer Central School District
LaFayette Central School District

Series 2017D:

Baldwinsville Central School District
Webster Central School District

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[Date of Delivery of the Series 2017E Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$17,690,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds Series 2017E

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 \$17,690,000 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 2017 Resolution"), adopted March 8, 2017. The Master Resolution and the Series 2017 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 March 8, 2017 (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 2017 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, Barclay Damon, 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:

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

Appendix F

terms. The Master Resolution and the Series 2017 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 2017 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the Series 2017 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the Series 2017 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 2017 Resolution, and will be entitled to the benefit of the Master Resolution, the Series 2017 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 bond and its execution are regular and proper.

Very truly yours,

SCHEDULE A

Series 2017E:

City School District of the City of Utica

Appendix F

Forms of Approving Opinions of Marous Law Group, P.C.

[Date of Delivery of the Series 2017A Bonds, Series 2017B Bonds,
Series 2017C Bonds and Series 2017D Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$284,820,000 Dormitory Authority of the State of New York
School Districts Revenue Bond Financing Program Revenue Bonds
\$92,135,000 Series 2017A (the “Series 2017A Bonds”)
\$131,050,000 Series 2017B (the “Series 2017B Bonds”)
\$39,485,000 Series 2017C (the “Series 2017C Bonds”)
\$22,150,000 Series 2017D (the “Series 2017D 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 \$284,820,000 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 2017 Resolutions”), adopted March 8, 2017. The Master Resolution and the Series 2017 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 2017A Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the “Series 2017A Financing Agreements”), with the school districts identified on Schedule A (the “Series 2017A School Districts”) providing, among other things, for a loan to the Series 2017A School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution. With respect to the Series 2017B Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the “Series 2017B Financing Agreements”), with the school districts identified on Schedule A (the “Series 2017B School Districts”) providing, among other things, for a loan to the Series 2017B School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution. With respect to the Series 2017C Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the “Series 2017C Financing Agreements”), with the school districts identified on Schedule A (the “Series 2017C School Districts”) providing, among other things, for a loan to the Series 2017C School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution. With respect to the Series 2017D Bonds, the Authority has entered into Financing Agreements, dated as of March 8, 2017 (the “Series 2017D Financing Agreements”), with the school districts identified on Schedule A (the “Series 2017D School Districts”) providing, among other things, for a loan to the Series 2017D School Districts for the purposes permitted thereby and by the Master Resolution and the applicable Series 2017 Resolution.

Pursuant to the Series 2017A Financing Agreements, the Series 2017A 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 2017A 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 2017A Bonds. Pursuant to the Series 2017B Financing Agreements, the Series 2017B 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 2017B 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 2017B Bonds. Pursuant to the Series 2017C Financing Agreements, the Series 2017C 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 2017C 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 2017C Bonds. Pursuant to the Series 2017D Financing Agreements, the Series 2017D 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 2017D 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 2017D 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 2017 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 2017 Resolutions, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the applicable Series 2017 Resolutions permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the applicable Series 2017 Resolutions.

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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 2017 Resolution, and will be entitled to the benefit of the Master Resolution, the applicable Series 2017 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.

We have also examined an executed Series 2017A Bond, an executed Series 2017B Bond, an executed Series 2017C Bond and an executed Series 2017D Bond, and the forms of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE A

Series 2017A:

Averill Park Central School District
Chazy Central Rural School District
Edwards-Knox Central School District
Fillmore Central School District
Frewsburg Central School District
Hancock Central School District
Holland Patent Central School District
Johnson City Central School District
Marathon Central School District
Scio Central School District
Susquehanna Valley Central School District at Conklin
Thousand Islands Central School District
Waterville Central School District
Whitesboro Central School District
Windsor Central School District

Series 2017B:

Alfred-Almond Central School District
Belleville Henderson Central School District
Churchville-Chili Central School District
City School District of the City of Binghamton
City School District of the City of Fulton
City School District of the City of Rome
Fredonia Central School District
Greene Central School District
Indian River Central School District at Philadelphia
Lansing Central School District
Lowville Central School District
Malone Central School District
North Syracuse Central School District
Phelps-Clifton Springs Central School District
Rotterdam-Mohonasen Central School District
Union-Endicott Central School District
West Genesee Central School District

Series 2017C:

Akron Central School District
Cazenovia Central School District
East Rochester Union Free School District
Homer Central School District
LaFayette Central School District

Series 2017D:

Baldwinsville Central School District
Webster Central School District

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[Date of Delivery of the Series 2017E Bonds]

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$17,690,000 Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Revenue Bonds Series 2017E

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 \$17,690,000 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 2017 Resolution"), adopted March 8, 2017. The Master Resolution and the Series 2017 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 March 8, 2017 (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 2017 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 2017 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 2017 Resolution, except the Arbitrage Rebate Fund created thereby, subject to the provisions of the Master Resolution and the Series 2017 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution and the Series 2017 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 2017 Resolution, and will be entitled to the benefit of the Master Resolution, the Series 2017 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.

We have also examined an executed Bond, and the form of said bond and its execution are regular and proper.

Very truly yours,

Appendix F

SCHEDULE A

Series 2017E:

City School District of the City of Utica

**FORM OF
CONTINUING DISCLOSURE AGREEMENT**

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FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS AGREEMENT, dated the date of issuance of the Bonds (defined below) (the “Agreement”), is made by and among the Authority, the School District and the Trustee, each as defined below in Section 1.

In order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 (as hereinafter defined), the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Holders as follows:

Section 1. Definitions. Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in Rule 15c2-12, or to the extent not in conflict with Rule 15c2-12, in the Resolution.

“Agreement” shall mean this Agreement as the same from time to time may be amended and supplemented in accordance with the terms hereof.

“Annual Information” shall mean the information specified in Section 3 hereof.

“Authority” shall mean the Dormitory Authority of the State of New York, a public benefit corporation of the State of New York and the issuer of the Bonds, and any successor thereto.

“Bonds” shall mean the Dormitory Authority of the State of New York School Districts Revenue Bond Financing Program Bonds, Series 2017A, Series 2017B, Series 2017C, Series 2017D and Series 2017E.

“DTC” shall mean The Depository Trust Company, New York, New York, which is acting as the Depository for the Bonds within the meaning of the Resolution.

“EMMA” means the Electronic Municipal Market Access System of the MSRB.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“GAAS” shall mean generally accepted auditing standards as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Bonds and for the purpose of Section 5 of this Agreement only, if registered in the name of DTC (or a nominee thereof) or in the name of any other entity (or a nominee thereof) that acts as a “clearing corporation” within the meaning of the New York Uniform Commercial Code and is a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, any beneficial owner of Bonds.

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

“Outstanding” shall mean Outstanding within the meaning of the Resolution.

“Rating Agency” shall mean S&P, Moody’s or any other nationally recognized rating service which has assigned a rating to the Bonds.

“Resolution” shall mean the Authority’s Master School Districts Financing Program Revenue Bond Resolution, together with the Series Resolution adopted thereunder authorizing the issuance of the Bonds.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Agreement.

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“School District” shall mean the School District executing this Agreement and, an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12.

“Trustee” shall mean U.S. Bank National Association, a banking corporation organized and existing under the laws of the United States.

“Underwriter” shall mean the underwriter or underwriters that have contracted to purchase the Bonds from the Authority upon initial issuance.

Section 2. Obligations to Provide Continuing Disclosure.

(i) Obligations of the School District and the Trustee.

(a) The School District hereby undertakes, for the benefit of the Holders, to provide, no later than 180 days after the end of each of its fiscal years, commencing with the School District’s current fiscal year (unless audited financial statements for the School District’s most recently completed fiscal year have not, as of the date hereof, been provided to EMMA, in which case such obligation shall commence with the School District’s most recently completed fiscal year), to EMMA, the Annual Information relating to such fiscal year, together with audited financial statements of the School District for such fiscal year provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided and such audited financial statements shall be delivered to EMMA when they become available.

(b) In addition, the School District and the Trustee shall immediately notify the Authority in writing of the occurrence of any of the fourteen events listed in Section 2(ii)(a) hereof upon gaining actual knowledge of the occurrence of any such event.

(c) The School District shall provide to EMMA, in a timely manner, notice of a failure by the School District to comply with Section 2(i)(a) hereof.

(ii) Obligations of the Authority. The Authority hereby undertakes, for the benefit of Holders, to provide to EMMA, in a timely manner not in excess of ten (10) business days following the occurrence of any of the following events with respect to the Bonds (“Listed Events”), notice of any of the Listed Events provided, however, that the Authority shall have no obligation to provide notice of the Listed Events set forth in paragraphs 12 or 13 hereof, unless the Authority shall have received written notice thereof from the School District as provided in subsection (i)(b) of this Section 2:

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 Bonds, or other material events affecting the tax status of the Bonds;
7. modification to rights of bondholders, if material;
8. bond calls, if material and tender offers;

9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the School District;
13. the consummation of a merger, consolidation, or acquisition involving the School District or sale of all or substantially all of the assets of the 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 of name of a trustee, if material.

(iii) Termination of Disclosure Obligation. The obligations of the School District pursuant to Section 2(i) hereof and of the Authority pursuant to Section 2(ii) hereof may be terminated if such School District is no longer an “obligated person” as defined in Rule 15c2-12.

(iv) Other Information. Nothing herein shall be deemed to prevent the Authority or the School District from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Authority or the School District should disseminate any such additional information, the Authority or the School District shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(v) Electronic Format. All documents, reports, notices, statements, information and other materials provided to the MSRB and EMMA under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 3. Annual Information.

(i) Specified Information. The Annual Information shall consist of the following:

(a) operating data and financial information relating to the School District of the type included in Appendix C to the Official Statement (only to the extent that this information is not included in the audited financial statements of the School District); together with

(b) a *narrative explanation*, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the School District and in judging the financial and operating condition of the School District.

(ii) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with EMMA or the MSRB.

(iii) Informational Categories. The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

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Section 4. Financial Statements.

The School District's annual financial statements for each fiscal year shall be prepared in accordance with GAAP unless applicable accounting principles are otherwise disclosed in the Official Statement and audited by an independent accounting firm in accordance with GAAS.

Section 5. Remedies.

The sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of the parties hereunder. No person or entity shall be entitled to recover any monetary damages hereunder under any circumstances. The School District and the Authority may be compelled to comply with their respective obligations to provide information required under this Agreement by any Holder or by the Trustee on behalf of the Holders; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Bonds at the time Outstanding.

Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Resolution or an event of default under any other agreement executed and delivered in connection with the issuance of the Bonds including, but not limited to, the Financing Agreement.

Section 6. Parties in Interest.

This Agreement is executed and delivered solely for the benefit of the Holders. No other person (other than the Trustee on behalf of the Holders) shall have any right to enforce the provisions hereof or any other rights hereunder, except that the Authority shall have the right to enforce the provisions hereof and to assert rights hereunder.

Section 7. Amendments.

Without the consent of any Holders or the Credit Facility Provider, the Authority, the School District, and the Trustee at any time and from time to time may enter into amendments or changes to this Agreement for any of the following purposes:

(i) to comply with or conform to any changes in Rule 15c2-12 or any formal authoritative interpretations thereof by the Securities and Exchange Commission or its staff (whether required or optional);

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the School District, the Trustee or the Authority and the assumption by any such successor of the covenants of the School District, the Trustee or the Authority hereunder;

(iv) to add to the covenants of the School District or the Authority for the benefit of the Holders, or to surrender any right or power herein conferred upon the School District or the Authority;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under Rule 15c2-12, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission; or its staff; or

(vi) for any other purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Authority or the School District or any type of business or affairs conducted by either; (b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments or formal authoritative

interpretations by the Securities and Exchange Commission of Rule 15c2-12, as well as any change in circumstances; and (c) the amendment does not materially impair the interests of the Holders, as determined either by the Trustee or by nationally recognized bond counsel.

(In determining whether or not there is such an adverse effect, the Trustee may rely upon an opinion of nationally recognized bond counsel).

Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year.

If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles for the fiscal year in which such change is made. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the School District to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in accounting principles shall be sent to the Authority and to EMMA.

Section 8. Termination.

This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or defeased pursuant to the Resolution; provided, however, that if Rule 15c2-12 (or successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided, further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder.

Section 9. No Authority or Trustee Responsibility.

The parties acknowledge that neither the Authority nor the Trustee have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Agreement other than as specified in Section 2 hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under said Section 2. The Trustee shall be indemnified and held harmless in connection with this Agreement to the same extent provided in the Resolution for matters arising thereunder. The Authority (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 Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided.

Section 10. Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW.

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Appendix G

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement.

U.S. BANK NATIONAL ASSOCIATION, as Trustee
for the benefit of the Bondholders

THE DORMITORY AUTHORITY
OF THE STATE OF NEW YORK, Issuer

By: _____
Authorized Officer

By: _____
Authorized Officer

SCHOOL DISTRICT: _____
Obligated Person

By: _____
Name:
Title:

**SCHEDULE A TO CONTINUING DISCLOSURE AGREEMENT
DATED _____, 2017**

_____ **SCHOOL DISTRICT**

The table below identifies the maturity dates and CUSIP numbers for the **DORMITORY AUTHORITY OF THE STATE OF NEW YORK SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS, SERIES 2017**__ payment of which (in whole or in part) is supported by payments of principal of and interest on bonds issued by the above-referenced School District on _____, 2017

Due

CUSIP

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SPECIMEN OF AGM MUNICIPAL BOND INSURANCE POLICY

Appendix H

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, 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 Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AGM. 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 AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

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 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 AGM 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent 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 and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM 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 AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

SPECIMEN OF BAM MUNICIPAL BOND INSURANCE POLICY

Appendix I

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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.

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

SPECIAL MEMBER

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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