



\$216,665,000			
DORMITORY AUTHORITY OF THE STATE OF NEW YORK			
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS			
\$190,555,000	\$14,880,000	\$7,615,000	\$3,615,000
SERIES 2016A	SERIES 2016B	SERIES 2016C	SERIES 2016D
Dated: Date of Delivery		Due: As shown on the inside cover	

Payment and Security: The School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016B (the "Series 2016B Bonds"), the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016C (the "Series 2016C Bonds"), and the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016D (the "Series 2016D Bonds") and, together with the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds, the "Series 2016 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 April 1, 2016, 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 April 15, 2015 authorizing such Series (individually, the "Series 2016A Resolution," the "Series 2016B Resolution," the "Series 2016C Resolution" and the "Series 2016D Resolution" and, together, the "Series 2016 Resolutions"). The Master Resolution and the Series 2016 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 2016 Bonds and no real property of any School District secures the Series 2016 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 2016 Bonds relating to such Agreement. The principal and redemption price of and interest on the School District Bonds ("Loan Repayments") are scheduled to be sufficient to repay, when due, the principal and redemption price of and interest on the Loan. Each School District is also required under its respective Agreement to pay such amounts as are required to be paid under such Agreement, including the fees and expenses of DASNY and the Trustee. To secure its payment of all amounts due under its Agreement, each School District under its Agreement has assigned and pledged to DASNY a sufficient portion of public funds apportioned or otherwise made payable by the State to such School District (the "Pledged Revenues"). Each School District has directed and acknowledged that the Pledged Revenues are to be paid directly to the Trustee pursuant to an assignment by DASNY as provided in the Act (as defined herein) and the Memorandum of Understanding among DASNY, the Comptroller of the State and the Commissioner of Education of the State upon the occurrence of certain events of default under its respective Agreement. Each Series of the Series 2016 Bonds will be separately secured by the pledge and assignment to the Trustee of the payments to be made by each School District to DASNY under its respective Agreement and on the School District Bonds and DASNY's interest in the Pledged Revenues pledged and assigned to DASNY under the Agreements.

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

No School District is obligated to make payments on behalf of any other School District nor are the Pledged Revenues of any School District pledged to secure the obligation of any other School District. A default by any School District could cause a default on the applicable Series of the Series 2016 Bonds. See "PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS."

The Series 2016 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 2016 Bonds as set forth on the inside cover page of this Official Statement (collectively, the "Insured Bonds") when due will be guaranteed under the municipal bond insurance policies (collectively, the "Policy") to be issued concurrently with the delivery of the Insured Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer").



Description: The Series 2016 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due each April 1 and October 1, commencing October 1, 2016) on the Series 2016 Bonds will be payable by check or draft mailed to the registered owners of the Series 2016 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 2016 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 2016 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 2016 Bonds, by wire transfer to the owner of such Series of Series 2016 Bonds as more fully described herein.

The Series 2016 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 2016 Bonds will be made in Book-Entry form without certificates. So long as DTC or its nominee is the registered owner of the Series 2016 Bonds, payments of the principal of and interest on such Series of Series 2016 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 2016 BONDS – Book-Entry Only System" herein.

Redemption: *The Series 2016 Bonds are subject to redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, Co-Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Co-Bond Counsel, interest on the Series 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Co-Bond Counsel observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Co-Bond Counsel are also of the opinion that interest on the Series 2016 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). Co-Bond Counsel express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2016 Bonds. See "PART 10 – TAX MATTERS" herein.

The Series 2016 Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2016 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 Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Winston & Strawn LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York, and for each School District by its respective bond counsel as listed in Appendix B hereto. DASNY expects to deliver the Series 2016 Bonds in New York, New York, on or about May 27, 2016.

RBC Capital Markets Fidelity Capital Markets Piper Jaffray & Co.	Jefferies Ramirez & Co., Inc.	Roosevelt & Cross Incorporated Loop Capital Markets Raymond James
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\$216,665,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS

\$190,555,000
SERIES 2016A

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$655,000	2.000%	0.400%	64990BG56	2025	\$8,220,000	5.000%	1.870%	64990BH63
2017	140,000	2.000	0.750	64990BG64	2026	4,790,000	5.000	2.020	64990BH71
2018	145,000	2.000	0.870	64990BG72	2026	3,000,000	3.000	2.020	64990BP49
2019	3,660,000	3.000	1.020	64990BG80	2027	7,210,000	5.000	2.150 ⁽²⁾	64990BH89
2020	19,430,000	4.000	1.150	64990BK36	2028	7,560,000	5.000	2.260 ⁽²⁾	64990BH97
2020	225,000	3.000	1.150	64990BG98	2029	7,105,000	5.000	2.330 ⁽²⁾	64990BJ20
2020	5,000,000	2.000	1.150	64990BP31	2030	4,340,000	5.000	2.380 ⁽²⁾	64990BJ38
2021	24,195,000	5.000	1.300	64990BK44	2031	4,005,000	5.000	2.440 ⁽²⁾	64990BJ46
2021	310,000	3.000	1.300	64990BH22	2032	3,735,000	5.000	2.500 ⁽²⁾	64990BJ53
2022	22,845,000	5.000	1.450	64990BK51	2033	3,925,000	5.000	2.530 ⁽²⁾	64990BJ61
2022	2,735,000	4.000	1.450	64990BH30	2034	2,040,000	5.000	2.590 ⁽²⁾	64990BP56
2023	9,865,000	5.000	1.580	64990BK69	2034 [†]	2,010,000	3.000	3.020	64990BJ79
2023	16,085,000	4.000	1.580	64990BH48	2035 [†]	3,675,000	3.000	3.060	64990BJ87
2024	19,225,000	5.000	1.720	64990BK77	2036 [†]	1,980,000	3.125	3.140	64990BJ95
2024	1,000,000	4.000	1.720	64990BH55					

\$1,445,000 3.250% Term Bonds due October 1, 2039[†], Yield: 3.260% CUSIP⁽¹⁾ 64990BK28

\$14,880,000
SERIES 2016B

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$65,000	2.000%	0.540%	64990BK85	2021	\$3,215,000	4.000%	1.250%	64990BL50
2017	55,000	2.000	0.730	64990BK93	2022	3,345,000	4.000	1.400	64990BL68
2018	55,000	2.000	0.830	64990BL27	2023	2,010,000	5.000	1.530	64990BL76
2019	1,295,000	2.000	0.970	64990BL35	2024	1,720,000	5.000	1.670	64990BL84
2020	3,120,000	3.000	1.100	64990BL43					

\$7,615,000
SERIES 2016C

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$40,000	2.000%	0.540%	64990BL92	2021	\$1,555,000	4.000%	1.250%	64990BM67
2017	35,000	2.000	0.730	64990BM26	2022	1,625,000	4.000	1.400	64990BM75
2018	35,000	2.000	0.830	64990BM34	2023	1,200,000	5.000	1.530	64990BM83
2019	820,000	2.000	0.970	64990BM42	2024	795,000	5.000	1.670	64990BM91
2020	1,510,000	3.000	1.100	64990BM59					

\$3,615,000
SERIES 2016D[†]

<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>Oct. 1.</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2016	\$10,000	2.000%	0.540%	64990BN25	2021	\$685,000	4.000%	1.300%	64990BN74
2017	5,000	2.000	0.750	64990BN33	2022	710,000	5.000	1.450	64990BN82
2018	5,000	2.000	0.870	64990BN41	2023	745,000	5.000	1.580	64990BN90
2019	5,000	2.000	1.020	64990BN58	2024	785,000	5.000	1.720	64990BP23
2020	665,000	3.000	1.150	64990BN66					

⁽¹⁾ Copyright, American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of ABA by S&P Capital IQ, a division of McGraw Hill Financial, 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 2016 Bonds. Neither DASNY nor the Underwriters are responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2016 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2016 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2016 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2016 Bonds.

⁽²⁾ Priced at stated yield to the October 1, 2026 optional redemption date at a redemption price of 100% of the principal amount of such Series 2016A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

[†] Insured by Build America Mutual Assurance Company.

No dealer, broker, salesperson or other person has been authorized by DASNY, the School Districts or the Underwriters to give any information or to make any representations with respect to the Series 2016 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 2016 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 2016 Resolutions, the Agreements, the School District Bonds and the Policy do not purport to be complete. Refer to the Act, the Master Resolution, the Series 2016 Resolutions, the Agreements, the School District Bonds and the Policy for full and complete details of their provisions. Copies of the Master Resolution, the Series 2016 Resolutions, the Agreements, the School District Bonds and the Policy are on file with DASNY and/or the Trustee.

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

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

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

Certain information in this Official Statement has been supplied or authorized by the School Districts, DTC, the Insurer and other sources that DASNY believes are reliable. DASNY does not guarantee the accuracy or completeness of such information, and such information is not to be construed as a representation of DASNY. See “PART 18 – SOURCES OF INFORMATION AND CERTIFICATIONS” of the Official Statement for a description of the various sources of information.

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

BAM makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS – Bond Insurance” and “Appendix I – Specimen 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 2016 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.

TABLE OF CONTENTS

Part	Page	Part	Page
PART 1 – INTRODUCTION	1	PART 6 – ESTIMATED SOURCES AND USES OF FUNDS	24
Purpose of the Official Statement	1	PART 7 – DASNY	24
Purpose of the Series	1	Background, Purposes and Powers	24
Authorization of Issuance	2	Governance	25
DASNY	2	Claims and Litigation	28
The School Districts	2	Other Matters	29
The Series 2016 Bonds	2	PART 8 – LEGALITY OF THE SERIES 2016 BONDS FOR	
Payment of the Series 2016 Bonds	3	INVESTMENT AND DEPOSIT	29
Security for the Series 2016 Bonds	3	PART 9 – NEGOTIABLE INSTRUMENTS	29
Bond Insurance	4	PART 10 – TAX MATTERS	29
PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE		PART 11 – STATE NOT LIABLE ON THE SERIES 2016 BONDS	31
SERIES 2016 BONDS	4	PART 12 – COVENANT BY THE STATE	31
Payment of the Series 2016 Bonds	4	PART 13 – LEGAL MATTERS	31
Security for the Series 2016 Bonds	5	PART 14 – UNDERWRITING	32
Additional Bonds and Other Indebtedness	6	PART 15 – CONTINUING DISCLOSURE	33
General	7	PART 16 – VERIFICATION OF MATHEMATICAL	
Defaults and Remedies under the Agreement	8	COMPUTATIONS	33
Default and Remedies under the Master Resolution	8	PART 17 – RATINGS	33
The Refunding Plan	9	PART 18 – SOURCES OF INFORMATION AND	
Bond Insurance	9	CERTIFICATIONS	34
Build America Mutual Assurance Company	9	Appendix A – Definitions	A-1
Bond Insurance Risk Factors	11	Appendix B – List of the School Districts and Principal	
PART 3 – THE SERIES 2016 BONDS	11	Amount of Each School District’s Loan	B-1
Description of the Series 2016 Bonds	11	Appendix C – Certain Financial and Economic Information Relating to the	
Redemption Provisions	12	School Districts	C-1
Book-Entry Only System	13	Appendix D – Summary of Certain Provisions of the	
Principal and Interest Requirements	16	Financing Agreements	D-1
PART 4 – THE SCHOOL DISTRICTS	17	Appendix E – Summary of Certain Provisions of the	
Summaries of Constitutional and Statutory Debt Provisions	17	Master Resolution	E-1
Special Provisions Affecting Remedies on Default	19	Appendix F – Form of Approving Opinions of Co-Bond	
Financial Factors	20	Counsel	F-1
Fiscal Stress Monitoring	23	Appendix G – Bonds to Be Refunded	G-1
Litigation	23	Appendix H – Form of Continuing Disclosure Agreement	H-1
PART 5 – THE REFUNDING PLAN	23	Appendix I – Specimen of Municipal Bond Insurance Policy	I-1

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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

\$216,665,000

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

\$190,555,000
SERIES 2016A

\$14,880,000
SERIES 2016B

\$7,615,000
SERIES 2016C

\$3,615,000
SERIES 2016D

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 \$190,555,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016A (the “Series 2016A Bonds”), \$14,880,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016B (the “Series 2016B Bonds”), \$7,615,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016C (the “Series 2016C Bonds”), and \$3,615,000 aggregate principal amount of the School Districts Revenue Bond Financing Program Revenue Bonds, Series 2016D (the “Series 2016D Bonds” and, together with the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds, the “Series 2016 Bonds”).

The following is a brief description of certain information concerning each Series of the Series 2016 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 2016 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 2016 Bonds are being issued and the proceeds thereof together with other funds available to DASNY will be used to refund certain of DASNY’s outstanding School Districts Revenue Bond Financing Program Revenue Bonds identified in Appendix G (the “Refunded Bonds”) that were originally 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 2016 Bonds). Proceeds from the sale of the Series 2016 Bonds will be used to (i) provide, together with other available funds, for payment of the principal and Redemption Price of the Refunded Bonds and accrued interest on the Refunded Bonds to their respective redemption dates and (ii) pay the Costs of Issuance of the Applicable Series of Series 2016 Bonds. The School Districts for which the Series 2016 Bonds are being issued are listed in Appendix B hereto. See “PART 5 – THE REFUNDING PLAN” and “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 2016 Bonds will be issued pursuant to the Master Resolution, the applicable Series 2016 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 2016 Bonds for which it is obligated to pay. See “Appendix B – List of the School Districts and Principal Amount of Each School District’s Loan.”

The Master Resolution authorizes the issuance of multiple Series of Bonds. Each Series of Bonds is to be separately secured by (i) the funds and accounts established pursuant to a Series Resolution, (ii) certain payments to be made under an Agreement by a school district receiving a Loan to be funded from the proceeds of the particular Series and (iii) the pledge and assignment by the school district in its Agreement of the portion of certain public funds apportioned or otherwise made payable by a State to the school district (the “Pledged Revenues”). No school district will be responsible for the payment obligations of any other school district nor will the Pledged Revenues pledged and assigned by a school district be available to satisfy the obligations of any other school district. None of the funds and accounts established under any Series Resolution or the pledge of the Pledged Revenues to secure a Series of Bonds shall secure any other Series of Bonds. However, if more than one Series of Bonds has been or will be issued to finance or refinance projects for a particular school district, the Pledged Revenues assigned by such school district will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 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, 2015 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 2016 Bonds

The Series 2016 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 2016 Bonds is payable each April 1 and October 1, commencing October 1, 2016. See “PART 3 – THE SERIES 2016 BONDS – Description of the Series 2016 Bonds.”

Payment of the Series 2016 Bonds

Each Series of the Series 2016 Bonds is a special obligation of DASNY payable solely from the payments to be made by the applicable School Districts under the applicable Agreements and the Pledged Revenues of each School District with respect to such Series of Series 2016 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 2016 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 2016 Bonds and the Pledged Revenues in respect of such Series 2016 Bonds have been pledged to the Trustee to secure solely such Series 2016 Bonds and no other Series of Bonds. However, if more than one Series of Bonds has been or will be issued to finance or refinance projects for a particular School District, the Pledged Revenues assigned by such School District will be pledged to secure all such Series of Bonds on a parity basis. See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 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 2016 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 2016 Bonds” below. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to the Insured Bonds (defined herein), the only other source of payment for such Insured Bonds will be the payment made by the Insurer (defined herein) under the Policy (defined herein). If a School District fails to pay amounts due under its Agreement, DASNY’s sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, neither DASNY, the Trustee nor the Holders of the Series 2016 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 2016 BONDS – Payment of the Series 2016 Bonds” and “– Security for the Series 2016 Bonds.”

Security for the Series 2016 Bonds

Each Series of the Series 2016 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 2016 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 2016 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 2016 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 2016 BONDS – Security for the Series 2016 Bonds” and “– Bond Insurance.” See also “PART 4 – THE SCHOOL DISTRICTS – Special Provisions Affecting Remedies on Default” and “– Financial Factors – *State Aid*” and “Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – State Aid.”

Bond Insurance

The scheduled payment of principal of and interest on certain of the Series 2016 Bonds as set forth on the inside cover page of this Official Statement (collectively, the “Insured Bonds”) when due will be guaranteed under the municipal bond insurance policies (collectively, the “Policy”) to be issued concurrently with the delivery of the Insured Bonds by Build America Mutual Assurance Company (“BAM” or the “Insurer”). See “PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS – Bond Insurance.”

PART 2 – SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 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 2016 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 2016 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 2016 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 2016 Bonds

Each Series of the Series 2016 Bonds will be special obligations of DASNY. The principal and Redemption Price of and interest on each Series of the Series 2016 Bonds are payable solely from the Revenues pledged to such Series 2016 Bonds. The Revenues consist of the payments paid by the applicable School District under its Agreement in respect of such Series 2016 Bonds, including Loan Repayments and the Pledged Revenues. The Revenues and the right to receive them in respect of each Series of the Series 2016 Bonds have been pledged to the Trustee for the payment of such Series 2016 Bonds.

Loan Repayments in respect of each Series of the Series 2016 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 2016 Bonds and which amounts in the aggregate are scheduled to be sufficient to pay principal of and interest on such Series 2016 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 2016 Bonds may result in an intercept of the Pledged Revenues of such School District in an amount required to pay such deficiency. If such Pledged Revenues are insufficient to pay the full amount of the deficiency, then, to the extent such deficiency corresponds to the Insured Bonds, the only other source of payment for such Insured Bonds will be the payment made by the Insurer under the Policy. If a School District fails to pay amounts due under its Agreement, DASNY’s sole recourse will be against the defaulting School District and no other School District. Further, upon the occurrence of an event of default, none of DASNY, the Trustee or the holders of the Series 2016 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 2016 Bonds

Each Series of the Series 2016 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 2016 Bonds, all funds and accounts authorized by the Master Resolution and established by the applicable Series 2016 Resolution (with the exception of the Arbitrage Rebate Fund), and DASNY's security interest in the Pledged Revenues in respect of such Series 2016 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 2016 Bonds relating to the Loan of such School District. There is no debt service reserve fund securing the Series 2016 Bonds. Pursuant to the terms of the Master Resolution, the funds and accounts established by a Series Resolution secure only the Bonds of such Series and do not secure any other Series of Bonds issued under the Master Resolution. See “– 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 Series 2016 Bonds are not secured by any interest in any real property (including the school district capital facilities and school district capital equipment financed or refinanced by a Series of Bonds) of any School District. The School District Bonds are general obligations of the applicable School District. Each School District will pledge its full faith and credit to the payment of the principal of and interest on the School District Bonds it delivers to DASNY and has the power and is required under State statutes to levy and collect ad valorem taxes on all taxable property within the School District for such payment. Each School District's obligation to pay the amounts due under its respective Agreement is absolute and unconditional without any right of set-off, recoupment or counterclaim against DASNY. The School District Bonds will be held by DASNY and will not be assigned to the Trustee.

DASNY has covenanted for the benefit of the Holders of each Series of the Series 2016 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 2016 Bonds, the proceeds of such Series 2016 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 2016 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 2016 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 2016 Bonds, have been paid or otherwise discharged. The Pledged Revenues pledged and assigned by one School District will not be available to satisfy the obligation of any other School District.

The Act authorizes an intercept mechanism under which the State Comptroller shall pay the State aid assigned by the School District to DASNY directly to DASNY upon the occurrence of certain events of default. Pursuant to this intercept mechanism, DASNY is required to certify annually to the Commissioner of Education a statement of all amounts due from each of the School Districts to DASNY. The Commissioner of Education, in turn,

is required to include in the certificate filed with the State Comptroller, a statement showing the amount owed to DASNY by each of the School Districts. Pursuant to the MOU, DASNY has agreed to notify the Commissioner of Education within five (5) business days after payment is due of any failure by any School District to pay (a “Delinquency Notice”) and the Commissioner of Education has agreed to promptly forward such Delinquency Notice to the State Comptroller. Upon receipt of such Delinquency Notice, the State Comptroller agrees to pay to the Trustee the amount set forth in the Delinquency Notice from any funds of the State that become due and payable to the defaulting School District. Until the amount set forth in the Delinquency Notice has been fully paid to the Trustee, the State Comptroller shall not pay any State funds to the defaulting School District.

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

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

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

Additional Bonds and Other Indebtedness

In addition to the Series 2016 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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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>
City School District of the City of Albany	2008A, 2009C, 2010A, 2011A
City School District of the City of Auburn	2009B, 2014A
Avoca Central School District	2009B
Canajoharie Central School District	2009C, 2012F
Canisteo-Greenwood Central School District	2009A
Carthage Central School District	2009C, 2012F
Central Square Central School District	2009C
Churchville-Chili Central School District	2009B
Cincinnatus Central School District	2009B
Dalton-Nunda Central School District	2009B
East Syracuse-Minoa Central School District	2008A
City School District of the City of Gloversville	2007A, 2007B, 2009C, 2012F, 2015B
Groton Central School District	2009A
City School District of the City of Hudson	2009A, 2009B
Hudson Falls Central School District	2009B
City School District of the City of Ithaca	2009D
Newfield Central School District	2009B
City School District of the City of Niagara Falls	2009C, 2012K
Enlarged City School District of the City of Ogdensburg	2008A
Onondaga Central School District	2008A, 2012A
Perry Central School District	2009B, 2012F
City School District of the City of Rome	2008A, 2010A, 2011A, 2015D
Spencerport Central School District	2009B
Thousand Islands Central School District	2009B
Tioga Central School District	2009C, 2015D
Warsaw Central School District	2009B
Waterloo Central School District	2009B
Enlarged City School District of the City of Watertown	2008A, 2012C, 2012H, 2014B
Whitney Point Central School District	2008A, 2011A
Worcester Central School District	2011G

The Refunded Bonds are listed in Appendix G hereto.

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 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 2016 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 2016 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 Insurer is not in default under the Policy, the Trustee must exercise remedies at the direction of the Insurer and may not exercise remedies at the direction of the Holders without the consent of the Insurer.

The Refunding Plan

The Refunded Bonds will be refunded with a portion of the proceeds of the Series 2016 Bonds. The Refunded Bonds will be called for redemption on the following dates, each at a redemption price equal to 100% of the principal amount of such series of Refunded Bonds, plus accrued and unpaid interest to the applicable redemption date:

<u>Series</u>	<u>Redemption Date</u>
2008A	October 1, 2018
2009A	October 1, 2019
2009B	October 1, 2019
2009C	October 1, 2019
2009D	October 1, 2019
2011G	October 1, 2019

See “PART 5 – THE REFUNDING PLAN.”

Bond Insurance

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

Bond Insurance Policy

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

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

Build America Mutual Assurance Company

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

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

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

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

on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$479.6 million, \$42.3 million and \$437.3 million, respectively.

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

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

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

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditsights/. (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 Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

Bond Insurance Risk Factors

In the event of default of the payment of principal of or interest on the Insured Bonds when all or some becomes due, or in the event any such payment is recovered from the owners of the Insured Bonds as a voidable preference under applicable bankruptcy law, the Trustee, on behalf of the owners of the Insured Bonds, shall have a claim under the Policy for such payments. However, in the event of any advancement of the due date of such principal by reason of mandatory or optional redemption, the payments under the Policy are to be made in such amounts and at such times as such payments would have been due had there not been any such advancement. See “Appendix I – Specimen Municipal Bond Insurance Policy.”

In the event that the Insurer is unable to make payment of principal or interest as such payments become due under the Policy, the Insured Bonds are payable solely from the moneys available under the applicable Series 2016 Resolution. In the event that the Insurer becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability of the Insured Bonds.

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

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

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

PART 3 – THE SERIES 2016 BONDS

Description of the Series 2016 Bonds

The Series 2016 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 2016 Bonds is payable each April 1 and October 1, commencing October 1, 2016.

The Series 2016 Bonds will be issued as fully registered bonds. The Series 2016 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2016 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 2016 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2016 Bonds, the Series 2016 Bonds will be exchangeable for other fully registered Series 2016 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 2016 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 2016 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 2016 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 or, with respect to the Redemption Price, at the option of a registered owner of at least \$1,000,000 in principal amount of the Series 2016 Bonds by wire transfer to such registered owner at the wire transfer address in the continental United States to which such owner has, at the time such Series 2016 Bonds are surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. As long as the Series 2016 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 2016 Bonds, see “Appendix E – Summary of Certain Provisions of the Master Resolution.”

Redemption Provisions

The Series 2016 Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2016A Bonds maturing on or before October 1, 2026 are not subject to optional redemption prior to maturity. The Series 2016A Bonds maturing after October 1, 2026 are subject to redemption prior to maturity on or after October 1, 2026 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 2016A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2016B Bonds, the Series 2016C Bonds and the Series 2016D Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption

The Series 2016A Bonds maturing on October 1, 2039 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 2016A Bonds specified for each of the dates shown below:

Series 2016A Term Bonds Maturing October 1, 2039	
<u>October 1,</u>	<u>Sinking Fund Installment</u>
2037	\$530,000
2038	450,000
2039 [†]	465,000

[†] Stated maturity.

Notice of Redemption

Whenever the Series 2016 Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2016 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 2016 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 2016 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 2016 Bond to be redeemed to receive such notice will not affect the validity of the proceedings for the redemption of the Series 2016 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 2016 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 2016 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 2016 Bonds. The Series 2016 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 2016 Bond certificate will be issued for each maturity of each Series of the Series 2016 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

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

Purchases of the Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2016 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 2016 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 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 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 2016 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 2016 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2016 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 2016 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 2016 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 2016 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 2016 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 2016 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2016 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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 2016 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 2016 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2016 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2016 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 2016 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 2016 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 2016 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 2016 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 2016 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2016 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 2016A 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 2016A Bonds</u>	<u>Interest on the Series 2016A Bonds</u>	<u>Total Debt Service on the Series 2016A Bonds</u>
2016	\$655,000	\$2,974,980	\$3,629,980
2017	140,000	8,623,938	8,763,938
2018	145,000	8,621,138	8,766,138
2019	3,660,000	8,618,238	12,278,238
2020	24,655,000	8,508,438	33,163,438
2021	24,505,000	7,624,488	32,129,488
2022	25,580,000	6,405,438	31,985,438
2023	25,950,000	5,153,788	31,103,788
2024	20,225,000	4,017,138	24,242,138
2025	8,220,000	3,015,888	11,235,888
2026	7,790,000	2,604,888	10,394,888
2027	7,210,000	2,275,388	9,485,388
2028	7,560,000	1,914,888	9,474,888
2029	7,105,000	1,536,888	8,641,888
2030	4,340,000	1,181,638	5,521,638
2031	4,005,000	964,638	4,969,638
2032	3,735,000	764,388	4,499,388
2033	3,925,000	577,638	4,502,638
2034	4,050,000	381,388	4,431,388
2035	3,675,000	219,088	3,894,088
2036	1,980,000	108,838	2,088,838
2037	530,000	46,963	576,963
2038	450,000	29,738	479,738
2039	465,000	15,113	480,113

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2016B 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 2016B Bonds</u>	<u>Interest on the Series 2016B Bonds</u>	<u>Total Debt Service on the Series 2016B Bonds</u>
2016	\$65,000	\$196,988	\$261,988
2017	55,000	570,600	625,600
2018	55,000	569,500	624,500
2019	1,295,000	568,400	1,863,400
2020	3,120,000	542,500	3,662,500
2021	3,215,000	448,900	3,663,900
2022	3,345,000	320,300	3,665,300
2023	2,010,000	186,500	2,196,500
2024	1,720,000	86,000	1,806,000

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2016C 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 2016C Bonds</u>	<u>Interest on the Series 2016C Bonds</u>	<u>Total Debt Service on the Series 2016C Bonds</u>
2016	\$40,000	\$100,182	\$140,182
2017	35,000	290,050	325,050
2018	35,000	289,350	324,350
2019	820,000	288,650	1,108,650
2020	1,510,000	272,250	1,782,250
2021	1,555,000	226,950	1,781,950
2022	1,625,000	164,750	1,789,750
2023	1,200,000	99,750	1,299,750
2024	795,000	39,750	834,750

The following table sets forth the principal, the interest and the total debt service to be paid on the Series 2016D 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 2016D Bonds</u>	<u>Interest on the Series 2016D Bonds</u>	<u>Total Debt Service on the Series 2016D Bonds</u>
2016	\$10,000	\$55,059	\$65,059
2017	5,000	159,650	164,650
2018	5,000	159,550	164,550
2019	5,000	159,450	164,450
2020	665,000	159,350	824,350
2021	685,000	139,400	824,400
2022	710,000	112,000	822,000
2023	745,000	76,500	821,500
2024	785,000	39,250	824,250

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 for each School District is included in Appendix C. The financial statements as of the fiscal year ended June 30, 2015 of each of the School Districts and additional information regarding the School Districts have been filed by the School Districts with the EMMA system maintained by the MSRB. Such financial statements are incorporated herein by reference. See “Appendix C – Certain Financial and Economic Information Relating to the School Districts – FINANCIAL FACTORS – General Information.”

Summaries of Constitutional and Statutory Debt Provisions

The New York State Constitution and Local Finance Law limit the power of municipalities and school districts of the State, including the School Districts, to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to each School District and the School District Bonds. A school district may contract indebtedness only for a school district purpose and must pledge its faith and credit for the payment of principal of and interest thereon. School district indebtedness must be amortized in accordance with constitutional and statutory requirements. A school district must provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes. A school district has the power to levy taxes on real property for the payment of interest on or

principal of indebtedness contracted by it, and under the State Constitution the State Legislature may not restrict such power as to debt contracted prior to the effective date of any such restrictive legislation.

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

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

Each of the School Districts, except for the City School District of the City of Gloversville (the "Gloversville School District"), has complied with the foregoing estoppel procedure with respect to the School District Bonds (the "Estoppel Procedure"). It is anticipated that the Estoppel Procedure with respect to the Gloversville School District will be complied with prior to the delivery of the Series 2016 Bonds. In the event that the Estoppel Procedure is not complied with with respect to the Gloversville School District or in the event that an action contesting the validity of the School District Bonds of the Gloversville School District is commenced within the time period described above, the Series 2016D Bonds will not be issued or delivered by the Underwriters.

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.

Section 90.10 of the Local Finance Law also authorizes school districts to issue bonds for the purposes of refunding outstanding general obligations of school districts subject to the approval of the New York State Comptroller. Each of the School District Bonds will be issued in compliance with Section 90.10 of the Local Finance Law and it is anticipated that the New York State Comptroller will approve the issuance of each of the respective School District Bonds prior to the issuance of the Series 2016 Bonds.

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 their full levy. Because there is no uniform procedure for tax collection throughout the State, the procedure for tax collection in some school districts may vary from the general procedure described above. See Appendix C for a discussion of procedures for collection of real property taxes levied by each School District.

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

In addition, the Tax Levy Limitation Law:

- After a school district budget is rejected, allows a school district to resubmit the budget for another vote or adopt a zero tax levy growth budget. School districts would be required to adopt a zero tax levy growth budget if the proposed budget were twice rejected by voters.
- Includes a carryover provision of up to 1.5% from one year to the next of any amount in which the previous year’s tax levy was below that year’s Tax Cap.
- Includes a tax base growth factor calculated by the Commissioner of Taxation and Finance to account for any increase in the full value of taxable real property.
- Exempts certain pension payments, court orders and judgments and voter approved capital expenditures. Voter approved capital expenditures include the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of, or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law. The portion of the tax levy necessary to support voter approved capital expenditures is an exclusion from the Tax Cap. School district obligations issued to finance voter approved capital expenditures are hereinafter referred to as “Capital Project

Obligations”. Voter approved capital expenditures do not include debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficit notes.

- Requires that excess funds that are collected due to clerical or technical errors be held in reserve as determined by the Office of the State Comptroller. Those funds (including interest earned) are required to be used to offset the tax levy for the following fiscal year.
- Unless extended, sunsets on June 15, 2020.

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

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 (“Chapter 59”) includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

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

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

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

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

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applies in the years 2016 through 2019 and includes continued tax cap compliance.

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 \$84,550 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.

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

The amount of State aid to school districts is dependent in part upon the financial condition of the State. The recent economic downturn and global financial crisis have had and may continue to have an adverse impact on the State’s financial condition and may adversely affect the amount and payment of State aid to school districts. During the 2011 to 2015 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 2014-2015 Enacted Budget provided for school aid of approximately \$22.2 billion, an increase of \$1.1 billion in school aid spending from the 2013-2014 school year. The 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 provides 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 majority of the increases have been targeted to high need school districts. See Appendix C for information relating to State aid payments for each of the School Districts.

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

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

For a table of payments made by each School District to the Retirement Systems for the 2011-2012 through 2014-2015 fiscal years, the budgeted amount of such payments to be made to the Retirement Systems in the 2015-2016 fiscal year and the proposed amount of such payments to be made to the Retirement Systems in the 2016-2017 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 Gloversville, which received a designation of “moderate fiscal stress” and the Hudson Falls Central School District, 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 REFUNDING PLAN

The Series 2016 Bonds are being issued to refund the Refunded Bonds. The Refunded Bonds are listed on Appendix G hereto.

A portion of the proceeds of the Series 2016 Bonds, together with other funds available to DASNY, will be deposited into six separate funds held by the respective bond trustees for the Series 2008A Bonds, the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C Bonds, the Series 2009D Bonds and the Series 2011G Bonds. Amounts in each such fund will be invested in United States Treasury obligations the principal of and interest on which, when due, together with any uninvested proceeds are calculated to provide amounts sufficient to pay the principal of and interest on the Series 2008A Bonds to their redemption date on October 1, 2018, the Series 2009A Bonds to their redemption date on October 1, 2019, the Series 2009B Bonds to their redemption date on October 1, 2019, the Series 2009C Bonds to their redemption date on October 1, 2019, the Series 2009D Bonds to their redemption date on October 1, 2019 and the Series 2011G Bonds to their redemption date on October 1, 2019.

The cash deposited in the respective funds and respective investments thereof will be held in trust solely for the payment of the principal of, interest on and redemption price of the respective Refunded Bonds, as applicable. See “PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Estimated Sources of Funds	Series 2016A Bonds	Series 2016B Bonds	Series 2016C Bonds	Series 2016D Bonds
Principal Amount	\$190,555,000	\$14,880,000	\$7,615,000	\$3,615,000
Net Original Issue Premium	36,235,079	2,206,156	1,120,384	675,147
Contribution from School Districts	<u>3,275,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Estimated Sources	\$230,065,079	\$17,086,156	\$8,735,384	\$4,290,147
 Estimated Uses of Funds				
Deposit to Escrow Funds	\$226,517,878	\$16,701,743	\$8,504,886	\$4,170,971
Costs of Issuance*	2,271,910 [†]	282,175	175,060	91,260 [†]
Underwriter’s Discount	<u>1,275,291</u>	<u>102,238</u>	<u>55,438</u>	<u>27,916</u>
Total Estimated Uses	\$230,065,079	\$17,086,156	\$8,735,384	\$4,290,147

* 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 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, 2016, DASNY had approximately \$47.3 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

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

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

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

DASNY has a staff of approximately 490 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 45 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 expires on August 31, 2016.

GERARD ROMSKI, Esq., Mount Kisco.

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

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

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

Means. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

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 J.D. from Fordham University School of Law and a LL.M. 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 B.A. degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration (M.G.A.) from the University of Pennsylvania and holds a Juris Doctorate (J.D.) 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, CPA, J.D. 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, and insurance, 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. 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, P.E. 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, and engineering, as well as other technology services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

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.

CAPRICE G. SPANN is the Managing Director of Specialized Services and Client Solutions. Ms. Spann is responsible for overseeing information services, environmental services, real property management and the integration of sustainability programs with respect to DASNY's projects and in its business processes. She holds a Bachelor of Arts degree from the University of Wisconsin and a Master of Business Administration from Fordham University.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that

DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

Other Matters

New York State Public Authorities Control Board

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

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2015. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 – LEGALITY OF THE SERIES 2016 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2016 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 2016 Bonds.

The Series 2016 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 2016 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 2016 Bonds.

PART 10 – TAX MATTERS

In the opinion of each of Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, Co-Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). In the further opinion of each of Co-Bond Counsel, interest on the Series 2016 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Co-

Bond Counsel observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Co-Bond Counsel are also of the opinion that interest on the Series 2016 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). A complete copy of the proposed form of opinion of Co-Bond Counsel is set forth in Appendix F hereto.

To the extent the issue price of any maturity of the Series 2016 Bonds is less than the amount to be paid at maturity of such Series 2016 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2016 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2016 Bonds. For this purpose, the issue price of a particular maturity of the Series 2016 Bonds is the first price at which a substantial amount of such maturity of the Series 2016 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2016 Bonds accrues daily over the term to maturity of such Series 2016 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2016 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2016 Bonds. Beneficial Owners of the Series 2016 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2016 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2016 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2016 Bonds is sold to the public.

Series 2016 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2016 Bonds. DASNY and the School Districts have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2016 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2016 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2016 Bonds. The opinions of Co-Bond Counsel assume the accuracy of these representations and compliance with these covenants. Co-Bond Counsel have not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Co-Bond Counsel’s attention after the date of issuance of the Series 2016 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2016 Bonds. Accordingly, the opinions of Co-Bond Counsel are not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Co-Bond Counsel are of the opinion that interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes and exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2016 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Co-Bond Counsel express no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2016 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the expected tax status of such interest. For example, the Obama

Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on bonds like the Series 2016 Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2016 Bonds. Prospective purchasers of the Series 2016 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel are expected to express no opinion.

The opinions of Co-Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authorities, and represent the judgment of Co-Bond Counsel as to the proper treatment of the Series 2016 Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Co-Bond Counsel cannot give and have not given any opinion or assurance about the future activities of DASNY or the School Districts, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. DASNY and the School Districts have covenanted, however, to comply with the requirements of the Code.

The engagement of each Co-Bond Counsel with respect to the Series 2016 Bonds ends with the issuance of the Series 2016 Bonds, and, unless separately engaged, Co-Bond Counsel are not obligated to defend DASNY, the School Districts or the Beneficial Owners regarding the tax-exempt status of the Series 2016 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than DASNY, the School Districts and their appointed counsel, including the Beneficial Owners, 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 or the School Districts legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2016 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 2016 Bonds, and may cause DASNY, the School Districts or the Beneficial Owners to incur significant expense.

PART 11 – STATE NOT LIABLE ON THE SERIES 2016 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 2016 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 2016 Bonds by DASNY are subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2016 Bonds. The proposed form of Co-Bond Counsel's approving opinions is set forth in Appendix F.

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

Orrick, Herrington & Sutcliffe 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 2016 Bonds or questioning or affecting the validity of the Series 2016 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 2016A Bonds from DASNY at an aggregate purchase price of \$225,514,788.01 (which represents the par amount of the Series 2016A Bonds, less the underwriters' discount of \$1,275,291.09 plus net premium of \$36,235,079.10) and to make a public offering of the Series 2016A 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 2016B Bonds from DASNY at an aggregate purchase price of \$16,983,917.44 (which represents the par amount of the Series 2016B Bonds, less the underwriters' discount of \$102,238.26 plus premium of \$2,206,155.70) and to make a public offering of the Series 2016B 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 2016C Bonds from DASNY at an aggregate purchase price of \$8,679,946.65 (which represents the par amount of the Series 2016C Bonds, less the underwriters' discount of \$55,437.55 plus premium of \$1,120,384.20) and to make a public offering of the Series 2016C 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 2016D Bonds from DASNY at an aggregate purchase price of \$4,262,230.16 (which represents the par amount of the Series 2016D Bonds, less the underwriters' discount of \$27,916.49 plus premium of \$675,146.65) and to make a public offering of the Series 2016D 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 2016 Bonds is not contingent upon the sale and delivery of any other Series of the Series 2016 Bonds.

The Series 2016 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. Fidelity Capital Markets, one of the Underwriters, is a division of National Financial Services LLC.

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 2016 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 H 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 Continuing Disclosure Compliance”) with respect to the City School District of the City of Albany, the City School District of the City of Auburn, the Avoca Central School District, the Canajoharie Central School District, the Canisteo-Greenwood Central School District, the Central Square Central School District, the Churchville-Chili Central School District, the Dalton-Nunda Central School District, the Groton Central School District, the City School District of the City of Hudson, the Newfield Central School District, the City School District of the City of Niagara Falls, the Onondaga Central School District, the Perry Central School District, the City School District of the City of Rome, the Spencerport Central School District, the Thousand Islands Central School District, the Tioga Central School District and the Waterloo Central School District.

PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of (i) the mathematical computations of the adequacy of the cash and the maturing principal of and interest earned on the government obligations to be held in escrow to pay maturing principal or redemption price of, and interest on, the Refunded Bonds and (ii) certain mathematical computations supporting the conclusion that the Series 2016 Bonds are not “arbitrage bonds” under the Code, will be verified by Samuel Klein and Company, Certified Public Accountants. See “PART 5 – THE REFUNDING PLAN.”

PART 17 – RATINGS

Fitch Ratings (“Fitch”), Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc. (“Standard & Poor’s”), and Moody’s Investors Service, Inc. (“Moody’s”) have assigned the following ratings to the respective Series of the Series 2016 Bonds:

	Fitch	Moody’s	Standard & Poor’s
Series 2016A Bonds	“AA-”		“A+”
Series 2016B Bonds	“AA-”	“Aa3”	
Series 2016C Bonds	“AA-”		“AA-”
Series 2016D Bonds	“AA-”		“A+”

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

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Fitch, One State Street Plaza, New York, New York 10004; Standard & Poor’s, 55 Water Street, New York, New York 10041; and/or Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2016 Bonds.

PART 18 – 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 2016 Bonds, as to the accuracy of such information provided or authorized by it.

School Districts. The information in “PART 4 – THE SCHOOL DISTRICTS,” “PART 5 – THE REFUNDING PLAN,” “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 – Form of Approving Opinions of Co-Bond Counsel” have been prepared by Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel.

The references herein to the Act, other laws of the State, the Master Resolution, the Agreements and the School District Bonds are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered owners of the Series 2016 Bonds are fully set forth in the Master Resolution (including any Supplemental and Series Resolutions thereto), and neither any advertisement of the Series 2016 Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2016 Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of DASNY and the Trustee.

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

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

By: /s/ Gerrard P. Bushell
Authorized Officer

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DEFINITIONS

Appendix A

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DEFINITIONS

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

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

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

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

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

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

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

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

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

Appendix A

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.

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 2016 Bonds, authorized and issued pursuant to the Master Resolution and to an Applicable Series Resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Appendix A

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.

Escrow Agreement means the Local Finance Law §90.10(i) Contract, dated as of the date of issuance of the DASNY Bonds, by and among DASNY, the applicable School District and the Escrow Holder thereunder, in the form attached to the Financing Agreement, as such agreement may be amended from time to time in accordance with its terms.

Escrow Holder means the Trustee in its capacity as escrow holder under the Escrow Agreement.

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 of the Applicable School District described in Exhibit B of the Applicable Financing Agreement, which bonds have financed or refinanced all or a portion of the Project.

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

Federal Agency Obligation means (i) an obligation issued by any federal agency or instrumentality approved by DASNY, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by DASNY, (iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Financing Agreement or Agreement means the Financing Agreement relating to the Bonds, dated as of April 1, 2016, by and between DASNY and the Applicable School District.

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

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

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

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

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

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

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

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

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

Appendix A

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.

Prior DASNY Bonds means the Bonds issued by DASNY pursuant to financing agreements previously entered into by DASNY and the Applicable School District, the proceeds of which were used by DASNY to make a loan to the Applicable School District to finance or refinance the Project.

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.

Appendix A

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

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

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

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

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

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

Series Resolution means a resolution of DASNY, including the Series 2016A Resolution, the Series 2016B Resolution, the Series 2016C Resolution and the Series 2016D Resolution, authorizing the issuance of a Series of Bonds adopted by DASNY pursuant to the Master Resolution.

Series 2016A Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2016A Bonds.

Series 2016B Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2016B Bonds.

Series 2016C Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2016C Bonds.

Series 2016D Bond Series Certificate means the Certificate of an authorized officer of DASNY, fixing terms, conditions and other details of the Series 2016D Bonds.

Series 2016A Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2016A Bonds adopted by DASNY on April 15, 2015.

Series 2016B Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2016B Bonds adopted by DASNY on April 15, 2015.

Series 2016C Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2016C Bonds adopted by DASNY on April 15, 2015.

Series 2016D Resolution means the Series Resolution of DASNY authorizing the issuance of the Series 2016D Bonds adopted by DASNY on April 15, 2015.

Sinking Fund Installment means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Master Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto, to be paid on a single future April 1 or October 1 for the

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

State means the State of New York.

State Approvals means the approvals (i) by the State Public Authorities Control Board of the issuance of DASNY Bonds, (ii) by the Comptroller of the State of the terms of sale of School District Bonds, pursuant to Section 90.10(f) of the Local Finance Law, (iii) by the Comptroller of the State pursuant to Section 90.10(g) of the Local Finance Law and (iv) by the Commissioner of Education of the State of the execution of the Financing Agreements.

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

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

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

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

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

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

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

Appendix A

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**

Appendix B

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

Listed below are the School Districts receiving loans from the proceeds of the Series 2016 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 2016A Loan</u>	<u>Principal Amount of Series 2016B Loan</u>	<u>Principal Amount of Series 2016C Loan</u>	<u>Principal Amount of Series 2016D Loan</u>
Series 2016A:						
City School District of the City of Albany	FA	Barclay	\$55,450,000			
City School District of the City of Auburn	BPD	Trespasz	3,820,000			
Avoca Central School District	BPD	McGill	6,845,000			
Canajoharie Central School District	FA	Lemery	3,735,000			
Canisteo-Greenwood Central School District	BPD	McGill	3,405,000			
Carthage Central School District	FA	Orrick	5,340,000			
Central Square Central School District	FA	Trespasz	4,260,000			
Cincinnati Central School District	FA	Orrick	6,490,000			
Dalton-Nunda Central School District	BPD	McGill	3,270,000			
Groton Central School District	BPD	McGill	5,190,000			
City School District of the City of Hudson	BPD	Rodenhause	23,005,000			
Hudson Falls Central School District	BPD	Bartlett	6,920,000			
Newfield Central School District	BPD	McGill	4,115,000			
City School District of the City of Niagara Falls	CM	Orrick	7,715,000			
Enlarged City School District of the City of Ogdensburg	FA	Trespasz	2,780,000			
Onondaga Central School District	FA	Trespasz	4,835,000			
Perry Central School District	BPD	McGill	2,360,000			
City School District of the City of Rome	FA	Trespasz	2,655,000			
Thousand Islands Central School District	FA	Trespasz	3,040,000			
Tioga Central School District	FA	Orrick	7,940,000			
Warsaw Central School District	BPD	Hodgson	1,515,000			

Appendix B

<u>School District</u>	<u>Financial Advisor</u>	<u>Bond Counsel</u>	<u>Principal Amount of Series 2016A Loan</u>	<u>Principal Amount of Series 2016B Loan</u>	<u>Principal Amount of Series 2016C Loan</u>	<u>Principal Amount of Series 2016D Loan</u>
Waterloo Central School District	FA	McGill	4,830,000			
Whitney Point Central School District	FA	Storch	4,635,000			
Worcester Central School District	BPD	McGill	16,405,000			
Series 2016B:						
Churchville-Chili Central School District	BPD	McGill		\$3,080,000		
City School District of the City of Ithaca	FA	Orrick		6,320,000		
Enlarged City School District of the City of Watertown	FA	Trespasz		5,480,000		
Series 2016C:						
East Syracuse-Minoa Central School District	FA	Trespasz			\$3,920,000	
Spencerport Central School District	BPD	McGill			3,695,000	
Series 2016D:						
City School District of the City of Gloversville	FA	Barclay				\$3,615,000

Abbreviations for Financial Advisors and Bond Counsel

Barclay	Barclay Damon, LLP
Bartlett	Bartlett, Pontiff, Steward & Rhodes, P.C.
BPD	Bernard P. Donegan, Inc.
CM	Capital Markets Advisors, LLC
FA	Fiscal Advisors & Marketing, Inc.
Hodgson	Hodgson Russ LLP
Lemery	Lemery Greisler LLC
McGill	Law Offices of Timothy R. McGill, Esq.
Orrick	Orrick, Herrington & Sutcliffe LLP
Rodenhausen	Rodenhausen Chale LLP
Storch	Law Offices of Jeffrey E. Storch
Trespasz	Trespasz & Marquardt, LLP

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

Appendix C

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**APPENDIX C-1
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ALBANY**

There follows in this Appendix C-1 a brief description of City School District of the City of Albany (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 Albany County, New York. The District lies entirely within the City of Albany (the “City”), which lies on the western bank of the Hudson River and is approximately 140 miles north of New York City. The District encompasses a land area of about 19 square miles. The District became fiscally independent of the City, pursuant to Chapter 65 of the Laws of 1972, after the population of the City was determined to be below 125,000 according to the 1970 U.S. Census.

The City is the capital of New York State and the County Seat of Albany County. The City is also a trading and distribution center of agricultural and manufactured products between western New York State, the New England States, northeast New York, Canada, New York City and points south with transportation available by air, rail, truck and water. The Port of Albany, operated by the Albany Port District Commission, handles cargo consisting of more than a dozen different commodities originating in and being shipped to foreign countries and other cities in the United States. Industrial activity in the City includes printing, publishing, foundries, machine shops, bakeries, meat packing, dental equipment and paper products.

The City is a center for higher education and is the site of the State University of New York at Albany, as well as Albany Law School, Albany College of Pharmacy and Albany Medical College. Within close proximity to the City are Siena College in the Town of Colonie, and Rensselaer Polytechnic Institute and Russell Sage College, both of which are in the City of Troy.

Rail passenger service to New York City, the City of Buffalo and to the western portion of New York State is provided by Amtrak at the Rensselaer station, which is located outside the City of Albany but is easily accessible. Major bus lines operate in all directions from the Albany Bus Terminal. Truck traffic is facilitated by US Interstates #87 (Adirondack Northway) and #90 (New York State Thruway) with two access points in the City. Other major highways include Interstate #787, US Routes #9W and #20, and State Routes #5, #35, #43, #85, #144 and #377. The Albany International Airport, located nearby in the Town of Colonie, provides passenger and freight service and accommodates both general aviation and military services.

Recent developments nearby include the completion of the \$4.6 billion GlobalFoundries Fab 8 manufacturing plant, located within the 1,400-acre Luther Forest Technology Campus in the nearby Town of Malta, which currently employs approximately 1,800 people. In October 2012, the Town of Malta Planning Board had approved GlobalFoundries plan to build a 556,652-square-foot Technology Development Center at the Luther Forest Technology Campus. The project will add 90,000 square feet of manufacturing capacity, bringing the total capacity for Fab 8 Module 1 to 300,000 square feet. GlobalFoundries has not yet committed to building the Technology Development Center, however, if completed it will increase the company’s total investment at the site up to \$6.9 billion and create about 300 additional jobs in the area.

Population

The current estimated population of the District is 99,130. (Source: 2014 U.S. Census Bureau estimate)

Appendix C

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
State of New York ⁽¹⁾⁽²⁾	Government	33,283
United States ⁽¹⁾	Government	8,600
Albany Medical Center	Hospital	5,905
St. Peter's Hospital	Hospital	4,500
University of Albany	Education	4,500

⁽¹⁾ Includes employees at facilities located outside of the District, but within the County.

⁽²⁾ Does not include public authorities.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$196,696,822
County of Albany	Commercial	60,209,700
99 Washington LLC	Commercial	43,200,000
City of Albany Industrial Development Agency	Commercial	39,484,300
Washington Commons	Commercial	32,092,831

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.98% 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 Albany County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Albany County	6.9%	7.1%	6.1%	4.9%	4.4%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	7,971	8,000	8,272	8,452	8,982	9,007	9,080

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>
878	Albany Public School Teachers' Association	June 30, 2016
541	Albany Public School United Employees' Association	June 30, 2015 ⁽¹⁾
43	Albany Public School Administrators' Association	June 30, 2017
28	Non-Union	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 April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$4,555,218,754	\$4,474,706,254
Debt Limit (5% of full valuation) ⁽²⁾	\$227,760,938	\$223,735,313
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$135,115,000	\$135,115,000
NYPA Projects	2,326,902	2,326,902
Bond Anticipation Notes	0	0
Total Inclusions.....	<u>\$137,441,902</u>	<u>\$137,441,902</u>
<u>Exclusions</u>		
Appropriations – Bonds	\$8,610,000	\$8,610,000
Appropriations – NYPA Projects	<u>354,930</u>	<u>354,930</u>
Total Exclusions.....	\$8,964,930	\$8,964,930
Total Net Indebtedness	\$128,476,972	\$128,476,972
Net Debt Contracting Margin	\$99,283,966	\$95,258,341
Percentage of Debt Contracting Power Exhausted	56.41%	57.42%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$55,450,000 School District Bonds to DASNY in connection with the refunding of \$57,945,000 of the District's outstanding serial bonds securing the Series 2008A and Series 2009C Bonds. 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.

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 2014 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:					
Albany	\$262,823,608	\$19,695,000	\$243,128,608	19.82%	\$48,188,090
City of:					
Albany	117,011,794	43,048,009	73,963,785	100.00	73,963,785
				Total	<u>\$122,151,875</u>

- (1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$128,476,972	\$1,296.05	2.85%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	250,628,847	2,528.28	5.55

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s 2014 estimated population of 99,130.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$4,513,202,827.
- (4) The District expects to deliver \$55,450,000 School District Bonds to DASNY in connection with the refunding of \$57,945,000 of the District’s outstanding serial bonds securing the Series 2008A and Series 2009C Bonds. 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	\$4,000,000	RAN	8/30/2011	9/30/2011
2012-2013	\$4,000,000	RAN	8/17/2012	9/28/2012

The District has not issued any Tax Anticipation Notes (“TAN”) for the last five fiscal years and does not expect to issue such TANs in the current fiscal year.

Capital Project Plans

The District currently operates twelve elementary schools, three middle schools, and one primary high school with extended programs in two additional buildings. Over the past twelve years, the District has completed over \$200 million of renovations and new construction at the elementary and middle schools. The next step in the District's long-range planning process will include the redevelopment of the Albany High School currently located at 700 Washington Avenue, Albany, New York. In February 2016, the voters approved a new high school reconstruction/additions project that will cost approximately \$179.9 million. The design, state approval and construction period will occur over nine years.

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 Albany
<http://emma.msrb.org/ES745175-ES584208-ES980074.pdf>
Base CUSIP: 012434

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 collected by the School District and are due on September 1st. There is no interest charged for the first thirty days after taxes are due, but if paid during the month of October there is a 3% interest charge imposed; if paid from November 1st to November 15th a 4% interest charge is imposed. After November 15th, uncollected taxes are turned over to the Director of Finance of Albany County for collection and additional interest at the rate of 1% per month plus a 5% penalty thereto. Albany County guarantees the School District's tax levy and continues to collect delinquent taxes, paying the same to the School District as collected. At the end of the second following tax year, Albany County buys the entire unpaid tax roll amount plus 34% interest.

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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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Albany	\$4,966,350,959	\$4,900,522,606	\$4,843,354,110	\$4,826,870,423	\$4,848,005,850
Total Assessed Valuation	<u>\$4,966,350,959</u>	<u>\$4,900,522,606</u>	<u>\$4,843,354,110</u>	<u>\$4,826,870,423</u>	<u>\$4,848,005,850</u>

State Equalization Rates					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Albany	102.00%	107.00%	111.71%	109.47%	105.80%
Taxable Full Valuation	\$4,868,971,528	\$4,579,927,669	\$4,335,649,548	\$4,409,308,873	\$4,582,236,153

Special State Equalization Ratios					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Albany	114.43%	111.10%	108.66%	106.95%	N/A
Taxable Full Valuation	\$4,340,077,741	\$4,410,911,437	\$4,457,347,791	\$4,513,202,827	N/A

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$107,113,370	\$108,720,071	\$111,927,313	\$112,897,510	\$113,999,102
% Uncollected When Due ⁽¹⁾	6.93%	6.42%	6.86%	5.77%	6.55%

⁽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 2016-2017 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2011-2012	\$73,240,168	\$197,955,610	37.00%
2012-2013	74,617,635	197,814,853	37.72
2013-2014	75,974,811	210,906,201	36.02
2014-2015	83,643,843	218,278,961	38.32
2015-2016 (Budgeted)	90,381,680	220,176,782	41.05
2016-2017 (Proposed)	97,659,413	234,053,915	41.73

⁽¹⁾ General Fund only.

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$2,473,679	\$8,385,870
2012-2013	3,338,115	8,965,557
2013-2014	3,441,496	10,547,249
2014-2015	3,311,369	11,676,813
2015-2016 (Budgeted)	3,202,775	9,697,769
2016-2017 (Proposed)	2,717,846	9,427,542

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, 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 \$264,786,329. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$264,786,329. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$92,717,094. The District's annual OPEB expense was \$19,676,277 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$10,236,574 to the Plan for the fiscal year ending June 30, 2015, resulting in a net increase to its unfunded OPEB obligation of \$9,439,703, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$102,156,797. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$2,007,670 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$8,846,058 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – State Aid."

Historical Continuing Disclosure Compliance

Portions of the Annual Financial Information and Operating Data for fiscal year 2013 was 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 November 28, 2012, which was prior to the close of the June 30, 2013 fiscal year. The missing information and a notice of failure to file was filed with EMMA on April 25, 2016. For fiscal year ending June 30, 2013, the District did file its audited financial report in a timely manner. The District has taken the appropriate steps to ensure the misfiling will not occur in the future. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$13,933,898	\$1,022,858	\$14,956,755
2016-2017	12,473,743	2,560,719	15,034,462
2017-2018	12,184,648	2,560,419	14,745,067
2018-2019	11,488,243	3,040,119	14,528,362
2019-2020	8,183,509	6,290,269	14,473,778
2020-2021	8,122,018	5,479,669	13,601,687
2021-2022	7,213,294	5,365,169	12,578,463
2022-2023	5,138,569	5,365,319	10,503,888
2023-2024	5,090,071	5,355,319	10,445,390
2024-2025	3,414,039	5,371,069	8,785,108
2025-2026	2,525,831	4,715,819	7,241,650
2026-2027	2,529,861	4,717,019	7,246,880
2027-2028	1,780,734	4,718,269	6,499,003
2028-2029	1,525,194	4,706,269	6,231,463
2029-2030	1,531,806	3,906,269	5,438,075
2030-2031	1,530,063	3,912,269	5,442,332
2031-2032	1,531,800	3,910,519	5,442,319
2032-2033	-	3,911,019	3,911,019
2033-2034	-	3,843,269	3,843,269
2034-2035	-	3,310,569	3,310,569
2035-2036	-	1,500,469	1,500,469

**APPENDIX C-2
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF AUBURN**

There follows in this Appendix C-2 a brief description of the City School District of the City of Auburn (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 38 square miles and is located in upstate New York in the geographical location known as Central New York. The District centers around the City of Auburn and is wholly within the County of Cayuga. The City of Syracuse lies 25 miles to the east and the City of Rochester approximately 55 miles to the west.

Major highways through the District include U.S. #20 and State highways #5, 34 and 38. An exit of the New York State Thruway is located less than 10 miles north of the District. Exits to Interstate Highway #81, which extends from Canada through Pennsylvania, are located within 20 miles of the District. The Syracuse Hancock International Airport serves the residents with air transportation via American, US Air, Delta, United Airlines and various commuter lines.

Electricity is provided to District residents by New York State Electric & Gas Corporation and telephone service is by Verizon New York, Inc. and AT&T.

Population

The current estimated population of the District is 33,315. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Auburn Memorial Hospital	Health/Medical	851
Auburn Correctional Facility	New York State Prison	797
Cayuga County	Municipality	770
City School District of the City of Auburn	Public Education	626
Wegmans Food Markets, Inc.	Grocery	386

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$60,261,161
Nucor Steel Auburn, Inc.	Steel Mill	32,087,288
Auburn Associates LLC	Retail	16,488,500
Wal-Mart, Inc.	Retail	14,582,800
Verizon New York, Inc.	Utility	11,746,444

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.15% 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 Cayuga County.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Cayuga County	8.1%	8.3%	7.4%	6.0%	5.4%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	4,502	4,544	4,613	4,656	4,409	4,400	4,375

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>
388	Auburn Teachers’ Association	June 30, 2015 ⁽¹⁾
151	Auburn Educational Secretaries and Para-Professionals	June 30, 2016
43	Civil Service Employees Association	June 30, 2016
20	Auburn Administrators	June 30, 2017
12	General Services/SEIU	June 30, 2018

⁽¹⁾ Currently under negotiations. The District and the bargaining unit have reached an impasse and are in mediation.

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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 April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,606,673,513	\$1,653,776,129
Debt Limit (5% of full valuation) ⁽²⁾	\$80,333,676	\$ 82,688,806
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$40,905,000	\$40,905,000
Energy Performance Contract.....	5,584,363	5,584,363
Total Inclusions.....	<u>\$46,489,363</u>	<u>\$46,489,363</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$9,200,000	\$9,200,000
Appropriations.....	3,902,063	3,902,063
Total Exclusions.....	<u>\$13,102,063</u>	<u>\$13,102,063</u>
Total Net Indebtedness.....	\$33,387,300	\$33,387,300
Net Debt Contracting Margin.....	\$46,946,376	\$49,301,506
Percentage of Debt Contracting Power Exhausted.....	41.56%	40.38%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$3,820,000 School District Bonds to DASNY in connection with the refunding of \$3,920,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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:					
Cayuga	\$66,008,502	\$0	\$66,008,502	37.37%	\$24,667,377
Towns of:					
Aurelius	5,676,854	0	5,676,854	0.01	568
Fleming	1,626,021	0	1,626,021	76.23	1,239,516
Owasco	4,139,087	0	4,139,087	93.12	3,854,318
Sennett	1,564,451	0	1,564,451	40.31	630,630
City of:					
Auburn	87,216,280	0	87,216,280	100.00	87,216,280
				Total	<u>\$117,608,689</u>

- (1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$33,387,300	\$1,002.17	1.97%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	150,995,989	4,532.37	8.93

- (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 33,315.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2015-16 of \$1,691,365,269.
- (4) The District expects to deliver \$3,820,000 School District Bonds to DASNY in connection with the refunding of \$3,920,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. 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 October 18, 2011, the voters approved a \$19,515,000 capital project for reconstruction of school buildings and facilities within the District. The District has \$4,579,093 remaining funds that may be financed under this authorization. The District plans to borrow the remaining authorization in July of 2016.

On January 13, 2016, the voters approved a \$2,800,000 capital project consisting of reconstruction of the Auburn Junior High School building and facilities including various site and athletic field improvements and synthetic turf improvements at Holland Stadium. As of the date of this Official Statement, a final financing plan has not yet been determined.

The School District is awaiting approval from the State Education Department on an energy performance contract. The estimated amount for this lease financing is \$2,036,699.

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 Auburn
<http://emma.msrb.org/EP896461-EP694184-EP1095940.pdf>
Base CUSIP: 050555

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 of the District are collected by the District Tax Collector during the collection periods. Real property taxes are levied not later than September 1 and may be paid in full until October 1 without penalty; or, may be paid in two installments, with the first payment due October 1 and the second installment due December 1. If taxes are not paid by October 1, or in installments, penalties are 1% if paid by October 31, 2% if paid by December 8, and 3% if paid by December 15. By December 20 the uncollected portions are returned to the City of Auburn and Cayuga County tax enforcement officers, as applicable, and an additional 5% fee is added to unpaid taxes.

Taxes remaining uncollected after the expiration of the second collection period are returned to the County Treasurer and City Treasurer, who reimburse the District in full for uncollected taxes prior to the end of the fiscal year for which taxes are levied.

The respective tax enforcement officers will pay to the District all moneys realized from the collection of unpaid taxes, including interest, less the 5% amount added thereto. If the City or County bids on any property with taxes due, the District shall receive the amount of unpaid taxes, plus interest, less 5% added thereto.

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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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Auburn	\$1,185,875,000	\$967,253,622	\$961,230,265	\$1,005,324,883	\$1,005,943,009
Towns of:					
Aurelius	11,100	22,000	22,000	22,000	22,045
Fleming	60,021,412	60,778,663	60,717,026	61,575,391	62,335,574
Owasco	272,184,788	271,154,346	272,638,659	274,618,425	276,668,253
Sennett	105,733,130	107,273,961	106,346,633	106,594,717	109,433,698
Total Assessed Valuation	<u><u>\$1,623,825,430</u></u>	<u><u>\$1,406,482,592</u></u>	<u><u>\$1,400,954,583</u></u>	<u><u>\$1,448,135,416</u></u>	<u><u>\$1,454,402,579</u></u>

State Equalization Rates					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Auburn	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Aurelius	100.00	100.00	100.00	99.00	96.00
Fleming	38.36	37.33	38.17	38.25	36.54
Owasco	90.00	89.00	87.00	91.00	85.00
Sennett	100.00	100.00	100.00	100.00	88.24
Taxable Full Valuation	\$1,750,515,521	\$1,542,031,915	\$1,540,046,685	\$1,574,701,726	\$1,626,071,719

Special State Equalization Ratios					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Auburn	98.52%	98.84%	94.44%	95.64%	92.83%
Towns of:					
Aurelius	91.77	98.88	97.79	93.47	89.31
Fleming	36.47	36.74	36.47	35.52	34.37
Owasco	89.40	86.85	90.73	90.00	89.29
Sennett	99.21	99.29	98.32	95.82	93.95
Taxable Full Valuation	\$1,779,311,526	\$1,564,307,834	\$1,592,986,753	\$1,640,909,261	\$1,691,365,269

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$27,026,437	\$27,958,849	\$28,657,820	\$29,042,942	\$29,574,022
% Uncollected When Due ⁽¹⁾	6.93%	6.97%	7.37%	7.33%	7.02%

⁽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 2016-2017 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>
2011-2012	\$31,047,153	\$61,517,330	50.47%
2012-2013	32,447,967	63,615,021	51.01
2013-2014	35,284,377	68,010,206	51.88
2014-2015	37,639,417	70,543,637	53.36
2015-2016 (Budgeted)	38,263,830	70,856,901	54.00
2016-2017 (Proposed)	39,238,980	72,245,872	54.31

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS⁽¹⁾</u>	<u>TRS⁽¹⁾</u>
2011-2012	\$778,642	\$2,990,700
2012-2013	819,027	3,024,100
2013-2014	827,109	3,913,585
2014-2015	947,860	4,202,003
2015-2016 (Budgeted)	950,000	3,450,000
2016-2017 (Proposed)	800,000	3,200,000

⁽¹⁾ General Fund only.

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 March 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 \$129,009,787. The actuarial value of the Plan’s assets was

Appendix C

\$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$129,009,787. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$27,933,713. The District's annual OPEB expense was \$8,081,733 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$4,095,395 to the Plan for the fiscal year ending June 30, 2015 to 1,166 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,986,338, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$31,920,051. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$639,811 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$2,889,146 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On June 15, 2012, the District called for redemption its \$12,490,000 School District Refunding (Serial) Bonds, Series B – 2002 and timely filed a notice for such calls on June 18, 2012; however, due to a clerical error, such call notice was filed on under the incorrect CUSIPs, but was re-filed under the correct CUSIPs on May 7, 2014. On occasion during the past five years, the District did not file certain event notices relating to ratings changes of National Public Finance Guarantee Corporation, a bond insurer of certain bonds of the District. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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Principal and Interest Requirements

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

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

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$5,197,936	\$85,071	\$5,283,007
2016-2017	4,810,975	178,900	4,989,875
2017-2018	3,950,020	178,800	4,128,820
2018-2019	3,899,012	178,700	4,077,712
2019-2020	3,079,595	913,550	3,993,145
2020-2021	3,026,099	916,350	3,942,449
2021-2022	2,966,094	917,850	3,883,944
2022-2023	2,919,206	912,750	3,831,956
2023-2024	2,815,213	645,400	3,460,613
2024-2025	2,653,293	-	2,653,293
2025-2026	2,621,844	-	2,621,844
2026-2027	2,570,106	-	2,570,106
2027-2028	2,515,538	-	2,515,538
2028-2029	2,170,075	-	2,170,075
2029-2030	1,254,150	-	1,254,150
2030-2031	1,204,200	-	1,204,200
2031-2032	1,149,425	-	1,149,425

⁽¹⁾ Schedule does not include remaining payments of \$5,584,363 due under an energy performance contracts.

Appendix C

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**APPENDIX C-3
DESCRIPTION OF
AVOCA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-3 a brief description of the Avoca 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 1938 and covers approximately 92 square miles in the Towns of Avoca, Bath, Cohocton, Fremont, Howard, Prattsburgh and Wheeler in Steuben County.

The District is served by Interstate 86 (the “Southern Tier Expressway”) and State Route 15, providing easy access to Rochester, Corning, Elmira and Binghamton. Bus service is readily available and air transportation is available at the Elmira-Corning Regional Airport, as well as in Rochester and Syracuse.

The District is primarily agricultural in nature, with much of the area’s land devoted to the cash crop product of potatoes and dairy farming. A number of residents commute to Rochester for employment.

Electricity is provided by New York State Electric & Gas Corporation and telephone service is provided by Verizon New York, Inc. Police protection is provided by the Steuben County Sheriff’s Department and the New York State Police. Ambulance and fire protection are provided by volunteer departments.

The District provides public education for grades K-12 in one building located in the Village of Avoca. Higher educational opportunities are available nearby at Alfred University, the State University of New York campuses at Alfred and Geneseo, Elmira College, St. Bonaventure University, Keuka College and Houghton College.

Residents find basic commercial services in the Village of Avoca, with a somewhat wider variety available in the nearby Village of Bath.

Population

The current estimated population of the District is 3,673. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Avoca Central School District	Public Education	102
C.L. Haines Manufacturing	Manufacturer - Farm Equipment	65
Bombardier Mass Transit Corporation	Manufacturer	35
Town of Avoca	Municipal Government	28
Village of Avoca	Municipal Government	13

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Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Tennessee Gas Pipeline	Gas Pipeline	\$16,836,979
New York State Electric & Gas Corporation	Utility	5,636,131
Slayton AG LLC	Agriculture	3,865,300
Weaver Living Trust	Residential	1,352,600
Steuben Rural Electric Cooperative, Inc.	Utility	1,252,625

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 21.10% 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 Steuben County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Steuben County	9.1%	9.4%	8.5%	6.9%	6.4%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	483	477	435	443	462	469	469

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	Avoca Central School Teachers’ Association	June 30, 2018
41	Avoca Central School Unit	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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$199,242,112
Debt Limit (10% of Full Valuation)	19,924,211
Gross Indebtedness ⁽²⁾	\$15,460,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	14,929,343
Total Net Indebtedness	\$530,657
Net Debt Contracting Margin	\$19,393,554
Percentage of Debt Contracting Power Exhausted	2.66%

⁽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 \$6,845,000 School District Bonds to DASNY in connection with the refunding of \$8,230,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 fiscal year of the respective municipalities.

Unit	Outstanding Indebtedness⁽¹⁾	Exclusions⁽²⁾	Net Indebtedness	% Within District	Applicable Net Indebtedness
County of:					
Steuben	\$17,180,000	\$0	\$17,180,000	3.76%	\$645,968
Towns of:					
Avoca	79,200	0	79,200	100.00	79,200
Bath	103,567	0	103,567	0.30	311
Cohocton	478,200	0	478,200	6.42	30,700
Fremont	0	0	0	13.38	0
Howard	72,000	0	72,000	57.71	41,551
Prattsburgh	0	0	0	6.53	0
Wheeler	0	0	0	40.26	0
Village of:					
Avoca	702,791	0	702,791	100.00	702,791
				Total	\$1,500,521

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$15,460,000	\$4,209.09	7.76%
Gross Indebtedness Plus Net Overlapping Indebtedness	16,960,521	4,617.62	8.51

- (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 3,673.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$199,242,112.
- (4) The District expects to deliver \$6,845,000 School District Bonds to DASNY in connection with the refunding of \$8,230,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Avoca Central School District
<http://emma.msrb.org/ER931008-ER726977-ER1128435.pdf>
Base CUSIP: 053876

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 1st, uncollected taxes are returnable to Steuben County for collection. The District receives this amount from Steuben County prior to the end of the District’s fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by Steuben 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Avoca	\$94,847,600	\$95,474,371	\$94,937,209	\$96,128,335	\$95,740,966
Bath	600,214	655,335	642,321	641,502	658,327
Cohocton	6,286,866	6,328,771	6,390,052	6,340,373	6,350,273
Fremont	6,401,525	6,729,365	6,880,702	6,872,428	6,907,293
Howard	22,500,184	22,428,960	22,369,533	22,545,125	22,470,423
Prattsburgh	7,126,968	7,071,230	7,110,517	7,103,733	7,459,380
Wheeler	20,482,315	20,638,914	21,925,451	22,024,964	21,992,489
Total Assessed Valuation	<u>\$158,245,672</u>	<u>\$159,326,946</u>	<u>\$160,255,785</u>	<u>\$161,656,460</u>	<u>\$161,579,151</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Avoca	100.00%	100.00%	100.00%	95.00%	94.00%
Bath	47.00	47.00	47.00	46.00	45.00
Cohocton	92.00	95.00	93.00	88.00	90.00
Fremont	100.00	100.00	100.00	94.40	100.00
Howard	53.90	52.50	52.50	48.00	44.64
Prattsburgh	100.00	100.00	100.00	100.00	100.00
Wheeler	100.00	100.00	100.00	97.00	91.00
Taxable Full Valuation	\$178,713,321	\$180,691,903	\$181,700,177	\$193,846,266	\$199,242,112

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$2,478,262	\$2,525,349	\$2,503,639	\$2,503,639	\$2,503,639
% Uncollected When Due ⁽¹⁾	10.76%	9.69%	8.13%	9.01%	7.75%

⁽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 2016-2017 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	Percentage of Total Revenues Consisting of State Aid ⁽¹⁾
2011-2012	\$8,723,082	\$11,593,651	75.24%
2012-2013	8,883,903	11,651,042	76.25
2013-2014	8,924,197	11,734,403	76.05
2014-2015	8,964,573	11,845,478	75.68
2015-2016 (Budgeted)	9,306,656	12,089,626	76.98
2016-2017 (Proposed)	9,718,646	12,558,753	77.39

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$165,000	\$351,000
2012-2013	184,000	410,000
2013-2014	182,000	566,000
2014-2015	174,000	652,000
2015-2016 (Budgeted)	184,577	533,856
2016-2017 (Proposed)	166,877	445,472

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

GASB 45 and OPEB

The District contracted with Hay Group Inc. to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees' service rendered to the measurement date, is \$10,134,173. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,134,173. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$2,259,520. The District's annual OPEB expense was \$736,907 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$383,127 to the Plan for the fiscal year ending June 30, 2015 to 155 employees, resulting in a net increase to its unfunded OPEB obligation of \$353,780, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$2,613,300. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$38,767 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,839,811 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On one occasion during the past five years, the District did not file an event notice relating to a rating change of National Public Finance Guarantee Corporation, a bond insurer of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$2,173,565	\$122,777	\$2,296,341
2016-2017	1,977,813	317,600	2,295,413
2017-2018	1,976,713	317,500	2,294,213
2018-2019	1,983,163	317,400	2,300,563
2019-2020	-	1,537,250	1,537,250
2020-2021	-	1,532,850	1,532,850
2021-2022	-	1,534,600	1,534,600
2022-2023	-	1,538,850	1,538,850
2023-2024	-	833,300	833,300
2024-2025	-	236,000	236,000
2025-2026	-	236,250	236,250
2026-2027	-	237,000	237,000
2027-2028	-	236,250	236,250

Appendix C

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

There follows in this Appendix C-4 a brief description of the Canajoharie 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 situated in upstate New York in the central portion of Montgomery County, about 40 miles west of the City of Albany. It encompasses approximately 30 square miles, and is located primarily within the Village of Canajoharie. Additionally, the District encompasses various portions of the Towns of Canajoharie, Carlisle, Charleston, Minden, Mohawk, Palatine, Root and Sharon.

Passenger rail service by Amtrak is available in nearby Amsterdam and Albany. The Barge Canal located within the District provides direct water transportation to the Port of New York and the Great Lakes at Buffalo.

Bus transportation is provided by Greyhound and Trailways Bus Lines and air transportation is available at Albany and Fulton County Airports. The New York State Thruway has an interchange, Exit 29, within the District. Other major highways include New York State Routes #5 and #5S.

Electricity and natural gas are supplied throughout the District by National Grid. The Village 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 New York State police, the Canajoharie Police Department and the County Sheriff's Office. Fire protection service is provided by the Canajoharie Fire Department and by other local volunteer units. Ambulance service is provided by Mid-County Ambulance, a public service, and by private companies.

Population

The current estimated population of the District is 6,262. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
St. Mary's Hospital	Hospital	1,447
Kasson & Keller/Keymark Corporation	Aluminum Extrusions	795
Liberty Enterprises	Food Processing, Cleaning Agents	675
Target	Warehouse	662
Greater Amsterdam School District	School District	520

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Iroquois Gas Trans System	Utility	\$6,614,867
TD Development	Manufacturing	3,637,630
National Grid	Utility	3,029,362
Mont County Industrial	Bank Complex	2,202,556
Palatine Holding LLC	Shopping Center	2,100,000

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

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Montgomery County	10.2%	10.4%	9.2%	7.5%	6.7%
Schoharie County	9.0	9.2	8.1	6.7	5.8
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	1,082	1,030	1,001	995	977	966	966

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	C.U.S.E – Instructional Staff	June 30, 2017
63	C.U.S.E – Support Staff	June 30, 2017

DISTRICT INDEBTEDNESS

Debt Limit

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$359,551,428
Debt Limit (10% of Full Valuation)	35,955,143
Gross Indebtedness ⁽²⁾	\$14,420,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	<u>\$14,420,000</u>
Net Debt Contracting Margin	\$21,535,143
Percentage of Debt Contracting Power Exhausted	40.12%

(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 \$3,735,000 School District Bonds to DASNY in connection with the refunding of \$3,815,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. 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 2014 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:					
Montgomery	\$25,984,650	\$0	\$25,984,650	15.59%	\$4,051,007
Schoharie	25,217,484	102,484	25,115,000	0.06	15,069
Towns of:					
Canajoharie	148,462	0	148,462	94.69	140,579
Carlisle	0	0	0	1.33	0
Charleston	57,122	0	57,122	2.58	1,474
Minden	0	0	0	0.44	0
Mohawk	0	0	0	0.77	0
Palatine	0	0	0	51.15	0
Root	125,000	0	125,000	78.22	97,775
Sharon	0	0	0	0.04	0
Village of:					
Canajoharie	3,478,785	2,003,000	1,475,785	100.00	<u>1,475,785</u>
Total					<u>\$5,781,688</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$14,420,000	\$2,302.78	4.01%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	20,201,688	3,226.08	5.62

- (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 6,262.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$359,551,428.
- (4) The District expects to deliver \$3,735,000 School District Bonds to DASNY in connection with the refunding of \$3,815,000 of the District’s outstanding serial bonds securing the Series 2009C Bonds. 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 School District is contemplating submitting a \$3,450,000 capital project to the voters. If the voters approve the capital project, it is expected to be funded with \$38,542 EXCEL aid with the balance to be initially financed with bond anticipation notes to be refinanced by serial bonds at a later date. If the voter approval is received, construction is anticipated to commence summer 2017.

There are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Canajoharie Central School District
<http://emma.msrb.org/ES740262-ES580127-ES975934.pdf>
Base CUSIP: 136861

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 and a 3% penalty is charged from November 1st to November 1st. On November 15th, uncollected taxes are returnable to Montgomery and Schoharie Counties, as applicable, for collection. The District receives this amount from said County on April 1st, thereby assuring 100% tax collection annually. Tax sales are held annually by said 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Canajoharie	\$111,113,594	\$111,350,956	\$112,534,638	\$112,250,022	\$112,206,766
Carlisle	1,054,923	1,003,244	1,007,424	1,041,383	1,037,586
Charleston	2,294,594	2,302,642	2,309,724	2,268,256	2,356,525
Minden	737,890	740,839	738,016	753,752	754,536
Mohawk	436,777	1,705,383	1,639,165	1,611,429	1,542,936
Palentine	46,258,635	47,002,533	46,343,906	47,339,906	47,971,878
Root	76,315,326	78,569,344	79,476,479	81,428,485	84,039,997
Sharon	<u>30,260</u>	<u>31,578</u>	<u>33,442</u>	<u>36,096</u>	<u>36,790</u>
Total Assessed Valuation	<u>\$238,241,999</u>	<u>\$242,706,519</u>	<u>\$244,082,794</u>	<u>\$246,729,329</u>	<u>\$249,947,014</u>

State Equalization Rates Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Canajoharie	60.00%	60.00%	66.00%	61.00%	61.00%
Carlisle	74.00	77.00	81.00	81.50	80.00
Charleston	92.01	100.00	100.00	100.00	100.00
Minden	100.00	100.00	100.00	100.00	100.00
Mohawk	32.02	100.00	100.00	100.00	106.57
Palentine	59.00	59.00	58.00	56.00	56.00
Root	92.01	100.00	100.00	100.00	100.00
Sharon	74.00	77.00	81.00	81.50	80.00
Taxable Full Valuation	\$352,598,497	\$349,912,370	\$335,858,717	\$355,935,958	\$359,551,428

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$6,467,909	\$6,629,607	\$6,762,200	\$6,870,395	\$6,982,081
% Uncollected When Due ⁽¹⁾	11.22%	10.24%	9.60%	10.53%	9.73%

⁽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 2016-2017 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>
2011-2012	\$10,539,712	\$17,553,909	60.04%
2012-2013	11,254,758	18,413,414	61.12
2013-2014	11,633,430	18,935,258	61.44
2014-2015	12,100,842	19,461,949	62.18
2015-2016 (Budgeted)	12,689,358	20,137,239	63.00
2016-2017 (Proposed)	12,890,165	20,323,253	63.00

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$277,584	\$709,384
2012-2013	403,796	679,564
2013-2014	369,007	1,088,387
2014-2015	289,875	1,040,656
2015-2016 (Budgeted)	534,600	1,073,250
2016-2017 (Proposed)	425,000	950,000

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, 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 \$27,484,564. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,484,564. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$5,234,990. The District’s annual OPEB expense was \$1,693,405 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$917,883 to the Plan for the fiscal year ending June 30, 2015 to 253 employees, resulting in a net increase to its unfunded OPEB obligation of \$775,522, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$6,010,512. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$168,047 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,575,045 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*”

Historical Continuing Disclosure Compliance

On September 2, 2014, the District’s bond rating was upgraded by Standard & Poor’s from “A” with a stable outlook to “A+” with a stable outlook. Although the District was required to file with the MSRB notice of such rating change within 10 business days, the District did not make such filing until April 1, 2016. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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Appendix C

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$2,047,088	\$69,193	\$2,116,281
2016-2017	1,951,688	176,650	2,128,338
2017-2018	1,728,713	176,550	1,905,263
2018-2019	1,485,413	176,450	1,661,863
2019-2020	792,663	866,300	1,658,963
2020-2021	791,813	865,700	1,657,513
2021-2022	789,613	869,700	1,659,313
2022-2023	791,063	817,050	1,608,113
2023-2024	790,938	819,100	1,610,038
2024-2025	789,100	10,500	799,600
2025-2026	790,125	-	790,125
2026-2027	109,925	-	109,925
2027-2028	102,075	-	102,075
2028-2029	109,375	-	109,375
2029-2030	106,375	-	106,375
2030-2031	103,250	-	103,250

**APPENDIX C-5
DESCRIPTION OF
CANISTEO-GREENWOOD CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-5 a brief description of the Canisteco-Greenwood 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 an area of approximately 125 square miles in the Town of Andover in Allegany County and the Towns of Bath, Canisteco, Greenwood, Hartsville, Hornellsville, Howard, Jasper and West Union in Steuben County. The Village of Canisteco is located within the District.

The District is served by New York State Routes 21, 36, 248 and 417. Access to Interstate 86 (the “Southern Tier Expressway”) is available in Hornell, which provides further access to Interstate Route 390 and Rochester. Pennsylvania Lines LLC railroad line passes through the District. The Hornell Airport, just north of the City of Hornell, is available for use by small private aircraft. Commercial air transportation is available at the Elmira-Coming Regional Airport and the Greater Rochester International Airport; while bus service is available in Hornell.

The District is a rural/agricultural area with many of its residents commuting to Corning, Elmira, Hornell and Wellsville for employment. Other residents are employed in agriculture with dairy farming the largest business in the District. The State University of New York at Alfred and Alfred University also provide employment.

Water and sewer services are provided by the Towns, as well as by private wells and septic systems. Electricity and natural gas are provided by New York State Electric & Gas Corporation, Steuben Rural Electric, National Fuel and Columbia Gas, while Verizon New York, Inc. and Citizens' Telecom provide telephone service. Police protection is provided by the Steuben County Sheriff’s Department and the New York State Police. Various volunteer fire and ambulance companies serve the area.

The District provides public education for grades Pre-K-12. Opportunities for higher education are available at nearby Alfred University and State University of New York at Alfred, as well as at the many colleges and universities in the Elmira, Corning and Rochester areas.

District residents are afforded all the usual commercial services in and around the District. Recreational facilities are plentiful in the nearby Finger Lakes Region, and at the Stony Brook, Letchworth and Allegany State Parks.

Population

The current estimated population of the District is 5,848. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Canisteco-Greenwood Central School District	Public Education	192
Southern Tier Trucking	Trucking Company	40
Cy’s Shurfine	Grocery Store	27
Bar-B-R Farms	Dairy Farm	13
Dollar Store	Retail Store	8

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$9,290,454
Pennsylvania Lines LLC	Railroad	7,627,068
Tennessee Gas Pipeline	Utility	4,391,211
National Fuel Gas Distribution	Utility	3,295,984
Steuben Rural Electric Cooperative, Inc.	Utility	3,032,818

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.42% 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 Allegany and Steuben Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Allegany County	8.9%	8.4%	7.5%	6.2%	5.8%
Steuben County	9.1	9.4	8.4	6.9	6.4
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
Pre-K-12	976	990	995	999	971	973	948

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>
108	Canisteo-Greenwood Teachers’ Association	June 30, 2017
78	Canisteo-Greenwood E.S.P.A.	June 30, 2018
4	Administrators’ 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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$317,800,110
Debt Limit (10% of Full Valuation)	31,780,011
Gross Indebtedness ⁽²⁾	\$12,685,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$12,685,000
Net Debt Contracting Margin	\$19,095,011
Percentage of Debt Contracting Power Exhausted	39.92%

⁽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 \$3,405,000 School District Bonds to DASNY in connection with the refunding of \$3,470,000 of the District's outstanding serial bonds securing the Series 2009A Bonds. 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 2014 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	\$29,310,000	\$0	\$29,310,000	0.11%	\$32,241
Steuben	17,180,000	0	17,180,000	5.96	1,023,928
Towns of:					
Andover	237,106	0	237,106	3.13	7,421
Bath	103,567	0	103,567	0.46	476
Canisteo	0	0	0	100.00	0
Greenwood	66,708	0	66,708	95.18	63,493
Hartsville	85,000	0	85,000	88.97	75,625
Hornellsville	379,983	0	379,983	12.72	48,334
Howard	72,000	0	72,000	40.52	29,174
Jasper	1,167,876	0	1,167,876	11.40	133,138
West Union	0	0	0	61.53	0
Village of:					
Canisteo	0	0	0	100.00	0
				Total	\$1,413,830

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$12,685,000	\$2,169.12	3.99%
Gross Indebtedness Plus Net Overlapping Indebtedness	14,098,830	2,410.88	4.44

- (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 5,848.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$317,800,110.
- (4) The District expects to deliver \$3,405,000 School District Bonds to DASNY in connection with the refunding of \$3,470,000 of the District’s outstanding serial bonds securing the Series 2009A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Canisteo-Greenwood Central School District
<http://emma.msrb.org/EP896049-EP693812-EP1095527.pdf>
Base CUSIP: 137590

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 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Andover	\$1,479,721	\$1,485,977	\$1,486,090	\$1,483,171	\$1,500,087
Bath	919,546	930,405	949,194	967,756	1,022,160
Canisteo	75,817,329	130,600,511 ⁽¹⁾	130,699,823	130,955,232	130,713,983
Greenwood	57,434,368	54,979,134	54,041,701	53,002,360	53,297,491
Hartsville	32,840,398	33,069,842	33,307,199	33,382,308	34,902,255
Hornellsville	24,218,011	24,349,706	24,409,734	25,410,541	25,851,244
Howard	16,038,181	15,987,245	15,978,209	15,981,515	15,777,245
Jasper	277,399	279,401	302,589	301,834	312,150
West Union	11,490,660	11,140,676	11,139,973	11,086,070	10,983,597
Total Assessed Valuation	<u>\$220,515,613</u>	<u>\$272,822,897</u>	<u>\$272,314,512</u>	<u>\$272,570,787</u>	<u>\$274,360,212</u>

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

State Equalization Rates Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Andover	89.00%	92.00%	89.00%	85.00%	77.00%
Bath	47.00	47.00	47.00	46.00	45.00
Canisteo	58.00	100.00 ⁽¹⁾	100.00	99.00	99.00
Greenwood	100.00	100.00	100.00	100.00	100.00
Hartsville	100.00	100.00	100.00	100.00	100.00
Hornellsville	100.00	100.00	100.00	99.00	97.00
Howard	53.90	52.50	52.50	48.00	44.64
Jasper	4.40	4.54	4.65	4.80	4.36
West Union	52.75	53.00	53.00	52.00	45.40
Taxable Full Valuation	\$306,674,600	\$304,220,216	\$304,108,573	\$309,081,014	\$317,800,110

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

Total District Property Tax Collections Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$5,134,717	\$5,134,717	\$5,134,717	\$5,186,064	\$5,217,331
% Uncollected When Due ⁽¹⁾	10.36%	8.61%	10.12%	9.43%	8.83%

⁽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 2016-2017 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>
2011-2012	\$14,768,976	\$20,334,142	72.63%
2012-2013	15,101,144	20,829,231	72.50
2013-2014	15,494,661	21,362,367	72.53
2014-2015	16,142,770	21,994,994	73.39
2015-2016 (Budgeted)	16,304,510	22,576,633	72.22
2016-2017 (Proposed)	16,111,344	23,129,936	69.66

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$222,000	\$632,000
2012-2013	332,000	818,000
2013-2014	299,000	1,088,000
2014-2015	319,000	1,255,000
2015-2016 (Budgeted)	359,877	1,256,231
2016-2017 (Proposed)	517,694	1,025,000

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

GASB 45 and OPEB

The District contracts through GST BOCES which contracts with BPAS Actuarial & Pension Services (formerly known as Harbridge) 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 \$37,539,848. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$37,539,848. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$7,561,015. The District’s annual OPEB expense was \$3,506,634 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,192,557 to the Plan for the fiscal year ending June 30, 2015 to 136 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,314,077, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$9,875,092. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$313,744 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$3,836,108 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On June 15, 2012, the District called for redemption its \$2,700,000 School District (Serial) Bonds, 1998. Although the District was required to file an event notice of call in a timely manner, it did not file such event notice. On occasion during the past five years, the District did not file certain event notices relating to ratings changes of National Public Finance Guarantee Corporation and Assured Guaranty Municipal Corp., bond insurers of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$1,629,683	\$73,819	\$1,703,502
2016-2017	1,482,800	160,850	1,643,650
2017-2018	1,479,575	160,750	1,640,325
2018-2019	1,085,019	160,650	1,245,669
2019-2020	462,206	770,500	1,232,706
2020-2021	465,106	772,900	1,238,006
2021-2022	462,806	770,900	1,233,706
2022-2023	465,406	777,750	1,243,156
2023-2024	467,806	771,350	1,239,156
2024-2025	469,519	-	469,519
2025-2026	470,519	-	470,519
2026-2027	475,269	-	475,269
2027-2028	474,113	-	474,113
2028-2029	472,150	-	472,150
2029-2030	473,800	-	473,800

Appendix C

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**APPENDIX C-6
DESCRIPTION OF
CARTHAGE CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-6 a brief description of the Carthage 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 270 square miles is located in Jefferson and Lewis Counties about 18 miles from the City of Watertown. The District includes the Towns of Champion, LeRay, Rutland and Wilna in Jefferson County, Croghan, Denmark, and Diana in Lewis County and the incorporated Villages of Black River, Carthage, Deferiet, Herrings and West Carthage.

The stable economy of the District is based on its diversified industry. In addition to being a well-known dairy farming area, the District is noted for wooden specialty products, paper folding boxes, fiber shipping drums, paper making machinery, granite and memorial monuments and industrial chemicals, as well as the location for the U.S. Army’s Fort Drum.

Fort Drum, home to the U. S. Army’s 10th Mountain Division (light infantry-LI) is the largest employer in Northern New York with 19,605 soldiers and 4,739 civilians working on or near the installation. Family members of these soldiers add another 19,810 residents to the County’s population. Actual numbers of troops on base generally fluctuate depending on deployment of soldiers stationed at the base. A four lane limited access highway (I-781) that connects Interstate 81 and US Route 11 and the Fort Drum main gate. The project cost nearly \$100 million to complete and serves an important strategic enhancement for the Fort Drum military base.

Fort Drum’s positive direct economic impact upon its surrounding community exceeded \$1.4 billion for Fiscal Year 2012. Fort Drum’s population is still currently projected to remain relatively stable; employment and payroll economic impact should remain fairly constant and continue to be the most significant category of economic impact to the local economy. No other significant changes in population at Fort Drum are currently forecasted through 2019.

Factors Bearing on the School District’s Future

As of the 2015 fiscal year, approximately 51% of the District’s student population comes from military families. This density enables the District to take advantage of Federal sources of aid, specifically, Heavily Impacted Aid under §8003 (b)(2) of the Elementary and Secondary Education Act of 1965, as amended (No Child Left Behind). In general, to be eligible for this Federal Impact Aid, a local school district must educate at least 400 such children in average daily attendance, or the federally connected children must make up at least 3 percent of the school district’s total average daily attendance. Heavily Impacted Districts that enroll certain percentages of federally connected children and meet other specific statutory criteria, receive increased formula payments under Section 8003(b)(2). School districts must conduct a “first count” student survey each year to identify the number of federally-connected students. School districts must then submit an application directly to the U.S. Department of Education by January 31 containing the results of the “first count.” What has occurred in previous years in the District is that a fewer number of students are present for the fall survey which effects the District’s projection of Federal Revenue. If students arrive after the survey date, the District has the expense of educating these students but the Federal Impact Aid will lag for several years due to the rules and time table established for funding.

Federal Impact aid, when combined with State aid and local real property tax contributions, provides the basis for a large portion of District’s financial standing. For the 2015 fiscal year, approximately 59% of District-wide revenues are derived from State sources and 26% from Federal sources. The general tax revenue provides approximately 15% of the District-wide revenues.

Appendix C

The District will continue to be cautious about over reliance of projected Federal Aid based on what happens with Federal Sequestration under the Budget Control Act of 2011. Under the act all non-discretionary appropriations would be cut, across-the-board, if there was no agreement on fiscal controls to control the Federal deficit. There was an immediate impact in the Federal Impact Aid program since it is not a forward funded appropriation. This resulted in a 5% reduction for the program, which impacted receipts for the 2012-13 school year. If sequestration continues, it will continue to have a negative impact on Federal Impact Aid. The amount of State aid which the District receives is also not easily estimated and is tied to the State's financial situation.

Population

The current estimated population of the District is 19,341. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Fort Drum	US Army	23,077 ⁽¹⁾
Samaritan Medical Center	Hospital	1,800
Carthage Central School District	Education	573
Lewis County General Hospital	County Hospital	500-550
Lewis County	Government	350-375

⁽¹⁾ This amount includes military and civilians. Due to military deployment, the actual number of personnel is frequently changing.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$44,357,779
Erie Boulevard Hydropower	Utility	24,175,604
WDC Carthage Associates	Apartments	7,100,000
DC West Carthage & Carthage Associates	Apartments	6,100,000
Carthage Industrial Dev. (West End Dam)	Commercial	4,633,200

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12% 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 Jefferson and Lewis Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Jefferson County	9.8%	9.9%	9.2%	7.6%	6.7%
Lewis County	9.7	10.0	9.5	7.8	7.1
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	3,650	3,685	3,768	3,482	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>
318	Carthage Teachers' Association (NYSUT Affiliate)	June 30, 2020
225	Carthage School Related Personnel (NYSUT Affiliate)	June 30, 2016 ⁽¹⁾
11	Carthage Administrators' Association	June 30, 2016 ⁽¹⁾
12	Carthage District Office Personnel	June 30, 2016 ⁽¹⁾
5	Carthage Association of Middle Level Managers	June 30, 2019
2	Carthage District Administrative Support Staff	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 April 25, 2016⁽¹⁾

Full Valuation of Taxable Real Property	\$818,330,705
Debt Limit (10% of Full Valuation)	81,833,071
Gross Indebtedness ⁽²⁾	\$22,685,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$22,685,000
Net Debt Contracting Margin	\$59,148,071
Percentage of Debt Contracting Power Exhausted	27.72%

⁽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 \$5,340,000 School District Bonds to DASNY in connection with the refunding of \$7,125,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. 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,

Appendix C

comprised of bonds and bond anticipation notes, is listed as of the close of the 2014 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:					
Jefferson	\$11,730,000	\$ 0	\$11,730,000	9.25%	\$1,085,025
Lewis	23,083,652	0	23,083,652	4.05	934,888
Towns of:					
Champion	2,375,508	1,506,088	869,420	92.65	805,518
Croghan	392,923	0	392,923	10.11	39,725
Denmark	631,047	61,047	570,000	26.77	152,589
Diana	0	0	0	6.32	0
LeRay	14,660,462	12,660,462	2,000,000	16.72	334,400
Rutland	6,660,685	1,572,623	5,088,062	61.59	3,133,737
Wilna	347,754	207,754	140,000	100.00	140,000
Villages of:					
Black River	2,518,774	0	2,518,774	100.00	2,518,774
Carthage	1,653,788	1,198,788	455,000	100.00	455,000
Deferiet	483,000	0	483,000	100.00	483,000
Herrings	0	0	0	100.00	0
West Carthage	615,000	615,000	0	100.00	0
Total					<u>\$10,082,656</u>

- (1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$22,685,000	\$1,172.90	2.77%
Gross Indebtedness Plus Net Overlapping Indebtedness	32,767,656	1,694.21	4.00

- (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 19,341.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2015-16 of \$818,330,705.
- (4) The District expects to deliver \$5,340,000 School District Bonds to DASNY in connection with the refunding of \$7,125,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. 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 Anticipation Notes (“TANs”) or Revenue Anticipation Notes (“RANs”) since 2006 and does not presently anticipate issuing TANs or RANs in the foreseeable future.

Capital Project Plans

On January 20, 2015, the District received voter approval on an \$11,980,000 capital project. The District has appropriated \$1.4 million from its capital fund to the general fund to establish revenue for the initial project. The State Education Department (“SED”) has approved the first phase of the project and work is underway. The remaining phases of the project have been submitted to SED and the District is awaiting final approval. Pending market conditions and cash flow needs, the District plans to issue bond anticipation notes in the 2016-17 fiscal year. The plan is to utilize various series of bond anticipation notes and pay off the notes prior to bonding.

The Board of Education will continue to monitor the growth anticipated for the District and assess the need for a future building project.

The District has no other 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.

Carthage Central School District
<http://emma.msrb.org/ES740271-ES580129-ES975940.pdf>
Base CUSIP: 146663

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 Counties of Jefferson and Lewis 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. Taxes unpaid after October 31st are re-levied at an additional 7% penalty with County taxes which are due on January 1st and, therefore, such taxes may no longer be paid between October 31st and January 1st.

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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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Champion	\$229,267,530	\$235,620,988	\$244,033,306	\$254,735,858	\$256,838,747
Croghan	18,845,977	19,582,466	19,410,878	19,564,393	20,121,369
Denmark	36,596,599	37,950,517	39,839,676	41,300,631	41,719,983
Diana	9,118,683	9,695,402	9,703,817	10,310,438	10,446,205
LeRay	75,964,101	77,464,080	68,220,225	68,534,205	69,705,918
Rutland	70,881,006	72,131,989	72,314,856	72,377,651	72,384,728
Wilna	261,444,488	261,917,919	292,740,114	293,166,861	292,838,397
Total Assessed Valuation	<u><u>\$702,118,384</u></u>	<u><u>\$714,363,361</u></u>	<u><u>\$746,262,872</u></u>	<u><u>\$759,990,037</u></u>	<u><u>\$764,055,347</u></u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Champion	100.00%	100.00%	100.00%	100.00%	100.00%
Croghan	72.00	68.00	68.00	68.00	67.00
Denmark	100.00	100.00	100.00	100.00	100.00
Diana	100.00	100.00	100.00	100.00	100.00
LeRay	100.00	100.00	100.00	100.00	100.00
Rutland	65.50	65.50	67.00	62.00	62.00
Wilna	93.50	95.00	100.00	100.00	100.00
Taxable Full Valuation	\$764,956,931	\$775,356,978	\$791,015,168	\$813,557,306	\$818,330,705

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$8,918,818	\$9,008,006	\$9,008,006	\$8,508,006	\$7,657,205
% Uncollected When Due ⁽¹⁾	6.65%	6.41%	6.22%	6.34%	6.06%

⁽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 2016-2017 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	Percentage of Total Revenues Consisting of State Aid ⁽¹⁾
2011-2012	\$31,654,229	\$49,725,658	63.66%
2012-2013	31,859,167	56,346,903	56.54
2013-2014	33,890,979	50,316,331	67.36
2014-2015	33,775,778	58,529,287	57.71
2015-2016 (Budgeted)	36,459,919	54,123,319	67.40
2016-2017 (Proposed)	39,091,602	60,980,793	61.59

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$1,090,345	\$1,617,142
2012-2013	1,402,372	2,088,558
2013-2014	1,128,688	3,053,933
2014-2015	1,318,026	3,191,189
2015-2016 (Budgeted)	1,101,004	2,900,000
2016-2017 (Proposed)	1,031,184	2,638,000

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

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Appendix C

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group, 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 \$72,965,752. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$72,965,752. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$26,708,087. The District’s annual OPEB expense was \$7,192,251 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,777,936 to the Plan for the fiscal year ending June 30, 2015, resulting in a net increase to its unfunded OPEB obligation of \$5,414,315, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$32,122,402. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$1,409,287 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$7,182,037 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>
2015-2016	\$4,909,925	\$86,668	\$4,996,593
2016-2017	4,403,619	242,000	4,645,619
2017-2018	4,089,994	241,900	4,331,894
2018-2019	3,784,597	241,800	4,026,397
2019-2020	926,000	1,486,650	2,412,650
2020-2021	924,000	1,481,850	2,405,850
2021-2022	-	1,482,350	1,482,350
2022-2023	-	1,485,500	1,485,500

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

There follows in this Appendix C-7 a brief description of the Central Square 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, incorporated in 1953, is located in upstate New York. The District is rural and residential in nature with an estimated population of 25,089. The District is made up of portions of the Towns of Amboy, Constantia, Hastings, Mexico, Palermo, Parish, Schroepfel and West Monroe in Oswego County; portions of the Towns of Cicero and Clay in Onondaga County; and a portion of the Town of Vienna in Oneida County.

Major highways serving the District include Interstate 81, extending north to Canada and south to Tennessee, which bisects the District, and the New York State Thruway, which can be accessed via Syracuse interchanges. The City of Syracuse lies approximately 20 miles to the south, the City of Oswego 15 miles to the west and the City of Watertown 50 miles to the north.

Water service is provided to residents through the Onondaga County Water Authority and the Village of Central Square. Electric and Gas is provided by National Grid. Sewer services are provided by the Towns of Cicero, Clay and Hastings, and the Village of Central Square. Fire protection is provided by local volunteer Fire Departments in each Town and Police protection is provided by County Sheriffs and the New York State Police.

The District provides public education for grades Pre-K through 12. Opportunities for higher education include SUNY Oswego in Oswego, Syracuse University in Syracuse and Onondaga Community College in Syracuse.

Population

The current estimated population of the District is 25,089. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
SUNY Oswego	Education	1,743
Oswego Health, Inc.	Health Care	1,252
Oswego County Government	Government	1,150
Constellation Energy Nuclear Group	Utility	1,025
Wal-Mart	Retail	935

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$27,977,639
Wal-Mart Stores	Retail	9,393,600
Windstream New York, Inc.	Communications	5,029,142
Sacco, Michael J Jr.	Private	3,394,769
Weatherup, Thomas S.	Private	2,707,033

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 4.45% of the tax base of the District.

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 Oneida, Onondaga and Oswego Counties.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Oneida County	8.0%	8.2%	7.5%	6.1%	5.4%
Onondaga County	7.7	7.9	6.8	5.6	5.0
Oswego County	10.8	10.9	9.8	8.0	7.2
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	4,276	4,171	4,038	3,928	3,836	3,813	3,825

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>
320	Central Square Teachers' Association	June 30, 2017
19	Clerical	June 30, 2018
57	Service and Maintenance	June 30, 2015 ⁽¹⁾
75	Bus Drivers and Monitors	June 30, 2018
7	Nurses	June 30, 2018
13	Administrators – Principals	June 30, 2018
14	District Office Clerical Staff	June 30, 2018
32	School Lunch	June 30, 2018
94	Aides and Assistants	June 30, 2017
13	Non-Instructional Supervisors	June 30, 2017
18	Monitors	June 30, 2018
5	Management Confidential	June 30, 2018
2	Confidential Clerical Staff	June 30, 2015 ⁽¹⁾

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾

Full Valuation of Taxable Real Property	\$1,408,613,375
Debt Limit (10% of Full Valuation)	140,861,338
Gross Indebtedness ⁽²⁾	\$23,291,724
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$23,291,724
Net Debt Contracting Margin	\$117,569,614
Percentage of Debt Contracting Power Exhausted	16.54%

(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 \$4,260,000 School District Bonds to DASNY in connection with the refunding of \$4,350,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. 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 2014 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:					
Oneida	\$163,886,588	\$34,765,468	\$129,121,120	0.35%	\$451,924
Onondaga	601,761,930	340,093,966	261,667,964	1.47	3,846,519
Oswego	13,745,000	0	13,745,000	16.12	2,215,694
Towns of:					
Amboy	144,845	144,845	0	1.93	0
Cicero	3,732,059	223,363	3,508,696	14.84	520,690
Clay	4,118,000	959,600	3,158,400	1.65	52,114
Constantia	10,500,256	10,500,256	0	99.91	0
Hastings	16,864,233	10,082,978	6,781,255	98.95	6,710,052
Mexico	11,685,852	10,958,971	726,881	0.56	4,071
Palermo	31,721	0	31,721	5.03	1,596
Parish	240,000	240,000	0	5.61	0
Schroepfel	0	0	0	1.30	0
Vienna	4,234,817	4,225,477	9,340	10.75	1,004
West Monroe	0	0	0	98.91	0
Villages of:					
Central Square	1,087,027	811,000	276,027	100.00	276,027
Cleveland	240,698	119,698	121,000	100.00	121,000
				Total	\$14,200,690

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$23,291,724	\$928.36	1.65%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	37,492,414	1,494.38	2.66

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

(2) Based on the District’s current estimated population of 25,089.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$1,408,613,375.

(4) The District expects to deliver \$4,260,000 School District Bonds to DASNY in connection with the refunding of \$4,350,000 of the District’s outstanding serial bonds securing the Series 2009C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue Tax Anticipation Notes or Revenue Anticipation Notes in the past and has no future plans to do so.

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Central Square Central School District
<http://emma.msrb.org/ES745164-ES584195-ES980063.pdf>
Base CUSIP: 155213

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. After October 31st, uncollected bills are turned over to Oneida, Onondaga and Oswego Counties who collect from November 1st to November 30th with a 3% penalty. 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Amboy	\$1,203,859	\$1,325,005	\$1,315,300	\$1,389,494	\$1,326,799
Cicero	323,947,701	320,869,996	321,742,396	324,117,793	324,708,667
Clay	2,423,170	2,424,597	2,650,163	2,873,994	2,947,825
Constantia	270,833,214	271,526,925	272,373,162	273,330,472	274,856,602
Hastings	424,906,140	426,135,851	428,712,974	432,841,329	436,415,520
Mexico	1,339,317	1,340,852	1,341,070	1,259,606	1,291,742
Palermo	7,162,902	7,207,793	7,368,422	7,318,789	7,297,702
Parish	6,964,373	6,920,890	7,200,519	7,226,894	7,243,254
Schroepfel	3,937,887	4,080,394	4,019,919	4,008,157	4,029,025
Vienna	22,338,104	22,512,391	22,479,870	22,632,473	23,039,510
West Monroe	<u>6,955,060</u>	<u>6,959,449</u>	<u>6,912,446</u>	<u>6,880,636</u>	<u>223,092,669⁽¹⁾</u>
Total Assessed Valuation	<u>\$1,072,011,727</u>	<u>\$1,071,304,143</u>	<u>\$1,076,116,241</u>	<u>\$1,083,879,637</u>	<u>\$1,306,249,315</u>

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Amboy	100.00%	97.00%	97.00%	100.00%	100.00%
Cicero	100.00	100.00	100.00	100.00	100.00
Clay	4.32	4.34	4.35	4.33	4.31
Constantia	100.00	100.00	100.00	100.00	100.00
Hastings	100.00	100.00	100.00	100.00	95.00
Mexico	100.00	100.00	100.00	100.00	100.00
Palermo	100.00	100.00	100.00	100.00	100.00
Parish	100.00	100.00	106.26	100.00	108.82
Schroepfel	85.00	86.90	85.00	83.50	85.00
Vienna	62.50	62.50	62.00	61.00	62.50
West Monroe	3.10	3.10	3.00	2.99	100.00 ⁽¹⁾
Taxable Full Valuation	\$1,357,179,953	\$1,356,448,267	\$1,371,995,650	\$1,385,882,581	\$1,408,613,375

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$24,395,700	\$24,883,600	\$25,816,735	\$26,377,182	\$26,989,378
% Uncollected When Due ⁽¹⁾	6.75%	6.29%	7.28%	7.47%	6.48%

⁽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 2016-2017 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>
2011-2012	\$35,686,700	\$61,317,849	58.20%
2012-2013	38,019,450	64,357,266	59.08
2013-2014	39,765,783	67,265,320	59.12
2014-2015	41,442,124	70,089,563	59.12
2015-2016 (Budgeted)	43,828,124	71,623,196	61.19
2016-2017 (Proposed)	44,718,007	73,953,618	60.47

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$1,119,081	\$2,491,593
2012-2013	1,561,530	2,817,628
2013-2014	1,553,577	3,052,208
2014-2015	1,553,656	4,020,335
2015-2016 (Budgeted)	1,600,000	3,468,645
2016-2017 (Proposed)	1,350,000	3,155,000

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, 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 \$79,003,873. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$79,003,873. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$27,567,884. The District’s annual

Appendix C

OPEB expense was \$6,368,192 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,018,369 to the Plan for the fiscal year ending June 30, 2015 to 704 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,349,823, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$30,197,707. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$442,404 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$2,715,795 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

The District, on occasion, did not file certain material event notices in a "timely manner" for the credit rating changes of the bond insurers of the District's \$6,500,000 School District (Serial) Bonds, 2004 as required by the District's existing continuing disclosure agreements. On June 17, 2013, the Moody's and S&P ratings of National Public Finance Guarantee Corporation ("NPF") were upgraded. Although the District was required to file with the MSRB notice of such rating changes within 10 business days, the District did not make such filing until July 31, 2013. On March 18, 2014, the S&P rating of NPF was upgraded from "A" to "AA-". Although the District was required to file with the MSRB notice of such rating changes within 10 business days, the District did not make such filing until August 1, 2014. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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Principal and Interest Requirements

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

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

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$6,523,863	\$77,511	\$6,601,374
2016-2017	6,287,013	200,800	6,487,813
2017-2018	3,193,082	200,700	3,393,782
2018-2019	2,265,207	200,600	2,465,807
2019-2020	1,308,472	970,450	2,278,922
2020-2021	877,499	971,950	1,849,449
2021-2022	621,350	971,700	1,593,050
2022-2023	621,800	969,900	1,591,700
2023-2024	620,550	970,750	1,591,300
2024-2025	622,525	-	622,525
2025-2026	623,800	-	623,800
2026-2027	616,600	-	616,600
2027-2028	618,800	-	618,800

⁽¹⁾ Schedule does not include remaining payments of \$2,827,535 due under an energy performance contract.

Appendix C

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**APPENDIX C-8
DESCRIPTION OF
CHURCHVILLE-CHILI CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-8 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 was organized in 1950 and 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 School District include: Chili Plastics, Inc. and Home Trends Catalog. The 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 27,587. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Churchville-Chili Central School District	Public Education	723
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	\$31,147,536
Blueberry Hill Association	Apartments	15,522,600
Target	Retail Store	9,314,300
Windsor at Ogdenshire Associates	Apartments	9,170,500
Atlantic Properties LLC	Apartments	9,122,300

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.40% 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Monroe County	7.7%	7.9%	6.9%	5.8%	5.2%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	4,026	3,981	3,914	3,888	3,875	3,847	3,830

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
79	Churchville-Chili Professional Association	June 30, 2018
64	Churchville-Chili Maintenance Association	June 30, 2015 ⁽¹⁾
32	Churchville-Chili Central School Nutritional Services Association	June 30, 2016
19	Certified Administrators’ Group	June 30, 2016
19	Civil Service Administrators’ Group	June 30, 2016
7	Churchville-Chili Nurses’ Association	June 30, 2018

⁽¹⁾ Currently under negotiations. The District and the bargaining unit have reached an impasse and are in mediation.

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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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,456,946,170
Debt Limit (10% of Full Valuation)	145,694,617
Gross Indebtedness ⁽²⁾	\$60,372,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$60,372,000
Net Debt Contracting Margin	\$85,322,617
Percentage of Debt Contracting Power Exhausted	41.44%

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

(2) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$3,080,000 School District Bonds to DASNY in connection with the refunding of \$3,095,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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	\$760,137,427	\$0	\$760,137,427	3.67%	\$27,897,044
Towns of:					
Chili	1,865,000	0	1,865,000	53.14	991,061
Ogden	0	0	0	29.35	0
Riga	3,747,375	0	3,747,375	96.11	3,601,602
Sweden	1,475,904	0	1,475,904	0.16	2,361
Village of:					
Churchville	2,301,305	0	2,301,305	100.00	2,301,305
				Total	\$34,793,373

(1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$60,372,000	\$2,188.42	4.14%
Gross Indebtedness Plus Net Overlapping Indebtedness	95,165,373	3,449.65	6.53

- (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 27,587.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$1,456,946,170.
- (4) The District expects to deliver \$3,080,000 School District Bonds to DASNY in connection with the refunding of \$3,095,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. 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 9, 2008, the voters approved a \$55,985,000 capital project, Phase II, consisting of construction and reconstruction of various school buildings and facilities. The District plans to borrow the remaining \$1,376,127 of funds that may be financed under this authorization in June of 2016.

On December 11, 2012, the voters approved a \$9,997,000 capital project, Phase III, consisting of construction and reconstruction of various school buildings and facilities. The District has \$600,000 of remaining funds that may be financed under this authorization. The District plans to borrow the remaining authorized amount in June of 2016.

On December 10, 2013, the voters approved an \$8,860,000 capital project, Phase IV, consisting of construction and reconstruction of various school buildings and facilities. The District plans to use \$1,790,000 of Capital Reserves and borrow \$7,070,000 for this project. As of the date of this Official Statement, the District has borrowed \$4,300,000 and plans to borrow the remaining \$2,770,000 of funds that may be financed under this authorization in June of 2016.

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 use \$5,175,000 of Capital Reserves and borrow the remaining \$17,503,000. As of the date of this Official Statement, a final financing plan has not been determined.

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/EP883774-EP683983-EP1085654.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 School 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, a 2% 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 School 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Chili	\$801,931,081	\$807,662,532	\$820,374,050	\$828,216,793	\$831,753,342
Ogden	284,196,177	287,576,978	296,682,864	308,510,415	313,937,873
Riga	282,020,391	295,954,700 ⁽¹⁾	301,113,470	300,817,631	310,292,794 ⁽¹⁾
Sweden	2,637,447	1,008,516 ⁽²⁾	938,245	953,653	962,161
Total Assessed Valuation	<u>\$1,370,785,096</u>	<u>\$1,392,202,726</u>	<u>\$1,419,108,629</u>	<u>\$1,438,498,492</u>	<u>\$1,456,946,170</u>

(1) Significant changes from previous year due to revaluation.

(2) Properties within the Town of Sweden were transferred to the Brockport Central School District tax rolls.

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</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	97.00	100.00	100.00	98.00	100.00
Sweden	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,379,507,376	\$1,392,202,726	\$1,419,108,629	\$1,444,637,627	\$1,456,946,170

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$31,301,702	\$31,912,579	\$33,043,064	\$33,798,534	\$34,440,706
% Uncollected When Due ⁽¹⁾	3.36%	2.78%	2.63%	2.50%	2.63%

⁽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 2016-2017 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>
2011-2012	\$29,044,193	\$65,490,687	44.35%
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 (Budgeted)	37,231,441	76,526,166	48.65
2016-2017 (Proposed)	39,505,278	79,652,176	49.60

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$918,337	\$2,596,699
2012-2013	1,406,240	2,856,795
2013-2014	1,341,482	3,930,235
2014-2015	1,490,669	4,300,691
2015-2016 (Budgeted)	1,807,160	3,804,858
2016-2017 (Proposed)	1,685,620	3,605,940

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, 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 \$50,742,245. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,742,245. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$8,737,612. The District's annual OPEB expense was \$3,547,142 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,504,225 to the Plan for the fiscal year ending June 30, 2015 to 200 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,042,917, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$10,780,529. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$702,032 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$3,142,543 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On June 15, 2011, the District called for redemption certain of its general obligation bonds. Although the District was required to file an event notice of the call in a timely manner, it did not file such event notice until August 19, 2011, 46 business days after the call date. On occasion during the past five years, the District did not file certain event notices relating to ratings changes of National Public Finance Guarantee Corporation and Assured Guaranty Municipal Corp., bond insurers of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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>
2015-2016	\$8,742,185	\$63,676	\$8,805,860
2016-2017	8,142,870	131,400	8,274,270
2017-2018	7,857,094	131,300	7,988,394
2018-2019	6,856,257	131,200	6,987,457
2019-2020	4,135,695	761,100	4,896,795
2020-2021	3,725,494	767,050	4,492,544
2021-2022	3,716,094	765,650	4,481,744
2022-2023	3,704,644	763,250	4,467,894
2023-2024	3,705,358	372,750	4,078,108
2024-2025	3,687,832	-	3,687,832
2025-2026	3,561,094	-	3,561,094
2026-2027	1,785,113	-	1,785,113
2027-2028	631,925	-	631,925
2028-2029	635,900	-	635,900
2029-2030	612,850	-	612,850

**APPENDIX C-9
DESCRIPTION OF
CINCINNATUS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-9 a brief description of the Cincinnatus Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, established in 1935, is located in upstate New York in the Towns of Cincinnatus, Cuyler, Freetown, Marathon, Solon, Taylor, Truxton, and Willet in Cortland County, the Towns of German, Lincklaen, McDonough, Pharsalia and Pitcher in Chenango County and the Town of Triangle in Broome County. The District encompasses approximately 150 square miles.

The District area is rural consisting of primarily small businesses. Institutions of higher education are available at the State University of New York at Cortland as well as many colleges and universities in the surrounding area. The City of Cortland is approximately 18 miles to the west, the City of Norwich is approximately 24 miles to the east, the City of Binghamton is approximately 35 miles to the south and the City of Syracuse is approximately 45 miles to the northwest.

Source: District Officials.

Population

The current estimated population of the District is 3,783. (Source: 2014 U.S. Census Bureau estimate)

Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cincinnatus Central School District	Public Education	204
Cincinnatus True Value & Grocery	Hardware/Lumber/Grocery Store	40
Magro’s Pizza	Restaurant	25
Bennett Hotel	Restaurant/Bar	15
S&D Petroleum	Fuel Station/Mini-Mart	13

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$6,069,645
Riverside Dairy	Farm	2,570,429
Citizens Telecom	Utility	1,695,460
Cincinnatus Home Center, LLC	Business	925,054
FJC Family LLC	Residential	731,290

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.04% of the tax base of the District.

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 Broome, Chenango and Cortland Counties.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Broome County	8.6%	8.7%	7.8%	6.6%	6.0%
Chenango County	8.7	8.6	7.3	6.2	5.6
Cortland County	8.5	8.6	7.7	6.5	5.9
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	665	623	586	621	592	600	600

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>
79	Cincinnatus Educators’ Association	June 30, 2018
48	Cincinnatus Support Staff Association	June 30, 2018
2	Cincinnatus Administrators Association	June 30, 2017

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DISTRICT INDEBTEDNESS**Debt Limit**

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$209,609,833
Debt Limit (10% of Full Valuation)	20,960,983
Gross Indebtedness ⁽²⁾	\$15,044,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$15,044,000
Net Debt Contracting Margin	\$6,866,983
Percentage of Debt Contracting Power Exhausted	67.24%

⁽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 \$6,490,000 School District Bonds to DASNY in connection with the refunding of \$6,650,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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	\$144,452,442	\$14,061,942	\$130,390,500	0.01%	\$13,039
Chenango	0	0	0	3.17	0
Cortland	31,099,248	3,656,748	27,442,500	5.67	1,555,990
Towns of:					
Cincinnatus	206,758	206,758	0	99.09	0
Cuyler	4,000	4,000	0	4.26	0
Freetown	0	0	0	16.23	0
German	0	0	0	93.90	0
Lincklaen	0	0	0	3.02	0
Marathon	57,969	0	57,969	0.14	81
McDonough	0	0	0	0.13	0
Pharsalia	0	0	0	23.17	0
Pitcher	0	0	0	73.73	0
Solon	0	0	0	12.38	0
Taylor	0	0	0	99.82	0
Triangle	0	0	0	0.57	0
Truxton	0	0	0	0.50	0
Willet	40,000	0	40,000	80.87	32,348
				Total	\$1,601,458

- (1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016 ⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$15,044,000	\$3,976.74	7.18%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	16,645,458	4,400.07	7.49

- (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 3,783.
- (3) Based on the District's full value of taxable real estate using the State equalization rates for 2015-16 of \$209,609,833.
- (4) The District expects to deliver \$6,490,000 School District Bonds to DASNY in connection with the refunding of \$6,650,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 Tax Anticipation Notes (“TANs”) or Revenue Anticipation Notes (“RANs”) in the recent past and does not anticipate issuing either TANs or RANs in the foreseeable future at this time.

Capital Project Plans

On February 11, 2014, the voters of the District authorized a capital project in the amount of \$8,720,000 for the reconstruction of District buildings. The State Education Department approval was granted on October 6, 2015 and work is projected to begin in the Spring/Summer of 2016 and will continue through the Fall of 2016. The District has issued \$950,000 bond anticipation notes as the first borrowing against said authorization, which mature on August 19, 2016. The District issued \$2,500,000 bond anticipation notes February 2016 to provide additional funding for construction. These bond anticipation notes will also mature on August 19, 2016. In August 2016, the District plans to renew notes outstanding and issue the remaining authorized amount as bond anticipation notes.

Additionally, the District annually borrows for buses. The District anticipates borrowing approximately \$233,000 for the 2016-17 fiscal year pending voter approval.

There are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Cincinnati Central School District
<http://emma.msrb.org/ES740285-ES580143-ES975953.pdf>
Base CUSIP: 172392

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 Cortland, Chenango and Broome Counties, as applicable, for collection. Taxes are subject to a variable District penalty, 5% County penalty in addition to 1% per month from the due date. 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Cincinnati	\$44,739,293	\$44,935,219	\$45,259,052	\$45,664,147	\$45,530,756
Cuyler	1,766,915	1,777,580	1,785,432	2,392,980 ⁽¹⁾	2,377,276
Freetown	5,454,831	5,410,019	5,447,345	5,417,967	5,399,697
German	15,358,650	15,096,683	14,844,123	14,895,808	15,005,228
Lincklaen	574,053	575,794	577,607	578,352	562,144
Marathon	108,500	109,600	112,700	135,000 ⁽¹⁾	135,735
McDonough	68,500	68,500	68,500	68,500	68,500
Pharsalia	7,062,246	7,005,505	6,902,256	6,830,217	6,729,293
Pitcher	13,432,197	13,498,028	13,453,794	13,642,774	13,633,342
Solon	6,011,390	6,054,156	6,029,994	6,106,896	6,098,161
Taylor	26,813,978	26,882,796	27,066,164	27,180,611	27,282,065
Triangle	442,565	442,565	442,565	970,500 ⁽¹⁾	970,500
Truxton	302,510	296,460	372,230 ⁽¹⁾	364,790	357,700
Willet	34,271,670	34,491,084	34,802,956	3,4962,391	35,104,736
Total Assessed Valuation	\$156,407,298	\$156,643,989	\$157,164,718	\$159,210,933	\$159,254,133

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Cincinnati	95.00%	93.00%	93.00%	93.00%	93.00%
Cuyler	79.00	76.50	76.50	100.00 ⁽¹⁾	100.00
Freetown	100.00	98.00	100.00	93.00	93.00
German	44.50	44.50	45.50	44.00	45.50
Lincklaen	64.00	64.00	66.00	58.75	57.75
Marathon	96.00	92.00	92.00	100.00 ⁽¹⁾	99.50
McDonough	77.57	77.37	79.81	73.53	76.00
Pharsalia	54.72	55.04	53.75	50.26	50.70
Pitcher	49.00	49.00	47.00	46.00	48.00
Solon	100.00	97.00	96.00	93.00	92.00
Taylor	100.00	92.00	92.00	92.00	92.00
Triangle	63.00	63.00	63.00	100.00 ⁽¹⁾	100.00
Truxton	79.00	79.00	100.00 ⁽¹⁾	100.00	100.00
Willet	100.00	100.00	99.00	96.00	90.00
Taxable Full Valuation	\$198,898,776	\$202,499,659	\$203,551,530	\$209,499,798	\$209,609,833

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$3,332,716	\$3,399,370	\$3,497,952	\$3,582,092	\$3,689,555
% Uncollected When Due ⁽¹⁾	25.46%	20.73%	23.29%	24.46%	23.35%

⁽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 2016-2017 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>
2011-2012	\$9,094,077	\$12,742,401	71.67%
2012-2013	9,222,134	13,001,478	70.93
2013-2014	9,502,615	13,387,134	70.98
2014-2015	9,883,658	13,818,278	71.53
2015-2016 (Budgeted)	10,152,831	14,142,336	71.79
2016-2017 (Proposed)	10,327,255	14,157,535	72.95

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$156,619	\$516,560
2012-2013	144,800	543,423
2013-2014	176,945	722,961
2014-2015	137,430	819,663
2015-2016 (Budgeted)	222,206	845,456
2016-2017 (Proposed)	197,207	767,147

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

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Appendix C

GASB 45 and OPEB

The District contracted with Ciaschi, Dietershagen, Little, Mickelson & Company, LLP 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 \$16,526,562. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,526,562. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$6,489,786. The District’s annual OPEB expense was \$1,767,654 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$464,681 to the Plan for the fiscal year ending June 30, 2015, resulting in a net increase to its unfunded OPEB obligation of \$1,414,050 after a prior period adjustment of \$111,077, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$7,903,836. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$121,340 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$575,908 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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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>
2015-2016	\$1,608,374	\$106,217	\$1,714,591
2016-2017	1,419,404	298,756	1,718,161
2017-2018	1,342,892	298,656	1,641,549
2018-2019	1,275,750	298,556	1,574,307
2019-2020	86,747	1,453,406	1,540,154
2020-2021	35,416	1,455,706	1,491,123
2021-2022	-	1,450,456	1,450,456
2022-2023	-	1,458,056	1,458,056
2023-2024	-	429,206	429,206
2024-2025	-	261,406	261,406
2025-2026	-	100,906	100,906
2026-2027	-	103,106	103,106
2027-2028	-	99,856	99,856
2028-2029	-	101,606	101,606
2029-2030	-	103,106	103,106
2030-2031	-	99,356	99,356
2031-2032	-	100,606	100,606
2032-2033	-	101,606	101,606
2033-2034	-	102,356	102,356
2034-2035	-	98,756	98,756
2035-2036	-	101,056	101,056
2036-2037	-	98,088	98,088

Appendix C

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**APPENDIX C-10
DESCRIPTION OF
DALTON-NUNDA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-10 a brief description of the Dalton-Nunda 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 (popular name Keshequa Central School District) was organized from two former central school districts on July 1, 1968. The School District is located in the Towns of Mt. Morris, Nunda, Portage and West Sparta in Livingston County, Granger and Grove in Allegany County and Genesee Falls in Wyoming County. The District covers approximately 118 square miles and lies approximately 50 miles south of Rochester and 60 miles southeast of Buffalo.

The District is served by New York State Routes 436, 70 and 408, the last of which connects to Interstate 390 at Mt. Morris. Air transportation is available to the District in either Rochester or Buffalo.

Residents of the District, an essentially rural area, are employed in dairy and crop farming or commute outside the District for employment.

The Village of Nunda operates public water and sewer facilities, while the outlying areas are served by private wells and septic systems. Electricity and natural gas are provided by New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation. Telephone service is provided by Frontier Telephone, Inc. and Contel. The Village and Town of Nunda sponsor a joint police department, while the remaining areas of the District receive police protection from the County Sheriff’s Departments 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 in two buildings. The Elementary School is located in the Hamlet of Dalton and the High School in the Village of Nunda. Opportunities for higher education are available in nearby Geneseo, Alfred and Olean, and at the many colleges and universities in the Rochester and Buffalo areas.

Residents of the District find basic commercial services in the Village of Nunda and the nearby Villages of Mt. Morris and Dansville. Banking services in the Village of Nunda are provided by an office of Manufacturers and Traders Trust Company. Recreational facilities include Letchworth State Park, Stony Brook State Park and the Western Finger Lakes.

Population

The current estimated population of the District is 5,133. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Keshequa Central School District	Public Education	155
Nunda Lumber Company	Retail – Lumber	40
Shop N Save	Grocery Store	40
Once Again Nut Butter Collective	Manufacturer	25
Bugman’s Inc.	Bulk Milk Hauler	20
Dalton Builder Inc.	General Construction	20

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corporation	Utility	\$5,847,315
New York State Electric & Gas Corporation	Utility	4,759,145
RNVE LLC	Dairy Farm	4,294,900
Pennsylvania Lines LLC	Railroad	2,700,000
O'Connell Organization	Farm	1,820,300

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.37% 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 Allegany, Livingston and Wyoming Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Allegany County	8.9%	8.4%	7.5%	6.2%	5.8%
Livingston County	7.6	7.9	7.0	5.8	5.4
Wyoming County	8.7	8.9	7.9	6.5	5.7
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	787	782	724	759	708	700	700

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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>
74	Keshequa Central Teachers Association	June 30, 2016 ⁽¹⁾
18	Bus Drivers Association	June 30, 2015 ⁽¹⁾
21	Keshequa United Support Staff	June 30, 2018
7	Secretarial Association	June 30, 2017
4	Administrative Association	June 30, 2019
2	Middle Managers	June 30, 2015 ⁽¹⁾
1	Superintendent	June 30, 2019
1	Confidential Secretary	June 30, 2016
15	Teaching Assistants	June 30, 2016 ⁽¹⁾
10	Teacher Aides	June 30, 2018
1	Mechanics	June 30, 2018
1	District Treasurer	June 30, 2016

⁽¹⁾ Currently under negotiations.

DISTRICT INDEBTEDNESS**Debt Limit**

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$234,636,900
Debt Limit (10% of Full Valuation)	23,463,690
Gross Indebtedness ⁽²⁾	\$17,100,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$17,100,000
Net Debt Contracting Margin	\$6,363,690
Percentage of Debt Contracting Power Exhausted	72.88%

⁽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 \$3,270,000 School District Bonds to DASNY in connection with the refunding of \$3,360,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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.

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 2014 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	\$29,310,000	\$0	\$29,310,000	1.36%	\$398,616
Livingston	55,034,507	0	55,034,507	6.09	3,351,601
Wyoming	36,716,369	0	36,716,369	0.46	168,895
Towns of:					
Genesee Falls	60,000	0	60,000	36.29	21,774
Granger	67,606	0	67,606	30.13	20,370
Grove	0	0	0	44.16	0
Mount Morris	340,000	0	340,000	20.10	68,340
Nunda	0	0	0	100.00	0
Portage	37,013	0	37,013	100.00	37,013
West Sparta	214,000	0	214,000	7.07	15,130
Village of:					
Nunda	1,233,200	0	1,233,200	100.00	1,233,200
Total					<u>\$5,314,939</u>

- (1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$17,100,000	\$3,331.39	7.29%
Gross Indebtedness Plus Net Overlapping Indebtedness	22,414,939	4,366.83	9.55

- (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 5,133.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$234,636,900.
- (4) The District expects to deliver \$3,270,000 School District Bonds to DASNY in connection with the refunding of \$3,360,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Dalton-Nunda Central School District
<http://emma.msrb.org/EP895337-EP693225-EP1094934.pdf>
 Base CUSIP: 235619

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

Real Estate Property Tax Collection Procedure

Taxes are payable to the School District Tax Collector during the month of September without penalty. Payments made during the month of October carry a penalty of 2% and a 3% penalty is imposed from November 1 through November 15. Unpaid taxes are returned to Allegany, Livingston and Wyoming County Treasurers shortly after November 1, and are added to the following year's town/county tax bills with an additional penalty. 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Genesee Falls	\$8,741,958	\$8,888,539	\$8,970,523	\$8,669,980	\$9,611,312 ⁽¹⁾
Granger	6,791,589	6,835,676	6,860,326	6,844,827	6,856,838
Grove	14,775,215	14,890,142	15,269,362	15,461,013	15,691,282
Mount Morris	27,323,122	28,080,610	28,157,013	30,207,447 ⁽¹⁾	30,235,675
Nunda	121,895,997	122,951,660	123,868,346	126,340,854 ⁽¹⁾	126,921,877
Portage	35,139,389	36,119,833	36,620,103	37,994,882 ⁽¹⁾	38,643,098
West Sparta	3,614,371	3,629,129	3,677,236	4,250,178 ⁽¹⁾	4,267,659
Total Assessed Valuation	<u>\$218,281,641</u>	<u>\$221,395,589</u>	<u>\$223,422,909</u>	<u>\$229,769,181</u>	<u>\$232,227,741</u>

⁽¹⁾ Significant changes from previous year due to revaluation.

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Genesee Falls	100.00%	100.00%	100.00%	98.00%	100.00%
Granger	80.00	82.00	76.00	76.00	74.00
Grove	100.00	100.00	100.00	100.00	100.00
Mount Morris	100.00	100.00	100.00	100.00	100.00
Nunda	100.00	100.00	100.00	100.00	100.00
Portage	100.00	100.00	100.00	100.00	100.00
West Sparta	100.00	100.00	98.00	100.00	100.00
Taxable Full Valuation	\$219,979,538	\$222,896,103	\$225,664,373	\$232,107,644	\$234,636,900

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$4,369,276	\$4,412,950	\$4,545,339	\$4,630,148	\$4,715,508
% Uncollected When Due ⁽¹⁾	13.45%	13.52%	13.45%	12.27%	12.91%

⁽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 2016-2017 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>
2011-2012	\$12,382,579	\$17,668,813	70.08%
2012-2013	12,722,564	17,769,780	71.60
2013-2014	12,889,726	18,062,486	71.36
2014-2015	13,533,135	18,663,991	72.51
2015-2016 (Budgeted)	13,980,558	18,830,066	74.25
2016-2017 (Proposed)	14,429,614	19,299,888	74.77

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$314,244	\$643,444
2012-2013	362,501	637,613
2013-2014	358,566	867,446
2014-2015	317,867	871,865
2015-2016 (Budgeted)	339,000	791,000
2016-2017 (Proposed)	277,824	662,976

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

GASB 45 and OPEB

The District contracts through Questar III which contracts with Hooker and Holcombe, Inc. Benefit Consultants & Actuaries 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 \$3,507,525. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,507,525. The aforementioned liability is recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 financial statements. The District has reserved \$263,880 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 \$140,281 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$760,162 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On occasion during the past five years, the District did not file certain event notices relating to ratings changes of National Public Finance Guarantee Corporation and Assured Guaranty Municipal Corp., bond insurers of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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Appendix C

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$3,774,328	\$71,667	\$3,845,995
2016-2017	3,539,463	154,600	3,694,063
2017-2018	3,410,307	154,500	3,564,807
2018-2019	1,090,771	154,400	1,245,171
2019-2020	419,184	744,250	1,163,434
2020-2021	367,970	742,350	1,110,320
2021-2022	367,069	741,600	1,108,669
2022-2023	371,070	739,700	1,110,770
2023-2024	369,869	739,900	1,109,769
2024-2025	368,175	-	368,175
2025-2026	370,978	-	370,978
2026-2027	368,138	-	368,138
2027-2028	369,344	-	369,344
2028-2029	369,856	-	369,856
2029-2030	159,650	-	159,650

**APPENDIX C-11
DESCRIPTION OF
EAST SYRACUSE-MINOA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-11 a brief description of the East Syracuse-Minoa 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 region known as Central New York. It is situated in the east sector of Onondaga County within the towns of Cicero, Dewitt, Manlius and the north sector of Madison County within a small portion of the town of Sullivan. The City of Syracuse is located approximately 5 miles west of the District.

Major highways in close proximity to the District include State Route #481 and #690, which both provide direct access to Interstate Route #90 (New York State Thruway) extending east and west from Boston to Chicago, and Interstate Route #81 extending north and south from Canada to Washington D.C.

The District has a land area of 72 square miles and is primarily residential in character. The commercial sector within the District, which includes various shopping centers, accommodates the residents with all retail and professional requirements. The majority of District residents are employed in industry, commerce and professions throughout the Syracuse metropolitan area.

Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments. Gas and electric are furnished by National Grid Power Corporation.

Population

The current estimated population of the District is 22,312. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Upstate University Health System	Hospital	9,525
Syracuse University	Education	4,621
St. Joseph’s Hospital Health Center	Life Sciences	3,745
Crouse Hospital	Life Sciences	2,700
Lockheed Martin	Radar & Sensor Devices	2,250

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Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$31,926,066
Bristol Myers Squibb	Pharmaceuticals	29,000,000
SNH Medical Office Properties (Brittonfield)	Commercial	20,362,400
ONX1 LLC (old New Venture Gear)	Commercial	15,000,000
IVC WHH Syracuse LLC (Wyndham Hotels)	Commercial	14,640,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.45% 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 Madison and Onondaga Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Madison County	8.2%	8.5%	7.6%	6.4%	5.7%
Onondaga County	7.7	7.9	6.8	5.6	5.0
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
Pre-K-12	3,657	3,368	3,634	3,457	3,500	3,470	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>
14	Association of Auto and General Mechanics	June 30, 2016
64	Clerical Association United NYSUT	June 30, 2017
34	ESM Custodial Association	June 30, 2016 ⁽¹⁾
359	ESM United Teachers, NYSUT	June 30, 2016 ⁽¹⁾
51	Local 200 – B.S.E.I.U. (Bus Drivers)	June 30, 2016 ⁽¹⁾
88	Teaching Assistants Association, NYSUT	June 30, 2017
16	Administrators & Supervisors Association	June 30, 2016 ⁽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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,776,655,924
Debt Limit (10% of Full Valuation)	177,665,592
Gross Indebtedness ⁽²⁾	\$42,328,630
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$42,328,630
Net Debt Contracting Margin	\$135,336,962
Percentage of Debt Contracting Power Exhausted	23.82%

(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 \$3,920,000 School District Bonds to DASNY in connection with the refunding of \$3,850,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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 2014 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	\$10,600,000	\$0	\$10,600,000	1.36%	\$144,160
Onondaga	601,761,930	340,093,966	261,667,964	6.69	17,505,587
Towns of:					
Cicero	3,732,059	223,363	3,508,696	1.19%	41,753
DeWitt	9,380,658	3,624,700	5,755,958	41.70%	2,400,234
Manlius	281,074	0	281,074	26.87%	75,525
Sullivan	11,956,353	3,029,700	8,926,653	6.40%	571,306
Villages of:					
East Syracuse	4,704,335	1	4,704,334	100.00%	4,704,334
Minoa	4,493,656	512,593	3,981,063	100.00%	3,981,063
			Total		\$29,423,962

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$42,328,630	\$1,897.12	2.38%
Gross Indebtedness Plus Net Overlapping Indebtedness	71,752,592	3,215.87	4.04

- (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 22,312.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$1,776,655,924.
- (4) The District expects to deliver \$3,920,000 School District Bonds to DASNY in connection with the refunding of \$3,850,000 of the District’s outstanding serial bonds securing the Series 2008A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue Tax Anticipation Notes or Revenue Anticipation Notes in the past and has no future plans to do so.

Capital Project Plans

The District has authorization for a capital project consisting of the construction of an addition to and renovation of the Pine Grove Middle School, at an estimated maximum cost not to exceed \$29,400,000, and has authorized the expenditure of \$6,100,000 of capital reserve fund monies to pay a portion of the costs thereof and the issuance and sale of serial bonds in an aggregate principal amount of \$23,300,000. The District also plans to apply \$291,370 in EXCEL Aid.

To date, the District has issued \$23,008,630 against this authorization. The District currently has \$23,008,630 of bond anticipation notes outstanding which mature June 30, 2016. The District anticipates permanently financing the bond anticipation notes through the issuance of bonds at maturity.

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 Syracuse-Minoa Central School District
<http://emma.msrb.org/ER923720-ER721494-ER1122856.pdf>
Base CUSIP: 275443

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 October 31st. On or about November 1st, uncollected taxes are returnable to the Counties of Onondaga and Madison 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.

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Cicero	\$26,216,417	\$25,743,880	\$25,464,079	\$25,332,682	\$25,332,682
DeWitt	1,044,639,308	1,047,693,203	1,042,406,063	1,048,947,801	1,048,950,801
Manlius	626,778,291	635,076,816	642,693,444	650,405,091	650,415,591
Sullivan	<u>44,836,904</u>	<u>44,906,027</u>	<u>51,662,321</u>	<u>51,956,850</u>	<u>51,956,850</u>
Total Assessed Valuation	<u><u>\$1,742,470,920</u></u>	<u><u>\$1,753,419,926</u></u>	<u><u>\$1,762,225,907</u></u>	<u><u>\$1,776,642,424</u></u>	<u><u>\$1,776,655,924</u></u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Sullivan	85.50%	85.00%	100.00%	100.00%	100.00%
Cicero	100.00	100.00	100.00	100.00	100.00
DeWitt	100.00	100.00	100.00	100.00	100.00
Manlius	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,750,074,839	\$1,761,344,519	\$1,762,225,907	\$1,776,642,424	\$1,776,655,924

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$41,855,375	\$42,644,418	\$43,749,910	\$44,745,860	\$45,449,414
% Uncollected When Due ⁽¹⁾	5.54%	5.45%	6.09%	5.92%	5.59%

⁽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 2016-2017 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid⁽¹⁾</u>	<u>Total Revenues⁽¹⁾</u>	<u>Percentage of Total Revenues Consisting of State Aid⁽¹⁾</u>
2011-2012	\$21,148,735	\$66,133,093	31.98%
2012-2013	21,581,629	67,058,727	32.18
2013-2014	22,785,124	69,185,230	32.93
2014-2015	23,496,845	71,392,332	32.91
2015-2016 (Budgeted)	26,156,405	73,851,884	35.42
2016-2017 (Proposed)	27,582,485	75,803,349	36.39

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$1,426,497	\$3,099,242
2012-2013	1,662,439	3,261,124
2013-2014	1,776,939	4,685,800
2014-2015	1,390,468	4,885,410
2015-2016 (Budgeted)	1,553,346	4,037,849
2016-2017 (Proposed)	1,356,569	3,546,710

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, 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 \$156,939,650. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$156,939,650. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$67,397,120. The District's annual OPEB expense was \$15,142,698 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,585,735 to the Plan for the fiscal year ending June 30, 2015 to 1,057 employees, resulting in a net increase to its unfunded OPEB obligation of \$11,556,963, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$78,954,083. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$520,852 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$2,888,530 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⁾

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2015-2016	\$3,856,450	\$66,483	\$3,922,933
2016-2017	3,749,387	164,550	3,913,937
2017-2018	3,258,425	163,950	3,422,375
2018-2019	2,467,181	948,350	3,415,531
2019-2020	2,456,900	952,050	3,408,950
2020-2021	2,450,900	947,000	3,397,900
2021-2022	1,389,850	952,800	2,342,650
2022-2023	309,200	462,000	771,200
2023-2024	308,200	-	308,200
2024-2025	306,800	-	306,800

⁽¹⁾ Schedule does not include remaining payments of \$8,037,645 due under an energy performance contract.

Appendix C

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**APPENDIX C-12
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF GLOVERSVILLE**

There follows in this Appendix C-12 a brief description of the City School District of the City of Gloversville (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 upstate New York in the south central portion of Fulton County (the “County”), about 35 miles northwest of the City of Albany. It encompasses approximately 90 square miles, and is located primarily within the City of Gloversville (the “City”). Additionally, the District encompasses various portions of the Towns of Johnstown, Bleecker, Caroga and Mayfield (the “Towns”).

The City of Gloversville, together with its twin, the City of Johnstown less than 1 mile away, produces about forty percent of the fine leather gloves made in the United States. Other industries include: leather tanning, knitwear, sporting goods, machines and tools, chemicals, furs, shoes, wool blankets, jackets and dyeing, lithographing, and dry cleaning. Residents not employed in the industries located in the District find employment in industrial and governmental operations in the Cities of Johnstown, Schenectady, Canajoharie and Albany.

Passenger rail service by Amtrak is available in nearby Amsterdam. The Barge Canal, located just to the south, provides direct water transportation to the Port of New York and the Great Lakes at Buffalo.

Bus transportation is provided by Greyhound and Trailways Bus Lines and air transportation is available at Albany International Airport and Fulton County Airport. The New York State Thruway has an interchange just south of the District at Fultonville. Other major highways include New York State Routes 29, 30A and 67.

Electricity and natural gas are supplied throughout the District by National Grid. 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 New York State Police, the Gloversville Police Department, the County Sheriff’s Office, and by police departments of the respective Towns; fire protection service is provided by the Gloversville Fire Department and by local volunteer units; ambulance service is provided by private companies.

Population

The current estimated population of the District is 18,750. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lexington Center (Fulton Co. ARC)	Residential & Day Treatment	1,350
Nathan Littauer Hospital	Health Care	880
Gloversville School District	Education	650
Frontier	Phone Co.	481
Taylor Made Custom Products	Manufacturing	400

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$24,838,203
State of New York	Government	13,700,350
Gloversville Partners Alb	Commercial	3,745,000
Clark Trading	Commercial	3,600,000
Fulton land Associates LLC	Commercial	3,483,800

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.17% 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 Fulton County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Fulton County	10.5%	11.0%	9.4%	7.6%	6.6%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	2,958	2,918	2,819	2,731	2,789	2,774	2,729

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>
280	Gloversville Teachers' Association	June 30, 2019
64	Teachers' Aide Association	June 30, 2016
36	Buildings and Grounds Association	June 30, 2018
32	Cafeteria Employees Association	June 30, 2017
24	Office Personnel Association	June 30, 2017
17	Teaching Assistants	June 30, 2017
10	Gloversville Administrative Supervisory Staff Association	June 30, 2016
5	Gloversville Non-Instructional Support Staff Association	June 30, 2017
3	Gloversville Administrative Support Staff 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 April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$642,152,959	\$653,291,323
Debt Limit (5% of full valuation) ⁽²⁾	\$32,107,648	\$32,664,566
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$47,490,000	\$47,490,000
Bond Anticipation Notes.....	0	0
Total Inclusions.....	<u>\$47,490,000</u>	<u>\$47,490,000</u>
<u>Exclusions</u>		
Appropriations.....	<u>\$2,920,000</u>	<u>\$2,920,000</u>
Total Exclusions.....	<u>\$2,920,000</u>	<u>\$2,920,000</u>
Total Net Indebtedness.....	\$44,570,000	\$44,570,000
Net Debt Contracting Margin.....	\$(12,462,352)	\$(11,905,434)
Percentage of Debt Contracting Power Exhausted.....	138.81%	136.45%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$3,615,000 School District Bonds to DASNY in connection with the refunding of \$3,655,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. 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.

Note: The District has received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit.

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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 2014 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:					
Fulton	\$1,301,888	\$1,301,888	\$0	8.90%	\$0
Towns of:					
Bleecker	0	0	0	97.87	0
Caroga	55,200	0	55,200	0.63	348
Johnstown	0	0	0	45.12	0
Mayfield	0	0	0	0.22	0
City of:					
Gloversville	5,432,400	0	5,432,400	98.01	5,324,295
				Total	<u><u>\$5,324,643</u></u>

- (1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$44,570,000	\$2,377.07	6.47%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	49,894,643	2,661.05	7.10

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s 2014 estimated population of 18,750.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$689,028,221.
- (4) The District expects to deliver \$3,615,000 School District Bonds to DASNY in connection with the refunding of \$3,655,000 of the District’s outstanding serial bonds securing the Series 2009C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

The District has not found it necessary to issue a Revenue Anticipation Note since the 2008-2009 fiscal year and does not expect to issue such Notes in the current fiscal year. The District, historically, does not issue Tax Anticipation Notes.

Capital Project Plans

On November 17, 2015, qualified voters of the District approved a proposed \$37.8 million capital project to address health, safety, wellness and infrastructure issues within Gloversville schools. The vast majority of the construction costs are for work to address issues with aging infrastructure. A majority of these issues are in and around Gloversville Middle School, which opened in 1997, and will be 20 years old by the time work is slated to start. These issues were identified through the state-mandated development of a District-wide building condition survey and five-year facilities plan.

The approved \$37.8 million project will be accomplished with no additional impact on local property taxes. State building aid will cover 98% of the costs, while existing District reserve funds will cover the remaining 2% of the capital project costs. Work is expected to begin by the summer of 2017 with the first borrowing of bond anticipation notes expected in July 2017.

There are no other authorized projects approved by the District for which debt has been authorized but not issued.

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 Gloversville
<http://emma.msrb.org/ES740291-ES580153-ES975959.pdf>
Base CUSIP: 379874

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

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

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Appendix C

Real Estate Property Tax Collection Procedure

Taxes are collected by the City School District Tax Collector. Delinquent taxes are collected by the County Tax Enforcement Officer.

School taxes are due September 1, payable without penalty during the month of September. If paid during the month of October, a 2% penalty is added. After October, unpaid taxes are turned over to the respective enforcement officers for collection and additional penalties of 1% per month or fraction thereof are imposed.

Section 1332 of the Real Property Tax Law states that the City of Groversville and Fulton County tax officers shall proceed to enforce such unpaid taxes in the same manner as though they were unpaid City and County taxes, with 5% of the principal and interest added thereto. The respective tax enforcement officers will pay to the District all monies realized from the collection of unpaid taxes including interest, less the amount of 5% added thereto. If the City or County bids in on any property, the School District shall receive the amount of unpaid taxes due, plus interest, less the 5% added thereto.

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Groversville	\$358,900,478	\$357,776,998	\$358,704,936	\$357,570,280	\$357,957,198
Towns of:					
Bleecker	97,282,877	97,519,540	95,774,609	95,834,087	96,422,008
Caroga	678,166	774,766	774,766	696,566	709,468
Johnstown	141,518,775	141,860,359	144,752,896	145,875,716	144,311,193
Mayfield	<u>735,600</u>	<u>735,600</u>	<u>735,690</u>	<u>735,600</u>	<u>736,825</u>
Total Assessed Valuation	<u><u>\$599,115,896</u></u>	<u><u>\$598,667,263</u></u>	<u><u>\$600,742,897</u></u>	<u><u>\$600,712,249</u></u>	<u><u>\$600,136,692</u></u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Groversville	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Bleecker	100.00	100.00	100.00	100.00	100.00
Caroga	44.00	44.41	46.00	47.50	60.42
Johnstown	79.00	78.00	79.00	77.00	75.70
Mayfield	71.00	74.00	75.00	71.00	71.00
Taxable Full Valuation	\$637,898,388	\$639,907,423	\$640,376,253	\$645,355,860	\$647,226,873

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Gloversville	106.22%	100.75%	96.65%	93.24%	N/A
Towns of:					
Bleecker	101.35	101.03	95.67	92.59	N/A
Caroga	41.02	46.06	43.25	39.66	N/A
Johnstown	77.39	75.48	74.65	73.24	N/A
Mayfield	74.10	70.14	68.49	66.95	N/A
Taxable Full Valuation	\$619,381,530	\$642,314,117	\$668,021,697	\$689,028,221	N/A

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$13,213,428	\$13,477,501	\$13,747,051	\$13,975,252	\$14,199,834
% Uncollected When Due ⁽¹⁾	11.06%	11.83%	10.88%	12.61%	12.05%

⁽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 2016-2017 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>
2011-2012	\$36,886,811	\$52,854,621	69.79%
2012-2013	36,881,159	53,720,390	68.65
2013-2014	39,128,125	56,531,247	69.22
2014-2015	40,190,089	58,166,180	69.10
2015-2016 (Budgeted)	41,525,383	62,199,309	66.76
2016-2017 (Proposed)	43,987,355	60,851,235	72.29

⁽¹⁾ General Fund only.

Appendix C

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$672,004	\$1,835,093
2012-2013	770,933	2,081,634
2013-2014	876,791	2,872,056
2014-2015	579,650	3,297,195
2015-2016 (Budgeted)	836,726	2,644,716
2016-2017 (Proposed)	710,368	2,564,876

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, 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 \$62,383,272. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,383,272. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$30,633,923. The District’s annual OPEB expense was \$4,840,126 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,124,291 to the Plan for the fiscal year ending June 30, 2015 to 424 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,715,835, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$33,349,758. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$3,454,607 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,005,082 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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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>
2015-2016	\$7,377,072	\$65,059	\$7,442,131
2016-2017	7,329,965	164,650	7,494,615
2017-2018	7,239,571	164,550	7,404,121
2018-2019	7,193,000	164,450	7,357,450
2019-2020	6,545,613	824,350	7,369,963
2020-2021	6,385,063	824,400	7,209,463
2021-2022	3,858,850	822,000	4,680,850
2022-2023	3,864,475	821,500	4,685,975
2023-2024	1,638,050	824,250	2,462,300
2024-2025	1,037,525	-	1,037,525
2025-2026	528,725	-	528,725
2026-2027	536,725	-	536,725
2027-2028	528,475	-	528,475
2028-2029	534,725	-	534,725
2029-2030	529,725	-	529,725
2030-2031	536,238	-	536,238
2031-2032	527,100	-	527,100
2032-2033	527,250	-	527,250
2033-2034	529,500	-	529,500
2034-2035	535,500	-	535,500

Appendix C

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

There follows in this Appendix C-13 a brief description of the Groton Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District centralized in 1943, covers approximately 56 square miles in the Towns of Groton, Dryden and Lansing in Tompkins County, the Towns of Locke and Summerhill in Cayuga County, and the Town of Homer in Cortland County. The District is situated in the northeast corner of Tompkins County, about 20 miles from Ithaca, New York.

The District is a mixture of residential and agricultural areas, with many of its residents commuting to Ithaca and Cortland for employment. Cornell University is the largest employer of District residents. There are many larger industrial employers and smaller business organizations which offer employment opportunities within the District.

Electricity, water, sewer, fire and police services are all provided by the Village of Groton. Additional police protection is provided by the New York State Police and the Tompkins County Sheriff’s Department. Natural gas is provided by New York State Electric & Gas Corporation. Telephone service is provided by Verizon New York, Inc.

Transportation is provided by New York State Routes 38, 222 and I-81. Air transportation is available at Ithaca and Syracuse.

Higher educational opportunities are available at Cornell University, Ithaca College, Syracuse University, LeMoyne College, the State University College at Cortland, and Tompkins Cortland Community College.

The Cities of Syracuse, Ithaca and Cortland provide convenient cultural and shopping opportunities.

Population

The current estimated population of the District is 6,191. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Groton Community Health Care Center	Health Services	230
Groton Central School District	Public Education	169
C & D Assembly	Manufacturer – Electronics	41
The First National Bank of Groton	Commercial Bank	41
Village of Groton	Municipal Government	35

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$5,968,025
Dominion Resources	Utility	1,968,918
New York State	State Land	1,963,626
Verizon New York, Inc.	Utility	936,299
REROB, LLC	Mini-Mart	920,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 5.58% 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 Cayuga, Cortland and Tompkins Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Cayuga County	8.1%	8.3%	7.4%	6.0%	5.4%
Cortland County	8.5	8.6	7.7	6.5	5.9
Tompkins County	6.1	6.1	5.2	4.4	4.1
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	923	847	847	858	917	920	920

District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
81	Groton Faculty Association	June 30, 2017
75	Groton School Unit of Local #855	June 30, 2016 ⁽¹⁾
4	Groton Administrators’ Association	June 30, 2016 ⁽²⁾

- (1) Currently under negotiations and a tentative agreement has been reached.
- (2) 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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$287,667,158
Debt Limit (10% of Full Valuation)	28,766,715
Gross Indebtedness ⁽²⁾	\$15,904,844
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$15,904,844
Net Debt Contracting Margin	\$12,861,871
Percentage of Debt Contracting Power Exhausted	55.29%

(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 \$5,190,000 School District Bonds to DASNY in connection with the refunding of \$5,285,000 of the District's outstanding serial bonds securing the Series 2009A Bonds. 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 2014 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:					
Cayuga	\$66,008,502	\$0	\$66,008,502	0.83%	\$547,871
Cortland	31,099,248	0	31,099,248	0.01	3,110
Tompkins	69,963,633	0	69,963,633	3.84	2,686,604
Towns of:					
Dryden	548,228	0	548,228	1.94	10,636
Groton	0	0	0	90.21	0
Homer	0	0	0	0.07	0
Lansing	1,527,362	0	1,527,362	0.23	3,513
Locke	329,475	0	329,475	9.98	32,882
Summerhill	0	0	0	46.86	0
Village of:					
Groton	1,387,322	0	1,387,322	100.00	1,387,322
Total					\$4,671,938

(1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$15,904,844	\$2,569.03	5.53%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	20,576,782	3,323.66	7.15

- (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 6,191.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$287,667,158.
- (4) The District expects to deliver \$5,190,000 School District Bonds to DASNY in connection with the refunding of \$5,285,000 of the District’s outstanding serial bonds securing the Series 2009A Bonds. 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 February 5, 2013, the voters approved a \$5,485,000 capital project consisting of reconstruction of school district buildings and facilities. The District has contributed \$500,000 of Capital Reserve and currently has a \$4,294,844 Bond Anticipation Note maturing June 24, 2016. The District anticipates bonding the maturing notes along with \$690,156 remaining funds to be financed under this authorization.

Based on the Building Condition Survey, the District plans to bring a capital project voter referendum to the public. As of the date of this Official Statement, the District has not determined the size or the timing of this project.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Groton Central School District
<http://emma.msrb.org/EP876832-EP679025-EP1080685.pdf>
Base CUSIP: 399339

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 Cayuga, Cortland and Tompkins 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Dryden	\$16,036,031	\$16,224,435	\$17,009,097	\$17,447,606	\$17,571,030
Groton	211,671,273	214,086,528	217,419,506	225,746,103	230,961,674
Homer	284,624	219,808	228,481	230,347	232,804
Lansing	2,602,219	2,572,375	2,679,673	2,653,784	2,667,443
Locke	7,513,025	7,479,035	7,504,543	7,457,021	7,285,398
Summerhill	<u>27,704,451</u>	<u>27,472,721</u>	<u>28,012,323</u>	<u>28,439,616</u>	<u>28,659,321</u>
Total Assessed Valuation	<u>\$265,811,623</u>	<u>\$268,054,902</u>	<u>\$272,853,623</u>	<u>\$281,974,477</u>	<u>\$287,377,670</u>

(1) Difference due to townwide revaluation

State Equalization Rates Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</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
Homer	100.00	100.00	100.00	100.00	100.00
Lansing	100.00	100.00	100.00	100.00	100.00
Locke	100.00	100.00	106.66	106.53	100.00
Summerhill	100.00	100.00	100.00	100.00	99.00
Taxable Full Valuation	\$265,811,623	\$268,054,902	\$272,385,029	\$281,517,382	\$287,667,158

Total District Property Tax Collections Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$5,464,682	\$5,667,179	\$5,864,187	\$5,973,902	\$5,999,712
% Uncollected When Due ⁽¹⁾	10.37%	9.32%	9.20%	7.62%	8.01%

(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 2016-2017 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2011-2012	\$10,471,983	\$16,693,354	62.73%
2012-2013	10,904,253	17,242,534	63.24
2013-2014	11,287,635	18,338,222	61.55
2014-2015	11,483,069	18,106,877	63.42
2015-2016 (Budgeted)	12,032,242	18,310,954	65.71
2016-2017 (Proposed)	12,257,327	18,510,039	66.22

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$230,328	\$632,685
2012-2013	267,545	632,185
2013-2014	263,787	633,250
2014-2015	245,962	844,858
2015-2016 (Budgeted)	256,872	791,471
2016-2017 (Proposed)	224,872	740,971

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 \$23,641,293. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,641,293. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$8,689,607. The District's annual OPEB expense was \$2,269,320 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$635,207 to the Plan for the fiscal year ending June 30, 2015 to 169 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,634,113, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$10,323,720. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$214,476 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$3,115,442 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On occasion during the past five years, the District did not file certain event notices relating to ratings changes of National Public Finance Guarantee Corporation, a bond insurer of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$1,471,644	\$106,392	\$1,578,036
2016-2017	1,338,369	240,800	1,579,169
2017-2018	1,340,119	240,700	1,580,819
2018-2019	1,344,163	240,600	1,584,763
2019-2020	265,163	1,305,450	1,570,613
2020-2021	265,763	1,301,050	1,566,813
2021-2022	260,700	1,300,800	1,561,500
2022-2023	263,950	1,298,400	1,562,350
2023-2024	261,900	629,650	891,550
2024-2025	264,700	-	264,700
2025-2026	157,200	-	157,200
2026-2027	47,700	-	47,700
2027-2028	46,350	-	46,350

Appendix C

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**APPENDIX C-14
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF HUDSON**

There follows in this Appendix C-14 a brief description of the City School District of the City of Hudson (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 on July 1, 1966 by the incorporation of the City of Hudson and eleven adjoining school districts into one school system.

The District, situated between the Catskill and Berkshire Mountains, is served by New York State Routes 9, 23 and 66, and by the Taconic Parkway, which runs through the middle of the District. Bus and air transportation are available in Albany, 40 miles north of the District. Rail service is provided by Conrail and Amtrak.

The area is respected as a prosperous fruit growing and dairy farming region. Residents find employment at such facilities as the Hudson Correctional Facility, the Columbia Memorial Hospital and the Columbia Greene Community College, as well as traveling to Albany and Kingston.

The District provides public education for grades Pre-K-12. Opportunities for higher education are available in Hudson, Albany and New York City.

Population

The current estimated population of the District is 15,826. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Columbia Memorial Hospital	Health Care Facility	1,200
Columbia County	Municipal Government	763
Columbia Greene Community College	Higher Education	400
City School District of the City of Hudson	Public Education	365
Hudson Correctional Facility	State Prison	300

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$29,643,061
Widewaters Greenport Co. LLC	Shopping Plaza	20,707,800
Galvan Initiatives Foundation	Non-Profit Community Organization	14,095,600
Fairview Hudson 15 LLC	Shopping Plaza	12,361,300
Iroquois Gas Transmission System	Utility	11,282,560

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.41% 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 Columbia County.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Columbia County	7.1%	7.0%	6.0%	4.7%	4.1%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
Pre-K-12	1,914	1,903	1,858	1,798	1,792	1,812	1,798

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> ⁽³⁾	<u>Contract Expiration Date</u>
179	Hudson Teachers’ Association	June 30, 2014 ⁽¹⁾
71	Teacher Aides	June 30, 2017
27	Custodial & Maintenance Unit	June 30, 2016 ⁽²⁾
18	Hudson Educational Secretaries Association	June 30, 2016
21	Food Services	June 30, 2017
7	Building Administrators	June 30, 2016

(1) Currently under negotiations. A preliminary memorandum of understanding has been reached between the District and the bargaining unit.

(2) Currently under negotiations.

(3) The Hudson Teaching Assistants Association, representing approximately 18 employees, was recently recognized and negotiations regarding a contract are expected to commence May 9, 2016.

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DISTRICT INDEBTEDNESS

Debt Limit

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,261,014,175	\$1,262,253,851
Debt Limit (5% of full valuation) ⁽²⁾	\$63,050,709	\$63,112,693
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$39,332,700	\$39,332,700
Bond Anticipation Notes.....	0	0
Total Inclusions.....	<u>\$39,332,700</u>	<u>\$39,332,700</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$21,845,000	\$21,845,000
Appropriations.....	2,866,230	2,866,230
Total Exclusions.....	<u>\$24,711,230</u>	<u>\$24,711,230</u>
Total Net Indebtedness.....	\$14,621,470	\$14,621,470
Net Debt Contracting Margin.....	\$48,429,239	\$48,491,223
Percentage of Debt Contracting Power Exhausted.....	23.19%	23.17%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$23,005,000 School District Bonds to DASNY in connection with the refunding of \$24,225,000 of the District's outstanding serial bonds securing the Series 2009A and Series 2009B Bonds. 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 2014 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:					
Columbia	\$33,413,900	\$0	\$33,413,900	17.53%	\$5,857,457
Towns of:					
Claverack	2,981,821	0	2,981,821	36.69	1,094,030
Ghent	0	0	0	5.07	0
Greenport	10,741,191	0	10,741,191	100.00	10,741,191
Livingston	0	0	0	32.06	0
Stockport	4,321,900	0	4,321,900	30.15	1,303,053
Taghkanic	14,020	0	14,020	28.45	3,989
City of:					
Hudson	15,261,432	0	15,261,432	100.00	15,261,432
				Total	\$34,261,152

(1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$14,621,470	\$923.89	1.13%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	48,882,622	3,088.75	3.77

(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 15,826.

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2015-16 of \$1,295,563,866.

(4) The District expects to deliver \$23,005,000 School District Bonds to DASNY in connection with the refunding of \$24,225,000 of the District’s outstanding serial bonds securing the Series 2009A and Series 2009B Bonds. 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 Revenue Anticipation Notes for the last six fiscal years and does not expect to issue such Notes in the current fiscal year. The District has not issued any Tax Anticipation Notes (“TAN”) for the last five fiscal years and does not expect to issue such TANs in the current fiscal year.

Capital Project Plans

On February 9, 2016, the voters of the School District approved a \$19,995,000 capital project consisting of improvements to the Hudson High School, M.C. Smith Intermediate School and John L. Edwards School, and construction of an approximately 18,000-square foot addition to the M.C. Smith Intermediate School. The District expects to use approximately \$1,500,000 of other available funds for the project and borrow the remaining authorized amount beginning in the 2017 calendar year.

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 Hudson
<http://emma.msrb.org/EP897755-EP695188-EP1096993.pdf>
Base CUSIP: 444078

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 beginning July 15 and may be paid through August 15 without penalty. Taxpayers may also elect to make payments in installments, with payments due August 15 and October 15. Penalties accrue at varying rates depending on the payment schedule selected, but generally at the rate of 1% per month. No payments are accepted after October 31.

Taxes are collected by the Receiver of Taxes of the District during the collection periods. Taxes remaining uncollected after the expiration of the second collection period are returned to the Treasurer of the City of Hudson (the "City") and the Treasurer of Columbia County (the "County") who, by law, must reimburse the District in full for uncollected taxes prior to the end of the second fiscal year for which the taxes are levied.

The burden of delinquent tax collection is placed on the County and City subsequent to advancing the school taxes to the District. The County and City may pay moneys due to the District from funds on hand or may borrow moneys pursuant to the Local Finance Law.

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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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Hudson	\$379,216,631	\$377,979,634	\$379,389,234	\$377,211,032	\$385,729,706
Towns of:					
Claverack	207,044,028	199,459,955	190,869,155	192,707,273	195,370,413
Ghent	28,128,464	35,037,213	25,209,682	25,218,488	25,351,490
Greenport	422,727,820	416,669,420	418,952,345	411,509,238	425,109,902
Livingston	96,759,361	99,323,803	100,396,020	102,257,880	102,837,513
Stockport	39,928,461	41,078,644	41,291,140	41,480,983	41,307,629
Taghkanic	86,653,250	85,816,381	85,270,494	85,648,836	85,702,650
Total Assessed Valuation	<u>\$1,260,458,015</u>	<u>\$1,255,365,050</u>	<u>\$1,241,378,070</u>	<u>\$1,236,033,730</u>	<u>\$1,261,409,303</u>

State Equalization Rates					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Hudson	107.84%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Claverack	100.00	100.00	100.00	100.00	100.00
Ghent	107.40	108.00	100.00	100.00	100.00
Greenport	100.00	100.00	100.00	100.00	100.00
Livingston	75.00	85.00	90.00	90.00	93.00
Stockport	84.00	90.00	90.00	90.00	90.00
Taghkanic	100.00	100.00	109.00	109.00	112.25
Taxable Full Valuation	\$1,270,809,307	\$1,274,861,725	\$1,250,080,405	\$1,244,932,793	\$1,264,386,647

Special State Equalization Ratios					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Hudson	99.24%	99.49%	99.23%	97.30%	95.67%
Towns of:					
Claverack	108.96	104.46	99.79	99.12	98.64
Ghent	114.96	114.89	100.69	99.74	98.58
Greenport	102.11	100.77	97.67	95.17	97.52
Livingston	89.95	93.18	93.15	94.27	95.36
Stockport	86.99	89.45	89.87	88.88	87.60
Taghkanic	110.14	112.06	112.36	111.38	110.33
Taxable Full Valuation	\$1,242,745,521	\$1,243,940,767	\$1,257,202,475	\$1,271,816,627	\$1,295,563,866

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$19,271,916	\$19,684,771	\$20,611,760	\$21,093,497	\$21,468,886
% Uncollected When Due ⁽¹⁾	9.18%	10.51%	7.83%	7.12%	7.45%

⁽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 2016-2017 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>
2011-2012	\$18,794,777	\$39,947,009	47.05%
2012-2013	19,533,060	41,306,543	47.29
2013-2014	19,696,711	42,529,378	46.31
2014-2015	21,298,960	46,305,421	46.00
2015-2016 (Budgeted)	22,071,695	45,477,121	48.53
2016-2017 (Proposed)	21,922,420	45,910,371	47.75

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$515,222	\$1,529,225
2012-2013	801,441	1,763,913
2013-2014	550,597	1,833,514
2014-2015	607,682	2,405,634
2015-2016 (Budgeted)	625,551	2,500,000
2016-2017 (Proposed)	700,000	2,500,000

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 \$109,869,801. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$109,869,801. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$41,650,602. The District’s annual

Appendix C

OPEB expense was \$9,558,751 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,597,290 to the Plan for the fiscal year ending June 30, 2015 to 350 employees, resulting in a net increase to its unfunded OPEB obligation of \$5,961,461 for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$47,612,063. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$2,461,695 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,819,085 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On one occasion during the past five years, the District did not file an event notice relating to a rating change of National Public Finance Guarantee Corporation, a bond insurer of certain bonds of the District. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Litigation

The District is continuing to monitor the outcome of a phishing scam that occurred in January of 2016, wherein employee information for 673 current and former staff was exposed to fraudulent tax filings. The District has been informed of approximately 20 incidents of fraudulent tax filings and card access to refunds; in those cases the staff involved are expected to receive their refunds at a later date, and banking and credit records have not been impacted. The District is working with its liability insurance carrier to provide credit monitoring services for affected staff. The District received 141 notices of claim relating to this matter alleging negligence; the claims appear to have been filed by staff in an effort to preserve claims and do not state an amount of damages. It is too early to determine potential liability.

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Principal and Interest Requirements

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

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

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$4,005,776	\$461,977	\$4,467,753
2016-2017	2,753,399	1,102,750	3,856,149
2017-2018	2,741,062	1,102,550	3,843,612
2018-2019	2,727,970	1,102,350	3,830,320
2019-2020	676,330	3,072,050	3,748,380
2020-2021	666,103	3,064,550	3,730,653
2021-2022	660,124	3,062,300	3,722,424
2022-2023	642,947	3,066,200	3,709,147
2023-2024	635,162	2,997,000	3,632,162
2024-2025	611,562	2,914,000	3,525,562
2025-2026	601,264	2,913,250	3,514,514
2026-2027	349,973	2,916,750	3,266,723
2027-2028	348,469	2,914,500	3,262,969
2028-2029	301,031	2,331,000	2,632,031

⁽¹⁾ Schedule does not include remaining payments of \$1,007,700 due under an energy performance contract.

Appendix C

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**APPENDIX C-15
DESCRIPTION OF
HUDSON FALLS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-15 a brief description of the Hudson Falls Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District covers approximately 55 square miles in the Towns of Argyle, Fort Ann, Fort Edward, Hartford and Kingsbury in Washington County, the Town of Moreau in Saratoga County, and the Town of Queensbury in Warren County. The District was centralized in 1952.

Electricity is provided to District residents by National Grid. Telephone service is provided by Verizon New York, Inc. Police protection is provided by the Washington County Sheriff’s Department, the New York State Police and the Village of Hudson Falls Police Department. Fire protection and ambulance services are provided by various volunteer departments.

The District is basically a rural area and is located approximately 50 miles north of Albany on the Hudson River. Transportation is provided to residents by New York State Routes 32, 196 and 254 and US Route 4. Commercial air transportation is available at Albany County Airport. Private aircraft use the Warren County Airport in Glens Falls.

The District offers public education for grades K-12. Opportunities for higher education are available in the Glens Falls and Albany areas.

Population

The current estimated population of the District is 15,189. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Hudson Falls Central School District	Public Education	429
General Electric Corporation ⁽¹⁾	Manufacturer – Capacitors	260
Valmet – Sandy Hill, Inc.	Paper Mill	60
Hannaford	Grocery Store	55
Doty Machine Shop	Machine Shop	30

⁽¹⁾ General Electric Corporation announced that it will be reducing staff as of November 2016 in connection with its plant closing.

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$18,133,329
Wheelabrator Hudson Falls LLC	Public Services	16,028,700
General Electric Corporation ⁽¹⁾	Industrial	11,130,041
Kingswood Village LLC	Apartments	9,000,000
Dix Avenue Properties LLC	Apartments	7,553,200

⁽¹⁾ General Electric Corporation announced that it will be reducing staff as of November of 2016 in connection with its plant closing.

Appendix C

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.57% 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 Saratoga, Warren and Washington Counties.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Saratoga County	6.7%	6.8%	5.8%	4.7%	4.2%
Warren County	8.9	9.2	8.1	6.6	5.6
Washington County	8.1	8.3	7.5	6.1	5.1
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	2,284	2,287	2,455	2,399	2,393	2,395	2,340

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	Hudson Falls Teachers’ Association	June 30, 2016 ⁽¹⁾
76	Teaching Aides & Assistants’ Unit	June 30, 2017
153	Hudson Falls School-Related Employees	June 30, 2018
12	Hudson Falls Administrative Association	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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$842,503,184
Debt Limit (10% of Full Valuation)	84,250,318
Gross Indebtedness ⁽²⁾	\$39,114,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$39,114,000
Net Debt Contracting Margin	\$45,136,318
Percentage of Debt Contracting Power Exhausted	46.43%

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

⁽²⁾ The District expects to deliver \$6,920,000 School District Bonds to DASNY in connection with the refunding of \$7,190,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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:					
Saratoga	\$73,890,000	\$0	\$73,890,000	0.23%	\$169,947
Warren	33,303,603	0	33,303,603	0.07	23,313
Washington	10,865,000	0	10,865,000	16.60	1,803,590
Towns of:					
Argyle	0	0	0	0.74	0
Fort Ann	1,743,000	0	1,743,000	2.44	42,529
Fort Edward	369,051	0	369,051	37.02	136,623
Hartford	20,650	0	20,650	1.31	271
Kingsbury	730,000	0	730,000	96.38	703,574
Moreau	8,105,764	0	8,105,764	4.26	345,306
Queensbury	13,004,276	0	13,004,276	0.22	28,609
Village of:					
Hudson Falls	1,577,519	0	1,577,519	100.00	1,577,519
			Total		\$4,831,281

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$39,114,000	\$2,575.15	4.64%
Gross Indebtedness Plus Net Overlapping Indebtedness	43,945,281	2,893.23	5.22

- (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 15,189.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$842,503,184.
- (4) The District expects to deliver \$6,920,000 School District Bonds to DASNY in connection with the refunding of \$7,190,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Hudson Falls Central School District
<http://emma.msrb.org/EP886932-EP686556-EP1088263.pdf>
Base CUSIP: 443780

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

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

Real Estate Property Tax Collection Procedure

Tax payments are due September 1st. If paid by October 5, no penalty is imposed. There is a 2% penalty for payments paid between October 6 and November 4. On November 15, a list of all unpaid taxes is given to the Saratoga, Warren and Washington County Treasurers, as applicable, for relevy on County/town tax rolls. 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Argyle	\$1,827,541	\$1,789,145	\$1,812,848	\$1,815,229	\$1,854,536
Fort Ann	15,933,155	14,832,013	14,823,820	15,067,505	14,983,100
Fort Edward	112,044,125	112,314,471	112,813,884	113,605,159	114,278,823
Hartford	1,690,958	1,597,035	1,685,311	1,756,166	1,769,765
Kingsbury	632,830,226	655,218,787 ⁽¹⁾	656,570,956	658,140,354	632,451,040
Moreau	42,684,746	47,560,389	49,344,639	49,345,331	52,345,132
Queensbury	<u>6,228,000</u>	<u>6,228,000</u>	<u>6,238,900</u>	<u>6,238,900</u>	<u>7,744,642⁽¹⁾</u>
Total Assessed Valuation	<u>\$813,238,751</u>	<u>\$839,539,840</u>	<u>\$843,290,358</u>	<u>\$845,968,644</u>	<u>\$825,427,038</u>

⁽¹⁾ Significant changes from previous year due to revaluation.

State Equalization Rates Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Argyle	98.00%	100.00%	100.00%	100.00%	100.00%
Fort Ann	100.00	100.00	100.00	100.00	100.00
Fort Edward	85.00	85.00	87.00	89.00	87.00
Hartford	100.00	100.00	100.00	100.00	100.00
Kingsbury	100.00	100.00	100.00	100.00	100.00
Moreau	100.00	107.05	108.32	108.31	100.00
Queensbury	80.00	80.00	82.00	82.00	100.00 ⁽¹⁾
Taxable Full Valuation	\$834,605,540	\$857,784,853	\$857,726,985	\$857,593,264	\$842,503,184

⁽¹⁾ Significant changes from previous year due to revaluation.

Total District Property Tax Collections Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$10,925,151	\$10,879,190	\$11,339,868	\$11,502,884	\$11,463,380
% Uncollected When Due ⁽¹⁾	9.50%	9.39%	9.46%	7.72%	7.15%

⁽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

Appendix C

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 2016-2017 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>
2011-2012	\$24,296,223	\$36,644,260	66.30%
2012-2013	24,364,259	37,496,600	64.98
2013-2014	26,043,953	39,624,493	65.73
2014-2015	27,549,514	40,741,822	67.62
2015-2016 (Budgeted)	28,094,774	41,737,732	67.31
2016-2017 (Proposed)	28,670,178	42,601,577	67.30

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$758,902	\$1,466,277
2012-2013	730,906	1,433,474
2013-2014	837,387	2,042,853
2014-2015	760,433	2,276,936
2015-2016 (Budgeted)	800,000	1,827,511
2016-2017 (Proposed)	700,000	1,750,000

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

GASB 45 and OPEB

The District contracted with Jenkins, Beecher & Bethel, LLP 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 \$26,204,568. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$26,204,568. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$13,927,517. The District’s annual OPEB expense was \$2,622,660 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$984,779 to the Plan for the fiscal year ending June 30, 2015, resulting in a net increase to its unfunded OPEB obligation of \$1,637,881 for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$15,565,398. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 financial statements. The District has reserved \$900,000 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 \$111,789 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,656,875 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>
2015-2016	\$6,412,865	\$154,430	\$6,567,295
2016-2017	5,498,311	321,800	5,820,111
2017-2018	5,417,653	321,700	5,739,353
2018-2019	4,260,088	321,600	4,581,688
2019-2020	2,844,034	1,571,450	4,415,484
2020-2021	2,720,496	1,570,350	4,290,846
2021-2022	2,706,890	1,575,350	4,282,240
2022-2023	2,638,252	1,572,550	4,210,802
2023-2024	906,153	1,574,200	2,480,353
2024-2025	890,053	-	890,053
2025-2026	876,963	-	876,963
2026-2027	692,950	-	692,950

⁽¹⁾ Includes the \$8,035,000 School District Refunding (Serial) Bond dated May 3, 2016.

Appendix C

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**APPENDIX C-16
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ITHACA**

There follows in this Appendix C-16 a brief description of the City School District of the City of Ithaca (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 160 square miles, is located in upstate New York, in the Counties of Tompkins and Tioga, and centers around the City of Ithaca. The City of Syracuse is located 45 miles northeast, the City of Binghamton 40 miles southeast and the City of Elmira 35 miles southwest. The District includes the entire City of Ithaca as well as parts of the Towns of Caroline, Danby, Dryden, Enfield, Ithaca, Lansing, Newfield, Ulysses in Tompkins County and Candor and Richford in Tioga County.

Major highways serving the District include N.Y.S. Routes 13, 34, 79, 96 and 366 as well as Interstate 81, traveling north to Canada and south to Tennessee. Air transportation is available at the Tompkins County Airport, located within the District boundaries. Public ground transportation is available through Greyhound Bus Company.

The area is culturally and academically influenced by both Cornell University and Ithaca College. Additional higher educational opportunities are available at nearby State Universities at Cortland and Binghamton, Elmira College and Syracuse University.

The District is situated on the southern end of Cayuga Lake, which, at more than 40 miles in length, is the largest of the six major lakes in the Finger Lakes Region. A variety of recreational activities are available to residents and include various State, municipal and private launching sites. State parks within the District, or in close proximity, include Buttermilk Falls, Treman, Taughannock and Connecticut Hill.

Source: District officials

Population

The current estimated population of the District is 67,680. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Cornell University	Education	9,500
Ithaca College	Education	1,525
Borg Warner	Manufacturing	1,500
Ithaca City School District	Education	1,200
Cayuga Medical Center at Ithaca	Health Center	1,000

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Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
N.Y.S. Electric & Gas Corporation	Utility	\$102,093,300
Pyramid Mall of Ithaca	Shopping Mall	41,000,000
Dominion Resources	Utility	32,167,503
Cornell University	Education	31,771,800
Kendal at Ithaca	Housing	27,650,000

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 7.13% 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 Tioga and Tompkins Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tioga County	7.7%	7.9%	7.1%	6.1%	5.6%
Tompkins County	6.1	6.1	5.2	4.4	4.1
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	5,300	5,255	5,282	5,303	5,775	5,800	5,800

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>
630	Ithaca Teachers’ Association	June 30, 2016 ⁽¹⁾
249	Ithaca Education Support Professionals	June 30, 2018
305	Ithaca Employees’ Association	June 30, 2017
24	Principals' and Directors’ Association	June 30, 2016 ⁽¹⁾
412	Ithaca Substitutes Association	June 30, 2017

⁽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 April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$4,307,968,975	\$4,486,087,389
Debt Limit (5% of full valuation) ⁽²⁾	\$ 215,398,449	\$ 224,304,369
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$ 75,270,000	\$ 75,270,000
Bond Anticipation Notes.....	0	0
Total Inclusions.....	<u>\$ 75,270,000</u>	<u>\$ 75,270,000</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$ 0	\$ 0
Appropriations.....	4,215,000	4,215,000
Total Exclusions.....	<u>\$ 4,215,000</u>	<u>\$ 4,215,000</u>
Total Net Indebtedness.....	\$ 73,855,000	\$ 73,855,000
Net Debt Contracting Margin.....	\$ 141,543,449	\$ 150,449,369
Percentage of Debt Contracting Power Exhausted.....	34.29%	32.93%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$6,320,000 School District Bonds to DASNY in connection with the refunding of \$6,430,000 of the District's outstanding serial bonds securing the Series 2009D Bonds. 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 2014 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:					
Tompkins	\$69,963,633	\$3,709,814	\$66,253,819	65.20%	\$43,197,490
Tioga	18,020,000	0	18,020,000	0.20	36,040
City of:					
Ithaca	129,624,220	45,164,141	84,460,079	100.00	84,460,079
Towns of:					
Candor	550,000	0	550,000	1.00	5,500
Caroline	0	0	0	79.69	0
Danby	264,793	264,793	0	83.16	0
Dryden	548,228	548,228	0	31.80	0
Enfield	997,630	0	997,630	68.67	685,122
Ithaca	10,889,000	10,889,000	0	99.98	0
Lansing	1,527,362	1,076,281	451,081	37.22	167,892
Newfield	2,889,000	2,889,000	0	0.17	0
Richford	0	0	0	3.16	0
Ulysses	1,460,000	1,460,000	0	33.35	0
Villages of:					
Cayuga Heights	2,340,000	1,315,000	1,025,000	100.00	1,025,000
Total					<u>\$129,577,124</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$73,855,000	\$1,091.24	1.56%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	203,432,124	3,005.79	4.30

(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 67,680.

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2015-16 of \$4,733,477,432.

(4) The District expects to deliver \$6,320,000 School District Bonds to DASNY in connection with the refunding of \$6,430,000 of the District’s outstanding serial bonds securing the Series 2009D Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.

Cash Flow Borrowing

The District has not issued Tax Anticipation Notes or Revenue Anticipation Notes (“RANs”) since 2007. On April 5, 2016, the District issued \$6,500,000 of RANs. The District does not anticipate having to issue RANs for the 2016-2017 fiscal year.

Capital Project Plans

In order to take advantage of the approximately \$2,000,000 allocated to the District by the New York State Smartbond reimbursement program, the District may be required to borrow a similar amount in advance of such reimbursement.

There are no other capital projects authorized or contemplated at the present time.

Energy Performance Contract Agreement

The District has entered into an energy performance contract agreement with Trane, Inc. The District anticipates financing the energy efficiency improvements and further expects to realize savings from said energy efficiency improvements. The energy performance contract will be approximately \$9,000,000.

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 Ithaca
<http://emma.msrb.org/ER925439-ER722854-ER1124235.pdf>
Base CUSIP: 465668

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 District levies its own taxes prior to the end of September, and collects such taxes, which are due during October without penalty. Penalties for delinquent taxes are as follows: 2% in November and 3% in December after which the delinquent taxes are turned over to the City Tax Collector for those properties within the City of Ithaca and to the respective County Treasurers for those properties outside the City. The District receives the full amount of all the uncollected taxes on property outside the City from the Counties by the end of its fiscal year, and the full amount of uncollected taxes on property within the City during the next 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Ithaca	\$1,522,006,421	\$1,540,424,627	\$1,558,137,617	\$1,665,051,246	\$1,692,924,535
Towns of:					
Candor	201,604	2,552,617 ⁽¹⁾	2,582,394	2,619,457	2,587,683
Caroline	163,632,180	166,085,373	172,623,673	176,900,044	182,139,366
Danby	214,058,941	217,879,313	225,645,833	225,865,235	247,833,781
Dryden	261,651,624	288,374,734	287,915,753	297,274,300	302,812,169
Enfield	116,246,215	117,308,516	121,154,414	122,851,987	124,765,142
Ithaca	1,277,852,961	1,285,145,922	1,298,571,800	1,327,461,243	1,369,752,308
Lansing	419,802,262	439,981,658	444,863,103	437,848,703	443,708,978
Newfield	435,347	436,211	493,195	493,387	516,645
Richford	2,106,282	2,123,582	4,692,676	2,160,136	1,879,868
Ulysses	146,743,643	148,529,102	150,295,552	153,104,112	155,972,202
Total Assessed Valuation	<u>\$4,124,737,480</u>	<u>\$4,208,841,955</u>	<u>\$4,266,976,010</u>	<u>\$4,411,629,850</u>	<u>\$4,524,892,677</u>

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Ithaca	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Candor	7.35	100.00 ⁽¹⁾	100.00	97.00	98.50
Caroline	100.00	100.00	100.00	100.00	100.00
Danby	100.00	100.00	100.00	100.00	100.00
Dryden	100.00	100.00	100.00	100.00	100.00
Enfield	100.00	100.00	100.00	100.00	100.00
Ithaca	100.00	100.00	100.00	100.00	100.00
Lansing	100.00	100.00	100.00	100.00	100.00
Newfield	100.00	100.00	100.00	100.00	100.00
Richford	100.00	100.00	100.00	97.00	98.00
Ulysses	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$4,127,278,788	\$4,208,841,955	\$4,266,976,010	\$4,411,777,672	\$4,524,970,448

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Ithaca	96.72%	96.16%	96.03%	95.74%	95.60%
Towns of:					
Candor	7.17	95.77 ⁽¹⁾	97.05	94.65	92.33
Caroline	96.72	96.13	96.03	95.74	95.60
Danby	96.72	96.13	96.03	95.74	95.60
Dryden	96.72	96.13	96.03	95.74	95.60
Enfield	96.72	96.13	96.03	95.74	95.60
Ithaca	96.72	96.13	96.03	95.74	95.60
Lansing	96.72	96.13	96.03	95.74	95.60
Newfield	96.72	96.13	96.03	95.74	95.60
Richford	97.96	95.04	95.85	90.45	85.58
Ulysses	96.72	96.13	96.03	95.74	95.60
Taxable Full Valuation	\$4,267,192,679	\$4,378,316,766	\$4,443,359,035	\$4,608,091,030	\$4,733,477,432

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$63,983,260	\$65,549,491	\$67,416,297	\$73,913,794	\$82,176,897
% Uncollected When Due ⁽¹⁾	3.73%	3.70%	3.47%	3.76%	3.10%

⁽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 2016-2017 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>
2011-2012	\$24,047,162	\$100,114,129	24.02%
2012-2013	25,675,483	102,577,789	24.06
2013-2014	25,755,413	103,811,039	24.81
2014-2015	26,629,928	111,530,360	23.88
2015-2016 (Budgeted)	27,108,533	112,894,480	24.01
2016-2017 (Proposed)	29,374,563	117,088,829	25.09

⁽¹⁾ General Fund only.

Appendix C

Pension Payments

The District's payments to the New York State Employee Retirement System ("ERS") and the Teachers Retirement System ("TRS") since the 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$2,176,319	\$2,577,065
2012-2013	2,419,419	3,328,564
2013-2014	2,999,979	4,250,900
2014-2015	2,794,159	4,688,269
2015-2016 (Budgeted)	2,582,102	5,387,320
2016-2017 (Proposed)	2,278,013	4,981,882

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

GASB 45 and OPEB

The District contracted with Chiaschi, Dietershagen, Little, Mickelson, & Company, LLP 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 \$286,345,980. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$286,345,980. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$84,889,591. The District's annual OPEB expense was \$29,739,395 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$6,676,753 to the Plan for the fiscal year ending June 30, 2015 to 637 employees, resulting in a net increase to its unfunded OPEB obligation of \$23,062,642, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$107,952,233. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$1,022,861 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$11,376,094 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.*"

Other Information

Due to a clerical error, the District failed to make a principal and interest payment on the \$5,740,000 Bond Anticipation Notes, 2014 (CUSIP 465668 QJ3) in the total amount of \$5,783,050 due on July 2, 2015. The payment was made late on July 6, 2015 and a notice was filed with the MRSB on July 14, 2015 disclosing such late payment.

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>
2015-2016	\$8,006,645	\$107,018	\$8,113,663
2016-2017	8,381,231	271,850	8,653,081
2017-2018	8,383,744	271,750	8,655,494
2018-2019	7,740,538	271,650	8,012,188
2019-2020	6,565,044	1,436,550	8,001,594
2020-2021	6,571,856	1,436,450	8,008,306
2021-2022	6,572,475	1,433,250	8,005,725
2022-2023	6,587,350	1,433,250	8,020,600
2023-2024	6,576,006	1,433,250	8,009,256
2024-2025	3,526,881	-	3,526,881
2025-2026	3,519,844	-	3,519,844
2026-2027	3,523,069	-	3,523,069
2027-2028	3,524,963	-	3,524,963
2028-2029	3,519,725	-	3,519,725
2029-2030	3,524,153	-	3,524,153
2030-2031	525,300	-	525,300

Appendix C

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

There follows in this Appendix C-17 a brief description of the Newfield 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 primarily in the Town of Newfield in Tompkins County, New York. The School District is approximately five miles south of the City of Ithaca and covers an area of approximately 59 square miles. The District was formed from rural schools on June 1, 1938.

The District is serviced primarily by Route 13 which runs through the School District and provides access to Route 17 to the south, and Route 81 to the east. The Tompkins County Transit Authority (“Tomtran”) provides regular bus service through the School District

The District is primarily a rural area with residents commuting within Tompkins County for employment. The largest employers in Tompkins County are Cornell University, Borg Warner, the City School District of the City of Ithaca, CBORD and Axiohm.

Public utilities serving the District include New York State Electric & Gas Corporation and Verizon New York, Inc. Water and sewer services are provided by the Town of Newfield. Police protection is provided by the Tompkins County Sheriff’s Department and the New York State Police. The Town of Newfield has an active fire and rescue volunteer organization.

The District provides public education for grades PreK-12. Higher education is available nearby at Cornell University, Ithaca College and several two-year community colleges.

Population

The current estimated population of the District is 5,615. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Newfield Central School District	Public Education	171
Casella Waste Management	Waste Removal	150
Omni Turbine Resource	Manufacturer - Turbines	52
Ithaca Recreation Sports	Retail	9
Little’s Lawn Equipment	Retail	7

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Dominion Resources	Pipeline	\$18,068,439
New York State Electric & Gas Corporation	Utility	5,114,116
Valley Manor LLC	Mobile Home Park	2,252,500
The Frandsen Trust	Apartments	1,800,000
Meadowbrook Park LLC	Mobile Home Park	1,692,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.62% of the tax base of the District.

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 Chemung, Tioga and Tompkins Counties.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Chemung County	7.8%	8.4%	7.9%	6.3%	5.9%
Tioga County	7.7	7.9	7.2	6.1	5.6
Tompkins County	6.1	6.1	5.2	4.3	4.1
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
PreK-12	835	850	825	802	812	820	820

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>
92	Newfield Teachers’ Association	June 30, 2017
79	Civil Service Employees’ Association	June 30, 2017
6	Newfield Administrators’ Association	June 30, 2018
1	Superintendent	June 30, 2020
1	Business Administrator	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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$301,464,383
Debt Limit (10% of Full Valuation)	30,146,438
Gross Indebtedness ⁽²⁾	\$10,976,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$10,976,000
Net Debt Contracting Margin	\$19,170,438
Percentage of Debt Contracting Power Exhausted	36.41%

(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 \$4,115,000 School District Bonds to DASNY in connection with the refunding of \$4,245,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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:					
Chemung	\$51,434,073	\$0	\$51,434,073	0.01%	\$5,143
Tioga	18,020,000	0	18,020,000	0.01	1,802
Tompkins	69,963,633	0	69,963,633	4.61	3,225,323
Towns of:					
Danby	264,793	0	264,793	7.32	19,383
Enfield	997,630	0	997,630	1.63	16,261
Ithaca	10,889,000	0	10,889,000	0.02	2,178
Newfield	2,889,000	0	2,889,000	100.00	2,889,000
Spencer	178,000	0	178,000	0.01	18
Van Etten	215,600	0	215,600	0.04	86
			Total		\$6,159,194

(1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$11,551,000	\$2,057.17	3.83%
Gross Indebtedness Plus Net Overlapping Indebtedness	17,710,194	3,154.09	5.87

- (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 5,615.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$301,464,383.
- (4) The District expects to deliver \$4,115,000 School District Bonds to DASNY in connection with the refunding of \$4,245,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. 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 May 17, 2016 the District plans to present to the voters an \$18,881,832 capital project consisting of reconstruction and improvements to various District buildings and facilities. Portions of the project will include replacement of the HVAC systems in the Elementary, Middle and High Schools; renovations to the High School auditorium; roof and window replacement at the Elementary School; and repairing and replacing the existing Elementary School playgrounds and High School athletic facilities.

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.

Newfield Central School District
<http://emma.msrb.org/EP901802-EP698763-EP1100685.pdf>
Base CUSIP: 651299

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 School District, which are as follows:

Option A – Full Payment – Taxes are payable to the School District Tax Collector during the month of September without penalty. Payments made during the month of October carry a penalty of 2%. Unpaid taxes are returned to the Chemung, Tioga and Tompkins County Treasurers, as applicable, after October 31, and are added to the following year's town/county tax bills with an additional penalty.

Option B – Installation Payments – Taxes under Option B are due in two equal payments to be made on September 30 and March 1. The taxpayer who chooses Option B automatically incurs a service charge of 2.50%, computed on the total tax amount. If an installment is not paid on time, an interest charge for each month and fraction thereof is added to the total amount due.

Unpaid taxes are turned over to the applicable County Treasurers following the first collection period. The second installments must be paid directly to the applicable Counties. For both plans, the applicable Counties reimburse the District in full for uncollected taxes prior to the end of the fiscal year for which taxes are levied.

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Danby	\$17,304,765	\$17,431,682	\$17,890,887	\$18,004,801	\$19,604,747
Enfield	2,810,193	2,853,812	2,842,842	2,901,967	2,895,285
Ithaca	264,508	264,440	264,095	263,992	264,399
Newfield	244,997,029	250,088,879	257,033,936	260,413,964	278,660,751
Spencer	3,800	3,800	3,800	3,800	3,800
Van Etten	36,600	36,600	35,200	35,200	35,283
Total Assessed Valuation	<u>\$265,416,895</u>	<u>\$270,679,213</u>	<u>\$278,070,760</u>	<u>\$281,623,724</u>	<u>\$301,464,265</u>

	State Equalization Rates Years Ending June 30,				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Danby	100.00%	100.00%	100.00%	100.00%	100.00%
Enfield	100.00	100.00	100.00	100.00	100.00
Ithaca	100.00	100.00	100.00	100.00	100.00
Newfield	100.00	100.00	100.00	100.00	100.00
Spencer	100.00	100.00	97.00	96.00	97.00
Van Etten	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$265,416,895	\$270,679,213	\$278,070,878	\$281,623,882	\$301,464,383

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$4,790,189	\$4,966,187	\$5,161,107	\$5,283,171	\$5,403,695
% Uncollected When Due ⁽¹⁾	12.39%	12.24%	10.01%	10.17%	9.22%

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

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The table below illustrates the percentage of total revenues of the District comprised of State aid for each of the past four completed fiscal years, the budgeted figures for the current fiscal year and the proposed figures for the 2016-2017 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>
2011-2012	\$10,118,140	\$15,369,497	65.83%
2012-2013	10,348,287	15,813,997	65.44
2013-2014	10,643,714	16,388,758	64.95
2014-2015	11,081,878	17,023,176	65.10
2015-2016 (Budgeted)	11,377,369	17,182,390	66.22
2016-2017 (Proposed)	10,744,755	17,109,219	62.80

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$249,849	\$518,809
2012-2013	278,126	643,544
2013-2014	369,989	743,852
2014-2015	231,798	948,192
2015-2016 (Budgeted)	295,878	804,100
2016-2017 (Proposed)	240,704	650,000

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 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 \$16,680,511. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,680,511. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$11,120,624. The District’s annual

OPEB expense was \$1,799,161 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$374,509 to the Plan for the fiscal year ending June 30, 2015 to 171 employees, resulting in a net increase to its unfunded OPEB obligation of \$1,424,652, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$12,545,276. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$23,358 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$734,577 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.*"

Historical Continuing Disclosure Compliance

On occasion during the past five years, the District did not file certain event notices relating to ratings changes of National Public Finance Guaranty, the bond insurers of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District 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.

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>
2015-2016	\$1,965,292	\$90,083	\$2,055,375
2016-2017	1,031,165	193,450	1,224,615
2017-2018	1,029,263	193,350	1,222,613
2018-2019	1,036,259	193,250	1,229,509
2019-2020	260,756	933,100	1,193,856
2020-2021	255,885	935,700	1,191,585
2021-2022	261,013	936,950	1,197,963
2022-2023	255,880	931,600	1,187,480
2023-2024	260,745	934,050	1,194,795
2024-2025	265,274	-	265,274
2025-2026	264,478	-	264,478
2026-2027	263,113	-	263,113
2027-2028	266,229	-	266,229
2028-2029	193,183	-	193,183
2029-2030	192,788	-	192,788
2030-2031	47,243	-	47,243
2031-2032	30,897	-	30,897

Appendix C

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**APPENDIX C-18
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF NIAGARA FALLS**

There follows in this Appendix C-18 a brief description of the City School District of the City of Niagara Falls (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located within the City of Niagara Falls and has an estimated population of 50,193 and an area of approximately 17 square miles and is located 23 miles northwest of the City of Buffalo, New York, and is one of the principal ports of entry into Canada.

The City is located on the eastern banks of the Niagara River, nearly halfway between Lake Ontario and Lake Erie. Large manufacturing facilities such as Occidental Chemical, E.I. DuPont, and Globe Metallurgical are located in the City.

The Seneca Nation Casino (the “Casino”) has been in operation since December 31, 2002. The Casino contains over 4,200 slot machines, 110 game tables, restaurants and an entertainment venue. The Casino’s hotel is a 26-story hotel with 486 deluxe rooms, 86 multi-bedroom suites and 22 one-bedroom suites. The hotel also offers a full-service spa and over 30,000 square feet of meeting and conference space. The Seneca Niagara Casino & Hotel is the largest hotel in Western New York.

The Niagara Frontier Transportation Authority operates the Niagara Falls Airport, as well as the Greater Buffalo International Airport and the local bus transportation system. The New York State Thruway serves the area. The City is responsible for and maintains police, fire, sanitation, streets, parks and playgrounds. As of September 25, 2003, the Niagara Falls Water Board is responsible for water and sewer services within the City. Gas and electric services are provided by the National Fuel Gas Corporation and National Grid.

Population

The current estimated population of the District is 50,193. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Niagara Falls Air Reserve Station	Air National Guard	3,310
Seneca Niagara Casino	Gaming Facility	2,528
GM Component Holdings LLC	Heating/Cooling Systems	1,675
Fashion Outlets of Niagara	Retail Shopping Center	1,434
Niagara County	County Government	1,378

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$54,449,446
National Fuel Gas	Utility	25,803,543
NFNY Hotel Management LLC	Hotel	13,200,000
Wal Mart Real Estate Business	Retail	8,144,250
Occidental Chemical Corp.	Manufacturing	7,162,851

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.37% of the tax base of the District.

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 the City of Niagara Falls and Niagara County.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of Niagara Falls	10.6%	11.4%	10.0%	8.5%	7.7%
Niagara County	8.4	9.0	8.0	6.9	6.2
New York State	8.2	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	7,001	7,050	7,171	7,102	7,023	7,215	7,131

District Employees

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

<u>Number Of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
583	Niagara Falls Teachers’ Association	June 30, 2019
288	Civil Service Employees’ Association	June 30, 2019
145	Civil Service Employees’ Association – Aide Unit	June 30, 2015 ⁽¹⁾
24	Administrators & Supervisors Council	June 30, 2019
10	Non-Instructional Administrators & Supervisors	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 April 25, 2016⁽¹⁾	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,481,805,756	\$1,482,356,970
Debt Limit (5% of full valuation) ⁽²⁾	\$74,090,288	\$74,117,849
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$39,455,000	\$39,455,000
Bond Anticipation Notes	59,109,094	59,109,094
Total Inclusions.....	<u>\$98,564,094</u>	<u>\$98,564,094</u>
<u>Exclusions</u>		
Bonds Previously Refunded	\$ 0	\$ 0
Appropriations.....	5,794,094	5,794,094
Total Exclusions.....	<u>\$ 5,794,094</u>	<u>\$ 5,794,094</u>
Total Net Indebtedness	\$92,770,000	\$92,770,000
Net Debt Contracting Margin	(\$18,652,151)	(\$18,652,151)
Percentage of Debt Contracting Power Exhausted	125.17%	125.17%

⁽¹⁾ The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$7,715,000 School District Bonds to DASNY in connection with the refunding of \$7,940,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. 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.

Note: The District has received the consent of the Board of Regents and the Office of the State Comptroller to exceed its debt limit.

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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 2014 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:					
Niagara	\$68,171,101	\$36,424,973	\$31,746,128	17.29%	\$5,488,906
City of:					
Niagara Falls	65,088,221	2,795,000	62,293,221	100.00%	62,293,221
				Total	<u>\$67,782,127</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$92,770,000	\$1,848.27	6.10%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	160,552,127	3,199.70	10.55

(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 50,193.

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2014-15 of \$1,521,676,090.

(4) The District expects to deliver \$7,715,000 School District Bonds to DASNY in connection with the refunding of \$7,940,000 of the District’s outstanding serial bonds securing the Series 2009C Bonds. 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	\$2,500,000	RAN	6/28/2011	10/14/2011
2011-2012	7,700,000	RAN	12/14/2011	6/28/2012
2012-2013	10,000,000	RAN	6/27/2013	6/27/2013
2013-2014	3,500,000	RAN	7/24/2013	3/26/2014
2014-2015	3,800,000	RAN	12/10/2014	3/31/2015
2015-2016	6,500,000	RAN	11/18/2015	3/30/2016

The District has not issued any Tax Anticipation Notes (“TAN”) for the last six fiscal years and does not expect to issue such TANs in the current fiscal year.

Capital Project Plans

On September 25, 2012, the qualified voters of the District authorized the issuance of serial bonds in an amount not to exceed \$66,700,000 to finance (in substantial part) a capital improvements project consisting primarily of infrastructure-related improvements and reconstruction of and construction of improvements and additions to various District buildings (and the sites thereof). The District has \$2,901,482 of authorized but unissued indebtedness for such project. The District does not expect to issue additional new money debt against this amount.

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 Niagara Falls
<http://emma.msrb.org/EP885035-EP684982-EP1086675.pdf>
 Base CUSIP: 653420

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 Niagara 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Niagara Falls	\$1,327,099,911	\$1,343,974,506	\$1,342,192,561	\$1,339,379,300	\$1,322,238,622
Total Assessed Valuation	<u>\$1,327,099,911</u>	<u>\$1,343,974,506</u>	<u>\$1,342,192,561</u>	<u>\$1,339,379,300</u>	<u>\$1,322,238,662</u>

	State Equalization Rates Years Ending June 30,				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Niagara Falls	93.00%	92.00%	92.00%	90.00%	84.00%
Taxable Full Valuation	\$1,426,989,151	\$1,460,841,854	\$1,458,904,957	\$1,488,199,222	\$1,574,093,597

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Niagara Falls	92.05%	89.86%	88.96%	88.02%	81.91%
Taxable Full Valuation	\$1,441,716,362	\$1,495,631,545	\$1,508,929,242	\$1,521,676,096	\$1,635,184,105

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$25,076,688	\$25,076,688	\$25,828,989	\$25,828,989	\$25,828,989
% Uncollected When Due ⁽¹⁾	33.4%	33.8%	34.1%	34.1%	34.1%

⁽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 and the budgeted figures for the current 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>
2011-2012	\$86,739,803	\$119,140,276	72.80%
2012-2013	87,789,365	119,125,920	73.69
2013-2014	90,089,723	124,353,375	72.45
2014-2015	95,039,049	127,672,969	74.44
2015-2016 (Budgeted)	100,068,368	131,505,602	76.09
2016-2017 (Proposed)	102,771,698	135,579,450	75.80

⁽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 2011-2012 fiscal year and the budgeted payments for the current fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$1,925,466	\$4,939,600
2012-2013	1,691,506	5,341,449
2013-2014	2,203,296	7,646,047
2014-2015	2,355,201	8,379,067
2015-2016 (Budgeted)	1,805,564	6,750,357
2016-2017 (Proposed)	1,730,564	6,968,357

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

GASB 45 and OPEB

The District contracted with Drescher & Malecki LLP 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 \$110,303,439. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$110,303,439. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$33,255,879. The District’s annual OPEB expense was \$6,279,144 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,692,434 to the Plan for the fiscal year ending June 30, 2015 to 1,701 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,586,710, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$35,842,589. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *GASB and OPEB*.”

Recent Operating Results

The District’s revenues exceeded its expenditures by \$2,532,315 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$8,803,091 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also “PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*.”

Historical Continuing Disclosure Compliance

On April 14, 2015, the District filed an event notice relating to its failure to comply with a depository agreement relating to certain certificates of participation of the District that were issued in 2005 but are no longer outstanding. The notice disclosed the depository’s failure to restrict access to a lockbox account relating to State aid received by the District as was required under the depository agreement. In addition, with respect to the District’s currently outstanding certificates of participation, while the District is required to file audited financial statements within 180 days of the end of its fiscal year, it is required to earlier file its annual operating data within 120 days of the end of its fiscal year. Although the District has filed its audited financial statements within such 180-day period, it has filed late its operating data for the fiscal years ending June 30, 2012 through 2015, as follows: The 2012 operating data was filed 37 days late on December 4, 2012; the 2013 operating data was filed 29 days late on November 26, 2013; the 2014 operating data was filed 29 days late on November 26, 2014; and the 2015 operating data was filed 9 days late on November 6, 2015. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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Appendix C

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>Total Certificates of Participation Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$2,688,900	\$5,303,675	\$127,467	\$8,120,042
2016-2017	3,388,006	5,079,175	360,450	8,827,631
2017-2018	3,389,106	5,079,575	360,350	8,829,031
2018-2019	3,395,881	5,072,775	360,250	8,828,906
2019-2020	1,952,056	5,075,275	1,765,100	8,792,431
2020-2021	1,949,456	5,060,100	1,763,200	8,772,756
2021-2022	1,959,131	4,932,450	1,765,200	8,656,781
2022-2023	1,709,706	4,804,800	1,764,250	8,278,756
2023-2024	1,711,906	4,612,800	1,763,100	8,087,806
2024-2025	1,712,406	4,420,800	-	6,133,206
2025-2026	1,712,081	4,228,800	-	5,940,881
2026-2027	1,715,472	4,075,200	-	5,790,672
2027-2028	1,721,013	3,960,000	-	5,681,013
2028-2029	1,718,600	-	-	1,718,600
2029-2030	1,718,125	-	-	1,718,125
2030-2031	1,719,303	-	-	1,719,303
2031-2032	1,727,647	-	-	1,727,647
2032-2033	1,727,963	-	-	1,727,963
2033-2034	1,725,306	-	-	1,725,306
2034-2035	1,729,381	-	-	1,729,381
2035-2036	1,728,900	-	-	1,728,900

**APPENDIX C-19
DESCRIPTION OF
ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF OGDENSBURG**

There follows in this Appendix C-19 a brief description of the Enlarged City School District of the City of Ogdensburg (the "District"), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District is located in northern New York State along the St. Lawrence River. The District encompasses approximately 12 square miles of land area. The District includes the City of Ogdensburg and parts of the Towns of Lisbon and Oswegatchie. Major highways in and around the School District include Routes #37 and #12, which connect the District with U. S. Interstate 81, a major New York State Expressway.

Police protection is provided by the County of St. Lawrence and the City of Ogdensburg. Gas service is provided by the St. Lawrence Gas Corporation and electric power is provided by National Grid. Fire protection is provided by the City of Ogdensburg and various other volunteer fire districts.

Population

The current estimated population of the District is 11,518. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
United Helpers Nursing Care Providers	Healthcare	1,006
Claxton-Hepburn Medical Center	Healthcare	746
State of New York	Correctional Facilities	647
St. Lawrence Psychiatric Center	Psychiatric Center	585
ACCO International	Manufacturing	160

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Ogdensburg Associates, LLC	Retail Shopping Center	\$15,328,300
National Grid	Utility	11,868,026
Wal-Mart	Retail Store	9,661,410
ACCO International, Inc.	Manufacturing	5,600,000
St. Lawrence Gas Company	Utility	3,713,763

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 15.9% 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 St. Lawrence County.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
St. Lawrence County	10.4%	10.2%	9.1%	7.8%	6.9%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	1,715	1,758	1,748	1,742	1,762	1,762	1,762

District Employees

The number of persons employed by the District, the collective bargaining agents 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>
151	Ogdensburg Educational Association	June 30, 2017
103	Civil Service Employees' Association	June 30, 2016
8	Supervisory Unit	June 30, 2017

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DISTRICT INDEBTEDNESS

Debt Limit

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$368,152,905	\$366,657,636
Debt Limit (5% of full valuation) ⁽²⁾	\$18,407,645	\$18,332,882
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$5,530,000	\$5,530,000
Bond Anticipation Notes.....	54,736,400	54,736,400
Total Inclusions.....	<u>\$60,266,400</u>	<u>\$60,266,400</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	1,140,000	1,140,000
Total Exclusions.....	<u>\$1,140,000</u>	<u>\$1,140,000</u>
Total Net Indebtedness.....	\$59,126,400	\$59,126,400
Net Debt Contracting Margin ⁽⁴⁾	\$(40,718,755)	\$(40,793,518)
Percentage of Debt Contracting Power Exhausted.....	321.21%	322.52%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$2,780,000 School District Bonds to DASNY in connection with the refunding of \$2,840,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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 School District has received the consent of the Board of Regents and the Office of the State Comptroller on March 12, 2013 to exceed its debt limit.

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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 2014 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	\$40,720,000	\$10,000,000	\$30,720,000	6.84%	\$2,101,248
Towns of:					
Lisbon	339,000	0	339,000	0.13	441
Oswegatchie	0	0	0	38.94	0
City of:					
Ogdensburg	8,820,500	1,800,000	7,020,500	99.27	<u>6,969,250</u>
				Total	<u>\$9,070,939</u>

- (1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.
- (2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$59,126,400	\$5,133.39	15.61%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	68,197,339	5,920.94	18.01

- (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 11,518.
- (3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2015-16 of \$378,665,743.
- (4) The District expects to deliver \$2,780,000 School District Bonds to DASNY in connection with the refunding of \$2,840,000 of the District’s outstanding serial bonds securing the Series 2008A Bonds. 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>
2011-2012	3,500,000	RAN	6/23/2011	6/22/2012
2012-2013	4,000,000	RAN	6/29/2012	6/29/2013

The District did not issue any TANs in the 2011-2012 and 2012-2013 fiscal years or any TANs or RANs in the 2013-2014, 2014-2015 and 2015-2016 fiscal years, and does not plan to issue any TANs or RANs in the current fiscal year, or in the foreseeable future.

Capital Project Plans

District residents approved a capital project consisting of renovations and improvements to the Ogdensburg Free Academy and the Golden Dome, construction of a new Press Box and Concession Building at Ogdensburg Free Academy Campus, and renovations, improvements and additions to Kennedy Elementary School and Madill Elementary School, all at an estimated maximum cost not to exceed \$57,206,400, and authorizing the issuance of serial bonds in an aggregate principal amount not to exceed \$57,206,400 (the "Project"). The District plans on utilizing EXCEL Aid in the amount of \$1,399,239 and additional borrowed funds for construction. The District has received the necessary super majority positive vote required to exceed the debt limit to allow for the additional issuance of bonds and notes to finance the project.

Below is a history of borrowings to date for the Project:

<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Issue Type</u>	<u>Issue Amount</u>	<u>New Money</u>	<u>Renewal Money</u>	<u>Principal Reduction</u>	<u>Remaining Amount Authorized</u>
11/3/11	11/2/12	BAN	\$2,600,000	\$2,600,000	\$0	\$0	\$54,606,400
8/8/12	8/8/13	BAN	6,000,000	6,000,000	0	0	48,606,400
11/1/12	8/8/13	BAN	2,600,000	0	2,600,000	0	48,606,400
6/24/13	6/24/14	BAN	10,000,000	10,000,000	0	0	38,606,400
8/7/13	8/7/14	BAN	15,000,000	6,440,000	8,560,000	40,000	32,166,400
12/12/13	8/7/14	BAN	10,000,000	10,000,000	0	0	22,166,400
6/23/14	6/23/15	BAN	19,380,000	10,000,000	9,380,000	620,000	12,166,400
8/6/2014	6/23/15	BAN	33,870,000	9,000,000	24,870,000	130,000	3,166,400
6/22/15	6/22/16	BAN	54,736,400	3,166,400	51,570,000	1,680,000	0

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.

Enlarged City School District of the City of Ogdensburg
<http://emma.msrb.org/ES739304-ES579362-ES975165.pdf>
 Base CUSIP: 676490

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 in September of each year and are payable without penalty from September 4th through October 4th. If paid after October 4th the penalties are as follows: October 5th through November 4th, 2%; November 5th through December 4th, 3%; December 5th through January 4th, 4%; and 1% for each month thereafter.

The District receives its full levies from the City of Ogdensburg and St. Lawrence County, as applicable, by no later than the succeeding fiscal year.

Appendix C

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Ogdensburg	\$282,347,941	\$281,084,392	\$278,115,189	\$277,572,409	\$277,199,466
Towns of:					
Lisbon	207,698	207,002	211,912	207,836	208,007
Oswegatchie	<u>75,523,773</u>	<u>88,257,205</u>	<u>89,881,719</u>	<u>89,315,223</u>	<u>89,936,224</u>
Total Assessed Valuation	<u>\$358,079,412</u>	<u>\$369,548,599</u>	<u>\$368,208,820</u>	<u>\$367,095,468</u>	<u>\$367,343,697</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Ogdensburg	100.00%	100.00%	100.00%	100.00%	100.00%
Towns of:					
Lisbon	85.00	83.00	85.00	85.00	85.00
Oswegatchie	88.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$368,414,761	\$369,590,997	\$368,246,216	\$367,132,145	\$367,380,404

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Ogdensburg	103.24%	103.33%	102.92%	100.89%	98.48%
Towns of:					
Lisbon	84.30	83.93	83.63	81.33	78.99
Oswegatchie	84.68	98.73	98.88	95.75	92.79
Taxable Full Valuation	\$362,920,603	\$361,665,053	\$361,377,819	\$368,658,960	\$378,665,743

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$8,761,930	\$9,094,803	\$9,520,720	\$9,420,777	\$9,624,458
% Uncollected When Due ⁽¹⁾	9.5%	8.7%	8.9%	9.2%	6.8%

⁽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 2016-2017 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>
2011-2012	\$20,246,687	\$30,441,450	66.51%
2012-2013	21,013,454	31,698,797	66.29
2013-2014	23,657,848	35,251,690	67.11
2014-2015	25,663,270	36,907,830	69.53
2015-2016 (Budgeted)	28,276,163	39,700,000	71.22
2016-2017 (Proposed)	28,045,003	40,600,000	69.08

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$364,442	\$1,378,233
2012-2013	375,017	1,384,097
2013-2014	309,618	1,937,809
2014-2015	408,686	2,104,267
2015-2016 (Budgeted)	400,000	1,700,000
2016-2017 (Proposed)	450,000	1,475,000

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

GASB 45 and OPEB

The District contracted with Armory Associates, LLC to calculate its "other post-employment benefits" ("OPEB") plan (the "Plan") in accordance with GASB 45. As of June 30, 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 \$115,601,285. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$115,601,285. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$37,740,522. The District's annual OPEB expense was \$10,361,184 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,722,362 to the Plan for the fiscal year ending June 30, 2015 to 446 employees, resulting in a net increase to its unfunded OPEB obligation of \$7,638,822, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$45,379,344. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$531,973 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,378,347 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>
2015-2016	\$1,386,307	\$51,127	\$1,437,433
2016-2017	923,731	124,200	1,047,931
2017-2018	529,406	124,100	653,506
2018-2019	63,969	579,000	642,969
2019-2020	66,563	580,200	646,763
2020-2021	63,938	582,700	646,638
2021-2022	31,313	582,950	614,263
2022-2023	-	577,200	577,200
2023-2024	-	283,350	283,350

**APPENDIX C-20
DESCRIPTION OF
ONONDAGA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-20 a brief description of the Onondaga 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 central portion of upstate New York in the County of Onondaga. It is southwest, and in close proximity to the City of Syracuse. Situated in the Towns of Onondaga, Marcellus, LaFayette and Otisco, the District has a land area of approximately 75 square miles.

The District, as a suburb of the City of Syracuse, is typically residential with a number of small businesses and retail operations. Also included within the District are produce farms and apple orchards.

Population

The current estimated population of the District is 5,843. (Source: 2014 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	Utility	\$12,422,136
Dominion Transmission	Utility	3,576,714
Tennessee Gas Pipeline Co.	Utility	3,205,964
Volles Realty LLC	Realty	2,659,659
Lu Min LLC	Apartments	1,584,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.9% 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) Onondaga County.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Onondaga County	7.7%	7.9%	6.8%	5.6%	5.0%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	928	940	929	917	846	900	893

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>
102 (4 part-time)	OCS Faculty Association	June 30, 2018
65 (28 part-time)	OCS Non-Instructional Staff Association	June 30, 2018
4	OCS 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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$340,381,466
Debt Limit (10% of Full Valuation)	34,038,146
Gross Indebtedness ⁽²⁾	\$15,320,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$15,320,000
Net Debt Contracting Margin	\$18,718,146
Percentage of Debt Contracting Power Exhausted	45.01%

(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 \$4,835,000 School District Bonds to DASNY in connection with the refunding of \$4,945,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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 2014 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	\$601,761,930	\$340,093,966	\$261,667,964	1.30%	\$3,401,684
Towns of:					
LaFayette	3,775,000	0	3,775,000	0.57	21,518
Marcellus	5,899,969	5,549,969	350,000	0.63	2,205
Onondaga	1,980,965	0	1,980,965	24.21	479,592
Otisco	0	0	0	0.99	0
				Total	\$3,904,998

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$15,320,000	\$2,621.94	4.50%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	19,224,998	3,290.26	5.65

- (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 5,843.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$340,381,466
- (4) The District expects to deliver \$4,835,000 School District Bonds to DASNY in connection with the refunding of \$4,945,000 of the District’s outstanding serial bonds securing the Series 2008A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

The District has no projects authorized at this time; however, the District recently completed a \$100,000 project to address safety issues and energy conservation at the Junior/Senior High School in regards to lighting. Finally, the District is looking into the feasibility of doing a small zero tax impact capital project and an energy performance contract.

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.

Onondaga Central School District
<http://emma.msrb.org/EP896625-EP694350-EP1096111.pdf>
Base CUSIP: 682830

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 School District receives this amount from Onondaga County prior to the end of the School 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
LaFayette	\$1,732,748	\$1,731,617	\$1,730,484	\$1,709,055	\$1,709,969
Marcellus	2,547,163	2,566,871	2,588,572	2,627,497	2,659,225
Onondaga	322,344,434	325,808,376	327,644,979	331,179,461	333,940,385
Otisco	<u>39,271</u>	<u>41,003</u>	<u>42,035</u>	<u>42,043</u>	<u>42,167</u>
Total Assessed Valuation	<u>\$326,663,616</u>	<u>\$330,147,867</u>	<u>\$332,006,070</u>	<u>\$335,558,056</u>	<u>\$338,351,746</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
LaFayette	90.00%	93.00%	93.00%	97.00%	93.00%
Marcellus	100.00	100.00	100.00	100.00	100.00
Onondaga	100.00	100.00	100.00	100.00	100.00
Otisco	2.21	2.26	2.28	2.17	2.17
Taxable Full Valuation	\$328,593,841	\$332,051,493	\$333,937,927	\$337,506,336	\$340,381,466

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$9,272,576	\$9,318,963	\$9,371,850	\$9,472,357	\$9,702,735
% Uncollected When Due ⁽¹⁾	6.8%	7.2%	6.9%	6.3%	6.6%

⁽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 2016-2017 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		Percentage of Total
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	Revenues Consisting of State Aid⁽¹⁾
2011-2012	\$7,742,333	\$18,016,386	42.97%
2012-2013	8,587,248	18,359,698	46.77
2013-2014	8,541,753	17,467,485	48.90
2014-2015	8,859,251	18,726,194	47.30
2015-2016 (Budgeted)	9,117,123	19,801,942	46.04
2016-2017 (Proposed)	9,649,415	20,558,700	46.94

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$350,714	\$683,575
2012-2013	376,793	701,782
2013-2014	378,562	760,453
2014-2015	414,341	1,135,474
2015-2016 (Budgeted)	550,458	1,086,965
2016-2017 (Proposed)	550,458	1,086,965

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

GASB 45 and OPEB

The District contracted with Questar BOCES 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 \$4,976,729. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,976,729. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$1,613,123. The District’s annual OPEB expense was \$494,042 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$271,196 to the Plan for the fiscal year ending June 30, 2015 to 49 employees, resulting in a net increase to its unfunded OPEB obligation of \$222,846, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$1,835,969. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$748,646 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,034,639 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On June 15, 2011, the District called for redemption certain of its \$2,542,500 School District (Serial) Bonds, 1999. Although the District was required to file a notice of the call in a timely manner, the District failed to file such a notice and on April 22, 2016, the District filed a notice of failure to file relating to the material event. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$2,023,525	\$80,422	\$2,103,947
2016-2017	1,906,275	209,250	2,115,525
2017-2018	1,893,550	209,150	2,102,700
2018-2019	807,250	1,099,050	1,906,300
2019-2020	805,250	1,097,200	1,902,450
2020-2021	807,000	1,093,400	1,900,400
2021-2022	807,250	1,095,900	1,903,150
2022-2023	806,000	1,096,400	1,902,400
2023-2024	803,250	-	803,250
2024-2025	804,000	-	804,000
2025-2026	803,000	-	803,000
2026-2027	805,350	-	805,350

Appendix C

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**APPENDIX C-21
DESCRIPTION OF
PERRY CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-21 a brief description of the Perry 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 65 square miles in the Village of Perry as well as all, or portions, of the Towns of Perry, Castile, Warsaw and Covington, Wyoming County, and the Town of Leicester, Livingston County.

The District is served by New York State Routes 39 and 20A, providing easy access to the New York State Thruway and Interstate 390. Bus, air and rail transportation are available in Rochester and Buffalo.

The District is primarily rural in nature with much of the area devoted to dairy farming. Residents also find employment at such firms as Creative Food Ingredients, Pioneer Credit Recovery Inc. and J.N. White Designs.

Water and sewer services are provided by the individual municipalities, or by private wells and septic systems. Electricity is provided by New York State Electric & Gas Corporation. Rochester Gas & Electric Corporation provides natural gas to area residents. Telephone service is provided by Frontier Telephone, Inc. Police protection is provided by local departments, supplemented by the Wyoming and Livingston County Sheriff's Departments and the New York State Police. Ambulance service and fire protection are provided by various volunteer companies.

The District provides public education for grades Pre-K-12 in two buildings located in the Village of Perry. The colleges and universities in Geneseo, Brockport, Rochester, Buffalo and Batavia provide higher education and cultural opportunities.

Residents of the District are afforded all the usual commercial services, primarily in the Village of Perry. Recreational facilities include Letchworth State Park and Silver Lake.

Population

The current estimated population of the District is 6,075. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Pioneer Credit Recovery Inc.	Credit Recovery	375
Perry Central School District	Public Education	192
Creative Food Ingredients	Baking Company	145
J.N. White Designs	Printing	95
American Classic Outfitters	Manufacturer - Clothing	54

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric & Gas Corporation	Utility	\$11,600,168
Rochester Gas & Electric Corporation	Utility	7,511,213
Dominion Resources	Utility	5,972,058
Arcade LLC	Collections Agency	3,457,700
McBride Properties	Agriculture	2,412,684

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 10.98% 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 Livingston and Wyoming Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Livingston County	7.6%	7.9%	7.0%	5.8%	5.4%
Wyoming County	8.7	8.9	7.9	6.5	5.7
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
Pre-K-12	930	898	874	855	854	847	845

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>
93	Perry Professional Educators’ Association	June 30, 2018
51	Perry Education Support Staff Association	June 30, 2016 ⁽¹⁾

⁽¹⁾ Currently undernegotiations.

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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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$363,391,906
Debt Limit (10% of Full Valuation)	36,339,190
Gross Indebtedness ⁽²⁾	\$14,521,888
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$14,521,888
Net Debt Contracting Margin	\$21,817,302
Percentage of Debt Contracting Power Exhausted	39.96%

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

⁽²⁾ The District expects to deliver \$2,360,000 School District Bonds to DASNY in connection with the refunding of \$2,385,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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:					
Livingston	\$55,034,507	\$0	\$55,034,507	0.34%	\$187,117
Wyoming	36,716,369	0	36,716,369	16.93	6,216,081
Towns of:					
Castile	0	0	0	64.61	0
Covington	495,000	0	495,000	5.30	26,235
Leicester	0	0	0	10.21	0
Perry	163,800	0	163,800	100.00	163,800
Warsaw	851,105	0	851,105	1.78	15,150
Village of:					
Perry	1,884,500	0	1,884,500	100.00	1,884,500
				Total	\$8,492,883

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$14,521,888	\$2,390.43	4.00%
Gross Indebtedness Plus Net Overlapping Indebtedness	23,014,771	3,788.44	6.33

- (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 6,075.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$363,391,906.
- (4) The District expects to deliver \$2,360,000 School District Bonds to DASNY in connection with the refunding of \$2,385,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Perry Central School District
<http://emma.msrb.org/EP889016-EP688323-EP1090032.pdf>
Base CUSIP: 714795

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 the Livingston and Wyoming Counties, as applicable, for relevy on County/Town tax rolls. The School 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.

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Castile	\$149,917,490	\$149,695,389	\$150,080,347	\$121,868,160 ⁽¹⁾	\$147,249,630
Covington	3,955,103	3,966,062	4,022,328	3,949,848	4,031,415
Leicester	10,184,298	10,360,766	10,745,013	10,940,907	11,170,307
Perry	182,243,100	183,894,953	185,665,216	212,260,397 ⁽²⁾	193,717,729
Warsaw	3,946,898	4,053,209	4,074,716	4,128,711	4,133,376
Total Assessed Valuation	<u>\$350,246,889</u>	<u>\$351,970,379</u>	<u>\$354,587,620</u>	<u>\$353,148,023</u>	<u>\$360,302,457</u>

(1) Difference due to increase of the age exempt property tax assessment.

(2) Significant change from previous year due to revaluation.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Castile	100.00%	100.00%	100.00%	100.00%	98.00%
Covington	100.00	100.00	100.00	100.00	100.00
Leicester	100.00	100.00	100.00	100.00	100.00
Perry	100.00	100.00	100.00	100.00	100.00
Warsaw	100.00	100.00	100.00	100.00	98.00
Taxable Full Valuation	\$350,246,889	\$351,970,379	\$354,587,620	\$353,148,023	\$363,391,906

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$5,673,794	\$5,819,756	\$5,994,350	\$6,121,947	\$6,213,776
% Uncollected When Due ⁽¹⁾	6.20%	4.90%	5.73%	4.64%	4.82%

(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 2016-2017 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>
2011-2012	\$8,997,681	\$15,492,430	58.08%
2012-2013	9,030,606	15,673,206	57.62
2013-2014	9,611,972	16,387,940	58.65
2014-2015	10,415,139	16,770,935	62.10
2015-2016 (Budgeted)	10,415,139	16,857,409	61.78
2016-2017 (Proposed)	11,055,647	17,945,474	61.61

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$155,611	\$741,971
2012-2013	202,327	712,734
2013-2014	206,017	937,397
2014-2015	163,052	947,595
2015-2016 (Budgeted)	241,213	884,784
2016-2017 (Proposed)	222,015	705,238

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, 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 \$5,921,217. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,921,217. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$698,199. The District’s annual OPEB expense was \$417,993 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$273,997 to the Plan for the fiscal year ending June 30, 2015 to 82 employees, resulting in a net increase to its unfunded OPEB obligation of \$143,996, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$842,195. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 financial statements. The District has reserved \$948,720 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 \$499,330 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$694,537 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On December 15, 2011, the District called for redemption its \$6,500,000 School District (Serial) Bonds, 1999, its \$9,900,000 School District (Serial) Bonds, 1999 and its \$1,200,000 School District (Serial) Bonds, 2000. Although the District was required to file an event notice of call in a timely manner, it did not file such event notice. On occasion during the past five years, the District did not file certain event notices relating to ratings changes of Assured Guaranty Municipal Corp. and National Public Finance Guaranty Corporation, the bond insurers of certain bonds of the District. Except as described above (without determining whether such events were material in any sense), the District 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.

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>
2015-2016	\$2,236,952	\$50,030	\$2,286,982
2016-2017	2,227,513	106,400	2,333,913
2017-2018	1,894,363	106,300	2,000,663
2018-2019	1,321,588	106,200	1,427,788
2019-2020	879,713	531,050	1,410,763
2020-2021	879,013	531,650	1,410,663
2021-2022	877,363	534,650	1,412,013
2022-2023	884,463	531,700	1,416,163
2023-2024	874,964	535,250	1,410,214
2024-2025	839,100	-	839,100
2025-2026	837,100	-	837,100
2026-2027	832,750	-	832,750
2027-2028	172,000	-	172,000
2028-2029	172,200	-	172,200
2029-2030	77,250	-	77,250

Appendix C

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**APPENDIX C-22
DESCRIPTION OF
CITY SCHOOL DISTRICT OF THE CITY OF ROME**

There follows in this Appendix C-22 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 38,772. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Turning Stone Casino ⁽¹⁾	Casino/hotel	4,500
Central New York Developmental Service	Social Services	3,000
Wal-Mart	Retail	1,400
Air Force Research Lab Rome Research Site	IT	1,209
City School District of the City of Rome	Educational	1,167

⁽¹⁾ Turning Stone Casino is located in the Town of Verona, which is located approximately 12 miles from the City.

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Family Dollar Services	Retail	\$65,863,158
National Grid	Utility	45,774,157
Centro NP Holdings 11 SPE, LLC	Retail	11,825,605
DDR GLH Freedom Plaza	Shopping Complex	11,236,296
Wal-Mart Real Estate Business Trust	Retail	10,679,555

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 11.3% 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Oneida County	8.0%	8.3%	7.4%	6.1%	5.4%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	5,598	5,669	5,664	5,590	5,690	5,700	5,700

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District Employees

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

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
24	Rome Administrators' Association	June 30, 2017
508	The Rome Teachers' Association	June 30, 2016 ⁽¹⁾
313	Rome Aides, Monitors & Cafeterias' Employees	June 30, 2016 ⁽¹⁾
94	Local200B – SEIU-AFL-CIO (The Custodial Unit)	June 30, 2016 ⁽¹⁾
30	Rome City School District Civil Service Employees Association (Local 414)	June 30, 2016 ⁽¹⁾
265	Rome City School District Substitute Teachers	June 30, 2018
9	Rome City School District United Public Service Employees Union UPSEU	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 April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,487,094,569	\$1,490,350,444
Debt Limit (5% of full valuation) ⁽²⁾	\$74,354,728	\$74,517,522
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$51,541,281	\$51,541,281
Bond Anticipation Notes.....	9,241,544	9,241,544
Total Inclusions.....	<u>\$60,782,825</u>	<u>\$60,782,825</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	5,911,281	5,911,281
Total Exclusions.....	<u>\$5,911,281</u>	<u>\$5,911,281</u>
Total Net Indebtedness.....	\$54,871,544	\$54,871,544
Net Debt Contracting Margin.....	\$19,483,184	\$19,645,978
Percentage of Debt Contracting Power Exhausted.....	73.80%	73.64%

- (1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$2,655,000 School District Bonds to DASNY in connection with the refunding of \$2,650,000 of the District’s outstanding serial bonds securing the Series 2008A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.
- (2) The District’s constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Tax Services pursuant to Art-12-B of the Real Property Tax Law. “Conventional” State equalization rates are also established by the State Board, and are used for all other purposes.
- (3) Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the constitutional debt limit of the District.

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Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and notes and to levy taxes or cause taxes to be levied on taxable real property within the District. Estimated indebtedness, comprised of bonds and bond anticipation notes, is listed as of the close of the 2014 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	\$163,886,588	\$34,765,468	\$129,121,120	14.68%	\$18,954,980
Towns of:					
Annsville	391,638	365,738	25,900	5.45	1,412
Lee	0	0	0	87.87	0
Verona	2,240,037	135,000	2,105,037	1.31	27,576
Western	0	0	0	57.76	0
City of:					
Rome	54,920,041	17,768,827	37,151,214	93.97	34,910,996
				Total	<u>\$53,894,964</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of April 25, 2016.

Debt Ratios As of April 25, 2016⁽¹⁾

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$54,871,544	\$1,415.24	3.55%
Gross Indebtedness Plus Net Overlapping Indebtedness	108,766,508	2,805.28	7.04

(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 38,772.

(3) Based on the District's full value of taxable real estate using the special State equalization rates for 2015-16 of \$1,544,855,821.

(4) The District expects to deliver \$2,655,000 School District Bonds to DASNY in connection with the refunding of \$2,650,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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>
2011-2012	\$8,000,000	RAN	6/23/2011	6/22/2012

Appendix C

The District has not issued any TANs or RANs for the last three completed fiscal years and does not expect to issue such Notes in the current fiscal year.

Capital Project Plans

A resolution adopted by the District's Board of Education on April 23, 2008 and approved by the District's voters on June 17, 2008 authorizes the issuance of bonds and other obligations to finance renovations, improvements and additions to various District facilities at a total estimated cost of \$36,884,000. Due to the District's debt limitations as noted under the section titled "Debt Limit" above, the District was forced to proceed in phases over a number of years to remain below the debt limit. To date the District has issued \$22,504,000 against such authorization of which \$8,157,000 is currently in bond anticipation notes that will mature on August 5, 2016. At maturity, the District plans to make a principal reduction and renew the remaining balance. Future capital plans and borrowings will be dependent on approval from the State Education Department, construction cash flow needs and the ability to borrow under the debt limit.

A resolution adopted by the District's Board of Education on November 18, 2009 and approved by the District's voters on January 26, 2010* authorizes the issuance of bonds and other obligations to finance renovations, improvements to the Denti, Gansevoort, Joy, Ridge Mills and Clough Elementary Schools including construction, site improvements, original furnishings, fixtures and equipment required for such purposes, at a total estimated cost of \$30,000,000. To date, the District has borrowed \$20,900,000 against said authorization which includes \$7,713,000 bonds issued through the Dormitory Authority of the State of New York dated June 10, 2015 and \$4,876,281 serial bonds. \$1,084,544 of outstanding bond anticipation notes were renewed with the proceeds of bond anticipation notes issued in August 2015 and mature August 5, 2016. At maturity, the District plans to make a principal reduction and renew the remaining balance. Future borrowings will be dependent on approval from the State Education Department and construction cash flow needs.

A resolution adopted by the District's Board of Education on October 19, 2011 and approved by the District's voters on December 6, 2011* authorizes the issuance of bonds and other obligations to finance renovations and improvements to the Lyndon H. Strough Middle School including construction, site improvements, original furnishings, fixtures and equipment required for such purposes, architectural fees and all other necessary costs incidental to such work at a total estimated cost not to exceed \$25,400,000. The District anticipates issuing \$12,500,000 of bond anticipation notes in August 2016 to finance a portion of this project. 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.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

City School District of the City of Rome
<http://emma.msrb.org/EP895639-EP693498-EP1095211.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 of Rome and Oneida County, as applicable. Oneida County normally pays in full to the District its portion of such uncollected school taxes, plus a 2% penalty, by August 1. The City of Rome 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.

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Rome	\$804,267,178	\$853,961,607	\$851,112,821	\$852,559,984	\$852,573,484
Towns of:					
Annsville	3,944,911	3,944,017	4,040,874	4,048,347	4,065,838
Lee	9,536,115	9,556,505	9,604,324	9,611,466	9,754,106
Verona	3,180,638	3,182,177	3,180,941	3,191,673	3,208,568
Western	<u>42,330,865</u>	<u>42,571,206</u>	<u>42,571,206</u>	<u>42,949,986</u>	<u>43,002,652</u>
Total Assessed Valuation	<u>\$863,259,707</u>	<u>\$913,215,512</u>	<u>\$910,510,166</u>	<u>\$912,361,456</u>	<u>\$912,604,648</u>

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Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Rome	73.50%	76.50%	76.00%	76.50%	76.45%
Towns of:					
Annsville	61.00	58.50	62.00	60.30	57.60
Lee	3.25	3.30	3.30	3.30	3.30
Verona	75.00	80.00	80.00	78.00	74.00
Western	63.50	58.25	58.25	58.25	58.25
Taxable Full Valuation	\$1,465,030,679	\$1,489,683,989	\$1,494,502,742	\$1,490,253,488	\$1,496,001,948

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Rome	76.45%	77.13%	77.20%	76.03%	74.65%
Towns of:					
Annsville	62.54	60.26	57.42	56.69	56.12
Lee	3.26	3.26	3.26	3.19	3.13
Verona	79.35	77.45	73.72	72.95	72.02
Western	57.48	57.57	57.59	55.81	54.14
Taxable Full Valuation	\$1,428,496,800	\$1,484,916,665	\$1,482,362,384	\$1,511,120,552	\$1,544,855,821

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$29,508,302	\$30,015,449	\$31,988,278	\$32,787,985	\$32,787,985
% Uncollected When Due ⁽¹⁾	28.12%	28.02%	28.70%	27.84%	34.61%

⁽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 2016-2017 fiscal year.

State Aid and Revenues

<u>Fiscal Year</u>	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2011-2012	\$59,122,740	\$94,117,334	62.81%
2012-2013	62,555,379	98,066,310	63.79
2013-2014	63,892,506	100,130,078	63.81
2014-2015	66,507,590	103,492,482	64.26
2015-2016 (Budgeted)	67,138,273	103,876,713	64.63
2016-2017 (Proposed)	71,526,155	108,285,031	66.05

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$1,029,380	\$4,262,239
2012-2013	1,320,838	4,232,411
2013-2014	1,490,759	5,570,484
2014-2015	1,311,099	5,748,031
2015-2016 (Budgeted)	1,537,314	5,348,496
2016-2017 (Proposed)	1,244,781	4,724,346

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, 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 \$242,339,941. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$242,339,941. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$102,623,592. The District's annual OPEB expense was \$19,281,888 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$7,279,997 to the Plan for the fiscal year ending June 30, 2015 to 1,641 employees, resulting in a net increase to its unfunded OPEB obligation of \$12,001,891, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$114,625,483. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$1,413,810 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$6,252,725 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

The District, on occasion, did not file certain material event notices in a timely manner for the credit rating changes of the bond insurers of the District's \$6,500,000 School District (Serial) Bonds, 2004 as required by the District's existing continuing disclosure agreements. On May 21, 2013, Moody's upgraded the rating of MBIA Insurance Corporation ("MBIA") from "Caa2" to "B3" and, on May 21, 2014, Moody's upgraded the rating of MBIA from "B3" to "B2." Although the District was required to file with the MSRB notices of such ratings changes in a timely manner, the District did not file the notices until July 18, 2014, 290 and 40 business days, respectively, after the ratings changes. On May 21, 2013, Moody's upgraded the rating of National Public Finance Guarantee Corporation from "Baa2" with a negative outlook to "Baa1" with a positive outlook. Although the District was required to file with the MSRB notice of such rating change in a timely manner, the District did not make such filing until July 30, 2013, 48 business days after the rating change. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

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

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$9,022,965	\$47,028	\$9,069,993
2016-2017	9,341,531	112,300	9,453,831
2017-2018	9,183,081	117,200	9,300,281
2018-2019	8,225,144	842,000	9,067,144
2019-2020	3,951,244	749,950	4,701,194
2020-2021	3,534,531	554,750	4,089,281
2021-2022	3,525,306	510,000	4,035,306
2022-2023	3,525,600	271,500	3,797,100
2023-2024	3,514,225	-	3,514,225
2024-2025	3,518,825	-	3,518,825
2025-2026	1,807,525	-	1,807,525
2026-2027	1,527,825	-	1,527,825
2027-2028	512,750	-	512,750
2028-2029	514,500	-	514,500

⁽¹⁾ Schedule does not include remaining payments of \$1,435,808 due under an energy performance contract.

**APPENDIX C-23
DESCRIPTION OF
SPENCERPORT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-23 a brief description of the Spencerport 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, formed in June of 1949 by authorization of the voters of 12 former common and union free school districts, is located in the Towns of Ogden, Gates, Greece and Parma in Monroe County, and covers approximately 37 square miles.

The District is served by an excellent network of State highways providing access to the New York State Thruway at Exits 46 and 47, approximately 15 miles to the south. Bus service is available in the Town of Ogden and rail service in Rochester. Air transportation is available at the Greater Rochester International Airport.

The District is a mixture of light industrial, residential and agricultural areas, with many of its residents commuting to Rochester for employment.

Water and sewer services and fire protection are provided primarily by the Village of Spencerport and Monroe County. Electricity and natural gas are provided by the Rochester Gas & Electric Corporation and the Village of Spencerport (municipal electric); telephone service is provided by Frontier Telephone, Inc. Police protection is provided by the Town of Ogden, supplemented by the Monroe County Sheriff's Department and the New York State Police.

The District provides public education for grades K-12 in four elementary schools, a middle school and a senior high school. Opportunities for higher education are available at the nearby Brockport campus of the State University of New York as well as at the many colleges and universities in the Rochester area.

Residents find commercial services primarily in the Village of Spencerport, as well as in the nearby Rochester area. Recreational and cultural facilities are available through area universities and in and around Rochester.

Population

The current estimated population of the District is 23,844. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
NexPress	Digital Printing	925
Monroe-Orleans BOCES II	Public Education	753
Spencerport Central School District	Public Education	738
ACM Medical Labs, Inc.	Medical Testing	321
FedEx	Delivery Service	250

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Heidelberg Americas	Manufacturer	\$44,936,200
Rochester Gas & Electric Corporation	Utility	41,007,633
Gallina Development Corporation	Light Industrial	10,259,160
Cal Est NAT City Stations	Commercial	8,631,900
Morgan Hickory Hollow LLC	Apartments/Offices/Houses	7,800,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 9.43% 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 Monroe County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Monroe County	7.7%	7.9%	7.0%	5.8%	5.2%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
	K-12	3,809	3,734	3,737	3,678	3,597	3,574

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>
370	Spencerport Teachers’ Association	June 30, 2018
22	Teaching Assistants’ Association	June 30, 2018
23	Administrators’ Association	June 30, 2017
103	Spencerport Paraprofessional Unit	June 30, 2018
40	Officer Personnel Association	June 30, 2018
32	School Lunch Association	June 30, 2019
62	Transportation Association	June 30, 2017
5	Mechanics’ Association	June 30, 2019
50	Plant Operations & Maintenance	June 30, 2016 ⁽¹⁾
27	Non-Union Employees	Not Applicable
4	Cabinet Members	Not Applicable

⁽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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,466,763,538
Debt Limit (10% of Full Valuation)	146,676,353
Gross Indebtedness ⁽²⁾	\$61,235,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$61,235,000
Net Debt Contracting Margin	\$85,441,353
Percentage of Debt Contracting Power Exhausted	41.75%

(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 \$3,695,000 School District Bonds to DASNY in connection with the refunding of \$3,760,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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	\$760,137,427	\$0	\$760,137,427	3.69%	\$28,049,071
Towns of:					
Gates	0	0	0	2.10	0
Greece	23,882,000	0	23,882,000	3.98	950,504
Ogden	0	0	0	73.57	0
Parma	50,750	0	50,750	19.30	9,795
Village of:					
Spencerport	6,095,000	0	6,095,000	100.00	6,095,000
				Total	\$35,104,370

(1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$61,235,000	\$2,568.15	4.17%
Gross Indebtedness Plus Net Overlapping Indebtedness	96,339,370	4,040.40	6.57

- (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 23,844.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$1,466,763,538.
- (4) The District expects to deliver \$3,695,000 School District Bonds to DASNY in connection with the refunding of \$3,760,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. 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 March 22, 2016, the Board of Education of the District adopted a Bond Resolution authorizing a \$12,436,200 capital project consisting of reconstruction of District buildings and facilities. The District will be applying \$2,595,000 Capital Reserve monies towards this project and is currently scheduled to obtain financing in June, 2017.

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.

Spencerport Central School District
<http://emma.msrb.org/EP877996-EP679913-EP1081569>
Base CUSIP: 848304

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Gates	\$320,470,743	\$320,114,536	\$323,368,416	\$325,743,716	\$328,028,933
Greece	179,594,694	179,985,203	182,796,380	189,980,186 ⁽¹⁾	195,056,967
Ogden	748,723,626	747,302,104	753,193,483	779,247,732 ⁽¹⁾	787,004,050
Parma	<u>150,877,855</u>	<u>150,890,411</u>	<u>151,010,973</u>	<u>152,015,074</u>	<u>156,673,588</u>
Total Assessed Valuation	<u>\$1,399,666,918</u>	<u>\$1,398,292,254</u>	<u>\$1,410,369,252</u>	<u>\$1,446,986,708</u>	<u>\$1,466,763,538</u>

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

State Equalization Rates Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Gates	100.00%	100.00%	100.00%	100.00%	100.00%
Greece	100.00	100.00	100.00	100.00	100.00
Ogden	100.00	100.00	100.00	100.00	100.00
Parma	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,399,666,918	\$1,398,292,254	\$1,410,369,252	\$1,446,986,708	\$1,466,763,538

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$32,758,982	\$33,368,362	\$34,405,640	\$34,864,593	\$35,341,109
% Uncollected When Due ⁽¹⁾	3.17%	2.86%	2.63%	2.93%	2.83%

⁽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 2016-2017 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>
2011-2012	\$28,778,935	\$66,926,143	43.00%
2012-2013	28,092,482	67,235,862	41.78
2013-2014	28,834,305	69,156,335	41.69
2014-2015	30,238,534	70,879,000	42.66
2015-2016 (Budgeted)	32,407,585	72,836,659	44.49
2016-2017 (Proposed)	34,965,013	75,676,194	46.20

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$1,298,186	\$2,706,932
2012-2013	1,468,292	2,889,047
2013-2014	1,618,861	3,953,508
2014-2015	1,551,897	4,383,556
2015-2016 (Budgeted)	1,488,380	3,818,638
2016-2017 (Proposed)	1,255,579	3,130,487

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

GASB 45 and OPEB

The District contracted with The Burke Group to calculate its “other post-employment benefits” (“OPEB”) plan (the “Plan”) in accordance with GASB 45. As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL), the portion of the actuarial present value of the total future benefits based on the employees’ service rendered to the measurement date, is \$77,393,136. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$77,393,136. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$12,288,756. The District’s annual OPEB expense

was \$5,259,626 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,139,238 to the Plan for the fiscal year ending June 30, 2015 to 920 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,120,388, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$15,409,144. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$4,391,907 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$2,995,923 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

On June 16, 2014, the District called for redemption its \$38,685,000 School District Refunding (Serial) Bonds, 2006 (the "2006 Bonds"). Although the District was required to file an event notice of call in a timely manner, it did not file such event notice. On occasion during the past five years, the District did not file certain event notices relating to ratings changes of Assured Guaranty Municipal Corp., MBIA Insurance Corp. and National Public Finance Guarantee Corporation. Except as described above (without determining whether such events were material in any sense), the District 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.

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>
2015-2016	\$7,024,695	\$73,699	\$7,098,394
2016-2017	6,546,755	160,500	6,707,255
2017-2018	6,537,987	160,400	6,698,387
2018-2019	5,612,487	160,300	5,772,787
2019-2020	4,906,737	830,200	5,736,937
2020-2021	4,888,536	834,950	5,723,486
2021-2022	4,868,349	836,950	5,705,299
2022-2023	1,782,143	837,750	2,619,893
2023-2024	785,543	834,750	1,620,293
2024-2025	787,143	-	787,143
2025-2026	786,940	-	786,940
2026-2027	784,860	-	784,860
2027-2028	640,850	-	640,850
2028-2029	638,150	-	638,150
2029-2030	515,000	-	515,000

Appendix C

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**APPENDIX C-24
DESCRIPTION OF
THOUSAND ISLANDS CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-24 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. Small industries include Frontenec Crystal, a spring water bottler and distributor, and Ridgeline Industries, a tent manufacturer. A new Thousand Islands Harbor Hotel was recently constructed in Cape Vincent. 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 Verizon and TDS Telecom. 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 8,128. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$18,823,048
WGS Clayton Housing Association LLC	Mobile Home Park	5,084,000
Picton Island LLC	Private	3,193,000
Shaw’s Mobile Home Park, Inc.	Mobile Home Park	2,967,600
Ventrice Real Estate	Commercial	2,375,300

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

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Jefferson County	9.8%	9.9%	9.2%	7.6%	6.7%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
K-12	1,013	1,028	997	984	966	990	990

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>
89	Thousand Islands Education Association (NYSUT)	June 30, 2017
75	CSEA – Non Instructional	June 30, 2017

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DISTRICT INDEBTEDNESS

Debt Limit

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$1,088,944,303
Debt Limit (10% of Full Valuation)	108,894,430
Gross Indebtedness ⁽²⁾	\$14,061,813
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$14,061,813
Net Debt Contracting Margin	\$94,832,617
Percentage of Debt Contracting Power Exhausted	12.91%

⁽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 \$3,040,000 School District Bonds to DASNY in connection with the refunding of \$3,080,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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	\$11,730,000	\$0	\$11,730,000	14.05%	\$1,648,065
Towns of:					
Brownville	967,780	967,780	0	0.15	0
Cape Vincent	5,776,026	5,776,026	0	98.70	0
Clayton	831,836	0	831,836	91.54	761,463
Lyme	821,000	821,000	0	1.05	0
Orleans	3,848,600	0	3,848,600	14.31	550,735
Villages of:					
Cape Vincent	10,707,880	3,629,000	7,078,880	100.00	7,078,880
Clayton	8,995,953	5,333,177	3,662,776	100.00	3,662,776
				Total	\$13,701,918

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$14,061,813	\$1,730.05	1.29%
Gross Indebtedness Plus Net Overlapping Indebtedness	27,763,731	3,415.81	2.55

- (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 8,128.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$1,088,944,303.
- (4) The District expects to deliver \$3,040,000 School District Bonds to DASNY in connection with the refunding of \$3,080,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. 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 Anticipation Notes (“TANs”) or Revenue Anticipation Notes (“RANs”) in the past five fiscal years. The District does not currently anticipate issuing either TANs or RANs in the foreseeable future.

Capital Project Plans

On December 10, 2013, the voters of the District approved a \$4,750,000 capital project with funding from \$4,150,000 bonds and \$600,000 capital reserve. The project will be for various reconstruction of District facilities. The District issued \$4,150,000 bond anticipation notes on July 15, 2015 representing the first phase in borrowing against this authorization.

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/EP875549-EP678045-EP1079668.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 Jefferson County for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Brownville	\$422,421	\$421,646	\$421,624	\$422,100	\$422,405
Cape Vincent	217,487,267	219,217,245	334,666,315 ⁽¹⁾	336,649,664	372,520,052
Clayton	627,887,307	633,795,999	650,170,451	652,882,477	656,063,538
Lyme	1,194,491	1,194,191	3,582,392 ⁽¹⁾	3,567,087	3,715,935
Orleans	<u>54,162,509</u>	<u>55,076,229</u>	<u>55,178,355</u>	<u>55,629,795</u>	<u>55,994,925</u>
Total Assessed Valuation	<u><u>\$901,153,995</u></u>	<u><u>\$909,705,310</u></u>	<u><u>\$1,044,019,137</u></u>	<u><u>\$1,049,151,123</u></u>	<u><u>\$1,088,716,855</u></u>

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

State Equalization Rates					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Brownville	62.50%	63.00%	65.00%	65.00%	65.00%
Cape Vincent	56.50	59.50	100.00 ⁽¹⁾	100.00	100.00
Clayton	100.00	100.00	100.00	100.00	100.00
Lyme	31.00	31.00	100.00 ⁽¹⁾	100.00	100.00
Orleans	100.00	100.00	100.00	100.00	100.00
Taxable Full Valuation	\$1,071,512,102	\$1,061,826,081	\$1,044,246,165	\$1,049,381,408	\$1,088,944,303

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

Total District Property Tax Collections					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$9,815,497	\$10,302,337	\$10,619,089	\$10,969,999	\$11,368,821
% Uncollected When Due ⁽¹⁾	4.73%	5.11%	5.08%	4.76%	5.28%

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

State Aid

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

Appendix C

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 2016-2017 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>
2011-2012	\$7,458,155	\$18,117,131	41.17%
2012-2013	7,613,755	18,755,823	40.59
2013-2014	7,669,694	19,109,307	40.14
2014-2015	8,435,160	20,740,480	40.67
2015-2016 (Budgeted)	8,392,258	20,856,221	40.24
2016-2017 (Proposed)	9,127,235	21,538,179	42.38

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$324,137	\$631,479
2012-2013	425,295	654,396
2013-2014	439,712	919,132
2014-2015	458,403	997,375
2015-2016 (Budgeted)	480,000	979,559
2016-2017 (Proposed)	407,860	877,495

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

GASB 45 and OPEB

The District contracted with BPAS Actuarial Services 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 \$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, 2015, the District’s beginning year Net OPEB obligation was \$12,717,797. The District’s annual OPEB expense was \$3,756,301 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$995,666 to the Plan for the fiscal year ending June 30, 2015 to 268 employees, resulting in a net increase to its unfunded OPEB obligation of \$2,760,635, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$15,478,432. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$1,682,111 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$703,923 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On March 13, 2012, S&P upgraded the rating of the District from "A" to "A+." Although the District was required to file with the MSRB notice of such rating change within 10 business days, the District did not make such filing until June 5, 2014. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$1,804,245	\$55,604	\$1,859,850
2016-2017	1,762,768	137,200	1,899,968
2017-2018	1,087,934	137,100	1,225,034
2018-2019	1,082,347	137,000	1,219,347
2019-2020	375,715	761,850	1,137,565
2020-2021	270,608	764,650	1,035,258
2021-2022	181,975	757,150	939,125
2022-2023	178,975	763,750	942,725
2023-2024	181,176	362,050	543,226
2024-2025	182,425	-	182,425
2025-2026	183,550	-	183,550
2026-2027	183,750	-	183,750
2027-2028	183,800	-	183,800
2028-2029	183,700	-	183,700
2029-2030	188,450	-	188,450

Appendix C

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**APPENDIX C-25
DESCRIPTION OF
TIOGA CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-25 a brief description of the Tioga Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District encompasses the Town of Tioga and parts of the Towns of Barton, Candor and Nichols; all located within the County of Tioga. The District is rural and encompasses 94 square miles.

The towns that are included in the District are governed by their individual policy making boards and elected officials. The one village within the District, Nichols, located within the Town of Nichols, also has its own level of local government. Both at the town and village level, the provision of governmental services is a cooperative and shared venture of the County, Town and Village governments. This interaction also extends to the District whenever such interaction is necessary, or desirable.

Employment for residents is quite diverse and not tied to one particular industry or type of occupation. Sanmina Incorporated and Lockheed-Martin Corporation, located in nearby Owego, and Best Buy, Inc. distribution center located in the Town of Nichols, are three major sources of employment for District residents. Best Buy, Incorporated opened a 7,000 square foot distribution center located in the Town of Nichols in 2003. Within the boundaries of the District, Tioga Downs Racetrack, LLC, including a planned Hotel and Convention Center, and a variety of small service and light manufacturing industries, dairy farming, and the District itself serve as primary employers. In addition, the natural gas industry in nearby Bradford County, Pennsylvania, has become a major source of employment for those living in the District.

The District is located adjacent to New York Route 17 (interstate 86) and the Conrail Railroad system. Air service is provided at the Chemung County airport. New York State Electric and Gas is the primary provider of utility services.

Source: District officials.

Population

The current estimated population of the District is 5,500. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Tioga Downs Racetrack	Racing	300
Best Buy, Incorporated	Retail Distribution	202
Tioga Central School District	Public Education	150
Jims Marine & Travel	RV Sales	35
Dairy Mini Mart	Gas & Service Station	25

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Tioga Downs Racetrack LLC	Racetrack	\$31,890,301
NYS Electric & Gas Corporation	Utility	8,477,419
Pennsylvania Lines LLC	Railroad	8,073,956
Millennium Pipeline Co, LLC	Commercial	6,683,720
NYS Electric & Gas Utility Shared	Utility	4,874,147

The total estimated taxable assessed valuation of the top **ten (10)** taxpayers represents approximately 21.5% 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 Tioga County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tioga County	7.7%	7.9%	7.1%	6.1%	5.5%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	1,045	1,013	1,024	980	992	995	995

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>
77	Tioga Central Teachers' Association	June 30, 2017
68	Tioga Central Support Staff	June 30, 2017
4	Administrators	June 30, 2017
1	Superintendent	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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$318,454,959
Debt Limit (10% of Full Valuation)	31,845,496
Gross Indebtedness ⁽²⁾	\$18,978,451
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$18,978,451
Net Debt Contracting Margin	\$12,867,045
Percentage of Debt Contracting Power Exhausted	59.60%

⁽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 \$7,940,000 School District Bonds to DASNY in connection with the refunding of \$7,925,000 of the District's outstanding serial bonds securing the Series 2009C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District will not alter the percentage of debt contracting power exhausted as they are already included in Gross Indebtedness above.

⁽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 2014 fiscal year of the respective municipalities.

<u>Unit</u>	<u>Outstanding Indebtedness⁽¹⁾</u>	<u>Exclusions⁽²⁾</u>	<u>Net Indebtedness</u>	<u>% Within District</u>	<u>Applicable Net Indebtedness</u>
County of:					
Tioga	\$18,020,000	\$ 0	\$18,020,000	10.31%	\$1,857,862
Towns of:					
Barton	1,375,336	1,375,336	0	11.18	0
Candor	550,000	0	550,000	2.90	61,490
Nichols	0	0	0	75.09	0
Tioga	0	0	0	58.78	0
Village of:					
Nichols	0	0	0	100.00	0
				Total	\$1,919,352

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

⁽²⁾ Sewer and water debt.

Appendix C

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$18,978,451	\$3,450.63	5.96%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	20,897,803	3,799.60	6.56

- (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 5,500.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$318,454,959.
- (4) The District expects to deliver \$7,940,000 School District Bonds to DASNY in connection with the refunding of \$7,925,000 of the District’s outstanding serial bonds securing the Series 2009C Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will not alter the debt ratios as it is already accounted for in the above calculations.

Cash Flow Borrowing

The District has not issued any Tax Anticipation Notes or Revenue Anticipation Notes in the past five fiscal years, and does not plan on issuing any in the foreseeable future.

Capital Project Plans

The District plans to take advantage of \$1,800,000 allocated to the District by the New York State Smartbond reimbursement program. The District plans to use the amount to fund technology infrastructure upgrades with construction anticipated to take place in Summer 2016.

The District annually issues statutory installment bonds on its own for the purchase of school buses.

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Tioga Central School District
<http://emma.msrb.org/ER931229-ER727198-ER1128665.pdf>
Base CUSIP: 887739

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

Real Estate Property Tax Collection Procedure

Taxes are payable to the School District Tax Collector beginning September 15 and ending October 15 without penalty. Payments made October 15 through November 15 carry a penalty of 2%. After November 15, all unpaid taxes are returned to the Tioga County Treasurer for collection. Thus the District is assured 100% collection of its tax levy each 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Barton	\$37,691,965	\$37,177,552	\$38,049,398	\$38,473,848	\$38,651,078
Candor	548,306	17,007,934 ⁽¹⁾	16,954,866	17,068,927	16,963,305
Nichols	26,449,497	27,026,893	27,082,846	27,177,905	27,053,625
Tioga	9,302,327	9,284,364	9,383,112	9,412,578	9,465,724
Total Assessed Valuation	<u>\$73,992,095</u>	<u>\$90,496,743</u>	<u>\$91,470,222</u>	<u>\$92,133,258</u>	<u>\$92,133,732</u>

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

State Equalization Rates Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Barton	100.00%	95.00%	94.00%	88.00%	88.00%
Candor	7.35	100.00 ⁽¹⁾	100.00	97.00	95.80
Nichols	28.00	28.00	26.00	22.00	23.00
Tioga	7.50	7.50	7.00	6.80	6.80
Taxable Full Valuation	\$263,645,427	\$276,458,337	\$295,642,198	\$323,273,310	\$318,454,959

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

Total District Property Tax Collections Years Ending June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$2,688,139	\$2,728,461	\$2,864,884	\$3,008,128	\$3,527,331
% Uncollected When Due ⁽¹⁾	9.54%	8.84%	8.48%	8.59%	7.98%

⁽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 2016-2017 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		Percentage of Total Revenues Consisting of State Aid⁽¹⁾
	Total State Aid⁽¹⁾	Total Revenues⁽¹⁾	
2011-2012	\$11,772,875	\$15,120,456	77.86%
2012-2013	12,188,857	15,628,917	77.99
2013-2014	12,448,696	15,776,099	78.91
2014-2015	12,920,654	16,414,020	78.72
2015-2016 (Budgeted)	13,259,802	17,360,101	76.38
2016-2017 (Proposed)	13,617,882	17,986,327	75.71

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$235,290	\$493,974
2012-2013	291,444	544,352
2013-2014	341,070	604,697
2014-2015	281,863	818,665
2015-2016 (Budgeted)	272,185	683,215
2016-2017 (Proposed)	233,417	623,027

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 \$54,028,061. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$54,028,061. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$11,119,870. The District’s annual OPEB expense was \$5,300,122 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$1,190,802 to the Plan for the fiscal year ending June 30, 2015, resulting in a net increase to its unfunded OPEB obligation of \$4,109,320, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$15,229,190. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$421,658 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,790,283 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid*."

Historical Continuing Disclosure Compliance

On January 31, 2013, the District filed an event notice relating to rating actions taken by Moody's to the various bond insurers of certain outstanding bonds of the District. The notice erroneously stated that the \$9,265,000 School District Refunding (Serial) Bonds, 2010 were insured by Assured Guaranty Municipal Corp. with a rating downgrade to "A2" from "Aa3." The correct bond insurer was Assured Guaranty Corp. with a rating downgrade to "A3" from "Aa3." The underlying rating of the District was not affected by these rating actions. Except as described above, the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

Principal and Interest Requirements

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

Schedule of Debt Service on Long-Term Bond Indebtedness

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Total Debt Service</u>
2015-2016	\$2,654,307	\$144,610	\$2,798,917
2016-2017	2,358,150	356,756	2,714,906
2017-2018	2,294,947	356,556	2,651,503
2018-2019	2,193,669	356,356	2,550,025
2019-2020	1,412,972	1,071,056	2,484,028
2020-2021	296,492	1,064,356	1,360,848
2021-2022	297,672	1,062,106	1,359,778
2022-2023	293,394	1,068,506	1,361,900
2023-2024	293,769	1,067,106	1,360,875
2024-2025	148,482	354,556	503,038
2025-2026	148,482	350,056	498,538
2026-2027	148,232	351,106	499,338
2027-2028	147,732	350,856	498,588
2028-2029	146,982	350,106	497,088
2029-2030	140,982	353,856	494,838
2030-2031	46,107	346,856	392,963
2031-2032	44,607	354,606	399,213
2032-2033	43,069	356,356	399,426
2033-2034	46,532	352,356	398,888
2034-2035	44,738	350,856	395,594
2035-2036	42,944	356,856	399,800
2036-2037	46,150	347,013	393,163
2037-2038	44,101	351,775	395,876
2038-2039	42,050	351,050	393,100

Appendix C

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**APPENDIX C-26
DESCRIPTION OF
WARSAW CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-26 a brief description of the Warsaw Central School District (the “District”), together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and general and specific funds.

GENERAL INFORMATION

Description

The District, established in 1949, covers approximately 90 square miles in the Towns of Gainesville, Java, Middlebury, Orangeville, Warsaw and Wethersfield in Wyoming County, New York. The school buildings are located in the Village of Warsaw, approximately 45 miles southwest of the City of Rochester and 45 miles southeast of the City of Buffalo.

The District is served by New York State Routes 19 and 238 and by U.S. Route 20A. Bus and rail transportation are available in nearby Batavia; air transportation is available in either Buffalo or Rochester.

Residents of the District, which is essentially a rural/agricultural area, are employed locally by such Federal and State Agencies as the U.S. Department of Agriculture, a State Unemployment office and the Department of Motor Vehicles, by Wyoming County (including its County Jail and County Hospital), or commute outside the District for employment. Dairy farming is prevalent in the District, providing additional employment.

Water and sewer services are primarily by municipal system. Electricity is provided by New York State Electric & Gas Corporation; natural gas by Rochester Gas & Electric Corporation. Telephone service is provided by Frontier Telephone Inc. Police protection is provided by the Village of Warsaw Police Department, the Wyoming County Sheriff’s Department and the New York State Police. Fire protection and ambulance services are provided by various volunteer organizations.

The District provides public education for grades K-12. Higher education is available nearby at the State University of New York in Geneseo and Genesee Community College in Batavia (Genesee Community College also has a Warsaw Campus). Within easy driving distance are several colleges and universities in Monroe County.

Residents find basic commercial services within the Village of Warsaw. Recreational facilities include Letchworth State Park.

Population

The current estimated population of the District is 6,268. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Wyoming County Community Hospital	Health Care	561
Wyoming County	County Government	356
Five Star Bank	Commercial Bank	186
Warsaw Central School District	Public Education	173
Wal-Mart, Inc.	Retail	110

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Gas & Electric Corporation	Utility	\$14,432,638
Rochester Gas & Electric Corporation	Utility	6,931,503
Wal-Mart, Inc.	Retail	3,796,633
Warsaw TK Owner LLC	Retail	3,265,306
Frontier Telephone, Inc.	Utility	3,193,812

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 12.21% 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 Wyoming County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Wyoming County	8.7%	8.9%	7.9%	6.5%	5.7%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	1,019	981	952	952	942	945	945

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	Warsaw Educators’ Association	June 30, 2019
59	Warsaw Support Staff Association	June 30, 2016 ⁽¹⁾
5	Warsaw Administrators’ Association	June 30, 2017

⁽¹⁾ Currently under negotiations.

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DISTRICT INDEBTEDNESS

Debt Limit

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

**Net Debt Contracting Margin
As of April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$334,923,017
Debt Limit (10% of Full Valuation)	33,492,301
Gross Indebtedness ⁽²⁾	\$11,375,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$11,375,000
Net Debt Contracting Margin	\$22,117,301
Percentage of Debt Contracting Power Exhausted	33.96%

(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 \$1,515,000 School District Bonds to DASNY in connection with the refunding of \$1,505,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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:					
Wyoming	\$36,716,369	\$0	\$36,716,369	16.10%	\$5,911,335
Towns of:					
Gainesville	0	0	0	22.90	0
Java	156,000	0	156,000	1.38	2,153
Middlebury	0	0	0	4.75	0
Orangeville	133,411	0	133,411	65.82	87,811
Warsaw	851,105	0	851,105	98.82	841,062
Wethersfield	0	0	0	36.88	0
Village of:					
Warsaw	533,152	0	533,152	100.00	533,152
				Total	\$7,375,513

(1) Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$11,375,000	\$1,814.77	3.40%
Gross Indebtedness Plus Net Overlapping Indebtedness	18,750,513	2,991.47	5.60

- (1) The District has not incurred any indebtedness since the date of the above table.
- (2) Based on the District’s current estimated population of 6,268.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$334,923,017.
- (4) The District expects to deliver \$1,515,000 School District Bonds to DASNY in connection with the refunding of \$1,505,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Warsaw Central School District
<http://emma.msrb.org/ES740935-ES580735-ES976572.pdf>
Base CUSIP: 936466

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 November 1st. On or about November 3rd, uncollected taxes are returnable to Wyoming County for collection. The District receives this amount from Wyoming 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Gainesville	\$18,858,242	\$19,062,931	\$19,262,455	\$19,501,086	\$19,361,212
Java	1,473,864	1,479,404	1,536,848	1,522,883	1,522,233
Middlebury	3,812,088	3,904,654	3,953,273	4,004,198	4,008,505
Orangeville	45,294,999	52,288,475 ⁽¹⁾	53,081,277	53,217,080	55,647,172
Warsaw	224,281,311	225,296,444	226,278,204	228,014,276	229,042,364
Wethersfield	15,846,062	16,024,384	16,062,144	15,614,355	18,119,926
Total Assessed Valuation	<u>\$309,566,566</u>	<u>\$318,056,292</u>	<u>\$320,174,201</u>	<u>\$321,873,878</u>	<u>\$327,701,412</u>

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Gainesville	100.00%	100.00%	100.00%	100.00%	95.00%
Java	90.00	90.00	89.00	86.00	85.00
Middlebury	100.00	100.00	100.00	100.00	97.00
Orangeville	100.00	100.00	100.00	100.00	98.00
Warsaw	100.00	100.00	100.00	100.00	98.00
Wethersfield	100.00	100.00	96.00	96.00	100.00
Taxable Full Valuation	\$309,730,329	\$318,220,670	\$321,033,405	\$322,772,387	\$334,923,017

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$6,848,854	\$6,924,190	\$6,974,190	\$7,078,803	\$7,114,197
% Uncollected When Due ⁽¹⁾	5.78%	4.80%	4.70%	4.91%	4.45%

⁽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 2016-2017 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>
2011-2012	\$9,273,523	\$17,944,510	51.68%
2012-2013	9,818,159	17,200,358	57.08
2013-2014	10,572,745	18,078,190	58.48
2014-2015	10,577,130	18,178,121	58.19
2015-2016 (Budgeted)	11,677,566	19,301,263	60.50
2016-2017 (Proposed)	11,987,187	20,059,540	59.76

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$157,112	\$646,714
2012-2013	227,764	695,412
2013-2014	236,107	964,477
2014-2015	232,543	1,013,500
2015-2016 (Budgeted)	251,384	903,744
2016-2017 (Proposed)	245,194	801,324

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

GASB 45 and OPEB

The District contracts through Questar III which contracts with Hooker and Holcombe, Inc. Benefit Consultants & Actuaries 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 \$4,014,280. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,014,280. For the fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$704,503. The District’s annual OPEB expense was \$438,501 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$267,707 to the Plan for the fiscal year ending June 30, 2015 to 18 employees, resulting in a net increase to its unfunded OPEB obligation of \$170,794, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$875,297. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$308,128 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$726,753 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>
2015-2016	\$2,292,963	\$31,872	\$2,324,835
2016-2017	2,273,150	68,300	2,341,450
2017-2018	2,268,725	68,200	2,336,925
2018-2019	2,202,625	68,100	2,270,725
2019-2020	1,840,788	337,950	2,178,738
2020-2021	-	337,200	337,200
2021-2022	-	338,200	338,200
2022-2023	-	343,600	343,600
2023-2024	-	341,000	341,000

Appendix C

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**APPENDIX C-27
DESCRIPTION OF
WATERLOO CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-27 a brief description of the Waterloo 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 annexed the former Border City Union Free School District on July 1, 1994. The District is located in the Towns of Waterloo, Fayette, Junius, Seneca Falls and Tyre in Seneca County. The Village of Waterloo lies completely within the District. The area of the District is approximately 84 square miles.

The District is served by New York State Routes 414, 20, 96, and 96A, US Route 5 and by Exit 41 of the New York State Thruway, which crosses the northern portion of the District. Bus transportation is available in the City of Geneva, approximately seven miles to the west. Air transportation is available in Rochester, Syracuse, or Ithaca.

The District is residential and agricultural in nature, with residents employed at such firms as Goulds Pumps in the neighboring Village of Seneca Falls and at Prime Outlets located within the District. Residents also commute to Geneva, Ithaca, Auburn, Rochester and Syracuse for employment.

Municipal water and sewer services are provided by the Village of Waterloo and, on a more limited basis, by the surrounding Towns. Electricity and natural gas are provided by the New York State Electric and Gas Corporation; telephone by Verizon New York, Inc. Police protection is provided by the Village of Waterloo, Seneca County and New York State. Fire protection and ambulance service are provided by various volunteer agencies.

The District provides public education for grades K-12. Opportunities for higher education are available at Hobart and William Smith Colleges in Geneva, as well as in Rochester, Ithaca and Syracuse.

The del Lago Resort & Casino in the town of Tyre is under construction with its gaming operations and hotel scheduled to open in the first half of 2017. This is a \$425 million investment which includes a 205 room luxury hotel and will require 1,800 construction jobs and to build. The casino is expected to spur a modest growth of the District’s tax base and add 1,250 to 1,500 jobs to the local economy, and expected to generate \$80 million in annual taxes for the State of New York. The location is within easy access to the New York State Thruway and Route 414.

On December 15, 2015, the Seneca County Industrial Development Agency approved a payment in lieu of tax (“PILOT”) agreement with del Lago Resort & Casino. The casino will make increasing payments annually over 20 years totaling approximately \$37 million. The District anticipates receiving PILOT payments for the fiscal years 2017-2018 through 2036-2037 of approximately 60% of the total payment.

Population

The current estimated population of the District is 11,955. (Source: 2014 U.S. Census Bureau estimate)

Appendix C

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Waterloo Prime Outlets	Shopping Plaza	1,200
Seneca County	Municipal Government	488
Seneca County Arc	Service to Developmentally Disabled	355
Waterloo Central School District	Public Education	323
Petro Shopping Center	Travel Plaza Center	137

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
New York State Electric and Gas Corporation	Utility	\$22,378,888
Seneca Meadows/IESI Corporation	Landfill	10,926,800
Thruway Travel-Petro	Retail Store	10,000,000
Wal-Mart, Inc.	Retail Store	9,000,000
CPS – Partners – Waterloo Premium Outlet	Shopping Center	8,763,000

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 16.5% 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 Seneca County.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Seneca County	7.9%	8.0%	6.9%	5.6%	5.2%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected</u> <u>2016-17</u>	<u>Projected</u> <u>2017-18</u>
K-12	1,790	1,756	1,714	1,651	1,642	1,640	1,640

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>
194	Waterloo Education Association	June 30, 2016 ⁽¹⁾
101	Waterloo Non-Instructional Employees' Association	June 30, 2016
9	Waterloo Educational Leaders' Association	June 30, 2016 ⁽¹⁾
15	Other	June 30, 2016

⁽¹⁾ Under negotiation.

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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$603,291,737
Debt Limit (10% of Full Valuation)	60,329,174
Gross Indebtedness ⁽²⁾	\$44,935,000
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$44,935,000
Net Debt Contracting Margin	\$15,394,174
Percentage of Debt Contracting Power Exhausted	74.48%

⁽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 \$4,830,000 School District Bonds to DASNY in connection with the refunding of \$4,995,000 of the District's outstanding serial bonds securing the Series 2009B Bonds. 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 2014 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:					
Seneca	\$16,180,000	\$12,480,000	\$3,700,000	29.78%	\$1,101,860
Towns of:					
Fayette	1,491,351	1,420,001	71,350	43.79	31,244
Junius	497,400	497,400	0	86.30	0
Seneca Falls	6,495,000	1,465,000	5,030,000	20.44	1,028,132
Tyre	236,200	204,200	32,000	34.19	10,941
Waterloo	1,867,499	1,867,499	0	99.09	0
Village of:					
Waterloo	6,365,323	5,142,585	1,222,738	100.00	<u>1,222,738</u>
				Total	<u>\$3,394,915</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$44,935,000	\$3,758.68	7.45%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	48,329,915	4,042.65	8.01

(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 11,955.

(3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$603,291,737.

(4) The District expects to deliver \$4,830,000 School District Bonds to DASNY in connection with the refunding of \$4,995,000 of the District’s outstanding serial bonds securing the Series 2009B Bonds. 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 4, 2014, school district voters approved a \$21,039,201 capital project to be funded with \$3.9 million capital reserve funds and \$1.2 million EXCEL aid. Due to favorable operations an additional \$2.1 million interfund transfers was made to fund the project in the 2015-16 year. The District anticipates an additional interfund transfer of \$1.5 million to \$2.0 million in 2016-17. In 2015, the District transferred \$6.4 million from the General

Fund to the Capital Projects Fund. The District anticipates issuing approximately \$10 million of bond anticipation notes in the summer of 2016 as the first borrowing against this authorization. Additional borrowings will occur as the project's cash flow needs warrant.

There are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Waterloo Central School District
<http://emma.msrb.org/EP880920-EP682126-EP1083771.pdf>
 Base CUSIP: 941774

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 from October 1 to November 1. There is a 3% penalty if paid from November 2 to November 30. On December 1, a list of all unpaid taxes is given to the Seneca County Treasurer for re-levy on County/Town tax rolls. The District is reimbursed by Seneca County for all unpaid taxes in April in each year and is thus assured of 100% collection of its annual levy.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy

	Assessed Valuation Years Ending June 30,				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Fayette	\$114,222,871	\$114,635,499	\$114,653,656	\$114,100,426	\$112,461,667
Junius	49,594,395	50,184,045	51,777,340	51,819,760	60,609,260
Seneca Falls	83,349,936	81,875,594	80,317,474	74,174,830	78,259,740
Tyre	15,777,026	15,686,257	15,843,545	25,065,681	25,277,662
Waterloo	<u>253,736,561</u>	<u>254,608,846</u>	<u>255,628,187</u>	<u>254,980,571</u>	<u>257,134,388</u>
Total Assessed Valuation	<u>\$516,680,789</u>	<u>\$516,990,241</u>	<u>\$518,220,202</u>	<u>\$520,141,268</u>	<u>\$533,742,717</u>

Appendix C

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Fayette	88.00%	85.00%	88.00%	83.00%	80.00%
Junius	100.00	100.00	100.00	99.00	90.00
Seneca Falls	88.00	85.00	88.00	83.00	81.00
Tyre	100.00	100.00	100.00	99.00	90.00
Waterloo	100.00	100.00	100.00	99.00	95.00
Taxable Full Valuation	\$543,622,535	\$551,668,669	\$544,807,174	\$562,055,852	\$603,291,737

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$11,085,019	\$11,362,752	\$11,697,801	\$12,042,984	\$12,210,221
% Uncollected When Due ⁽¹⁾	5.56%	5.47%	5.62%	6.16%	N/A

⁽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 2016-2017 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>
2011-2012	\$20,786,095	\$33,260,631	62.49%
2012-2013	21,588,675	34,257,253	63.02
2013-2014	22,151,574	35,147,878	63.02
2014-2015	22,978,267	36,275,444	63.34
2015-2016 (Budgeted)	23,447,702	37,069,278	63.25
2016-2017 (Proposed)	24,679,383	38,240,492	64.54

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$451,064	\$1,209,691
2012-2013	573,848	1,262,073
2013-2014	525,094	1,729,953
2014-2015	491,285	1,865,000
2015-2016 (Budgeted)	499,572	1,523,479
2016-2017 (Proposed)	431,931	1,368,873

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, 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 \$6,167,727. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,167,727. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$724,615. The District's annual OPEB expense was \$711,157 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$220,638 to the Plan for the fiscal year ending June 30, 2015 to 400 employees, resulting in a net increase to its unfunded OPEB obligation of \$490,519, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$1,215,134. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$4,666,198 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,501,677 at the end of the fiscal year. The District does not believe that there has been any material adverse change in its financial affairs since the date of its last audited financial statements. See also "PART 4 – THE SCHOOL DISTRICTS – Financial Factors – *State Aid.*"

Historical Continuing Disclosure Compliance

The District failed to include a list of its five major employers in its annual information and operating data for the fiscal year ended June 30, 2014 filed on January 6, 2015. On January 13, 2011, S&P upgraded its rating of the District's underlying general obligation debt to "A+" from "A." Although the District was required to file with the MSRB notice of such rating change within 10 business days, the District did not make such filing until October 15, 2014. Except as described above (without determining whether such events were material in any sense), the District has certified to DASNY that it has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

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>
2015-2016	\$5,381,480	\$81,570	\$5,463,050
2016-2017	5,681,720	227,200	5,908,920
2017-2018	5,684,444	227,100	5,911,544
2018-2019	5,683,244	227,000	5,910,244
2019-2020	4,467,549	1,106,850	5,574,399
2020-2021	3,288,119	1,099,350	4,387,469
2021-2022	3,129,956	1,103,850	4,233,806
2022-2023	3,136,357	1,101,350	4,237,707
2023-2024	3,147,707	1,101,950	4,249,657
2024-2025	1,922,156	-	1,922,156

⁽¹⁾ Schedule does not include remaining payments of \$498,758 due under an energy performance contract.

**APPENDIX C-28
DESCRIPTION OF
ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF WATERTOWN**

There follows in this Appendix C-28 a brief description of the Enlarged City School District of the City of Watertown (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 30 square miles, centers around the City of Watertown, and includes all of the City and portions of the Towns of LeRay, Pamela, Rutland and Watertown. It is located in the center of Jefferson County, in the northern sector of New York State. The County Seat is located in the City of Watertown.

The District is approximately 70 miles north of the City of Syracuse and 30 miles south of the Thousand Islands Bridge, which traverses the St. Lawrence River from the United States to Canada. Major highways bisecting the District include Interstate #81 which connects the District with The New York State Thruway and the Pennsylvania Turnpike to the south and with Canada to the north. It is also served by U.S. Route 11 and New York State Routes #3, #12 and #37. The District is also served with air transportation from the Watertown International Airport and by three bus lines. The Syracuse-to-Massena branch of the Conrail System serves the District.

The City of Watertown is the commercial, professional and industrial center for District residents, as well as residents through Jefferson County and parts of Oswego, Lewis and St. Lawrence Counties. Major industry categories include paper making machinery, air brakes, hydraulic pumps, transmissions and thermometers.

Population

The current estimated population of the District is 31,698. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Fort Drum	U.S. Army	23,077 ⁽¹⁾
Samaritan Medical Center	Hospital	1,800
Jefferson County	Government	819
Stream International	Customer Relationship Management Services	700
Jefferson Rehabilitation Center	Rehabilitation Center	650

⁽¹⁾ Includes military and civilians. Due to military deployments, the actual number of personnel is frequently changing.

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$36,548,090
Arsenal Street Associates	Shopping Center	12,503,600
Erie Blvd Hydropower LP	Utility	11,569,300
WGS Housing Arsenal Associates LLC	Apartment Complex	10,519,000
WGS Eastern Housing Associates LLC	Apartment Complex	9,100,200

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 6.7% 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Jefferson County	9.8%	9.9%	9.2%	7.6%	6.7%
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
	K-12	4,267	4,234	4,098	4,044	4,078	4,050

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>
334	Watertown Education Association	June 30, 2015 ⁽¹⁾
253	Non-union	Annually
80	Instructional Teacher Assistants' Association	June 30, 2016
53	Civil Service Employees' Association	June 30, 2015 ⁽¹⁾⁽²⁾
44	Educational Cafeteria Workers' Association	June 30, 2015 ⁽¹⁾
40	12 Month Clerical and Support Association	June 30, 2016
24	School Administrators' Association	June 30, 2016

(1) Currently under negotiations.
 (2) Currently in impasse 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 April 25, 2016⁽¹⁾**

	Based on Conventional Equalization Rates	Based On Special Equalization Ratios
Five Year Average Full Valuation of Taxable Real Property.....	\$1,627,364,751	\$1,697,153,033
Debt Limit (5% of full valuation) ⁽²⁾	\$81,368,238	\$84,857,652
Outstanding Indebtedness ⁽³⁾		
<u>Inclusions</u>		
Bonds.....	\$33,210,000	\$33,210,000
Bond Anticipation Notes.....	0	0
Total Inclusions.....	<u>\$33,210,000</u>	<u>\$33,210,000</u>
<u>Exclusions</u>		
Bonds Previously Refunded.....	\$0	\$0
Appropriations.....	1,990,000	1,990,000
Total Exclusions.....	<u>\$1,990,000</u>	<u>\$1,990,000</u>
Total Net Indebtedness.....	\$31,220,000	\$31,220,000
Net Debt Contracting Margin.....	\$50,148,238	\$53,637,652
Percentage of Debt Contracting Power Exhausted.....	38.37%	36.79%

(1) The District has not incurred any indebtedness since the date of this table. The District expects to deliver \$5,480,000 School District Bonds to DASNY in connection with the refunding of \$5,345,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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 2014 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:					
Jefferson	\$11,730,000	\$0	\$11,730,000	21.38%	\$2,507,874
Towns of:					
LeRay	14,660,462	12,660,462	2,000,000	21.88	437,600
Pamelia	2,536,392	2,069,253	467,139	4.47	20,881
Rutland	6,660,685	1,572,623	5,088,062	3.03	154,168
Watertown	8,700,000	3,530,000	5,170,000	69.35	3,585,395
City of:					
Watertown	26,020,000	16,323,742	9,696,258	99.70	<u>9,667,169</u>
				Total	<u>\$16,373,088</u>

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District’s indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita</u> ⁽²⁾	<u>Percentage of Full Value</u> ⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$31,220,000	\$984.92	1.76%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	47,593,088	1,501.45	2.68

(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 31,698.

(3) Based on the District’s full value of taxable real estate using the special State equalization rates for 2015-16 of \$1,774,532,827.

(4) The District expects to deliver \$5,480,000 School District Bonds to DASNY in connection with the refunding of \$5,345,000 of the District’s outstanding serial bonds securing the Series 2008A Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the percentage of debt contracting power exhausted accordingly.

Cash Flow Borrowing

The District has found it necessary in the past to borrow in anticipation of revenues, which borrowing is necessitated by the schedule of State Aid revenue payments. However, the District has not had to borrow on a revenue anticipation note for the past eleven years. The District has not found it necessary to borrow tax anticipation notes in the past.

Capital Project Plans

The District is undertaking a \$16,355,605 capital project. The District currently has \$3,209,513 bond anticipation notes outstanding. Issuance of bonds through the New York State Dormitory Authority permanently financed \$12,532,966. The District issued bond anticipation notes along with \$69,513 available monies to renew and redeem the bond anticipation notes maturing on July 26, 2013. The \$3,209,513 bond anticipation notes were permanently financed in 2014 with serial bonds through the New York State Dormitory Authority in the amount of \$2,805,000.

On September 23, 2014 the voters authorized a new capital project in the amount of \$12,572,147. The District is currently awaiting approval from SED and anticipated construction to begin by the summer of 2017.

There are no other projects authorized, at the present time.

FINANCIAL FACTORS

General Information

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of such revenues and expenditures is contained in the most recent audited financial statements on file with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board and are incorporated by reference herein.

Enlarged City School District of the City Watertown
<http://emma.msrb.org/ES737103-ES577576-ES973414.pdf>
Base CUSIP: 942116

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 District levies its own taxes prior to the end of September, and collects such taxes, which are due during October without penalty. Penalties for delinquent taxes are as follows:

2% in November and 4% in December after which the delinquent taxes are turned over to the City Tax Collector for those properties within the City of Watertown and to the County Treasurer for those properties outside the City. Delinquent taxes on property in and outside the City are subject to tax sale. The District receives the full amount of all the uncollected taxes on property outside the City from the County by the end of its fiscal year, and the full amount of uncollected taxes on property within the City during the next 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Watertown	\$1,040,847,362	\$1,049,948,658	\$1,058,640,357	\$1,061,829,120	\$1,065,153,286
Towns of:					
LeRay	98,950,045	101,375,663	103,091,351	103,588,534	105,965,712
Pamelia	6,516,781	6,467,353	6,447,596	6,482,827	6,419,114
Rutland	3,547,017	3,548,912	3,512,255	3,482,117	3,449,878
Watertown	211,855,975	216,283,181	221,375,022	225,924,899	223,007,755
Total Assessed Valuation	<u>\$1,361,717,180</u>	<u>\$1,377,623,767</u>	<u>\$1,393,066,581</u>	<u>\$1,401,307,497</u>	<u>\$1,403,995,745</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Watertown	95.00%	89.00%	88.00%	88.00%	88.00%
Towns of:					
LeRay	100.00	100.00	100.00	100.00	100.00
Pamelia	56.50	60.00	59.00	58.50	58.00
Rutland	65.50	65.50	67.00	62.00	62.00
Watertown	68.00	68.00	68.00	65.00	65.00
Taxable Full Valuation	\$1,523,081,170	\$1,615,353,866	\$1,647,813,560	\$1,674,487,375	\$1,676,087,784

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of:					
Watertown	87.03%	86.36%	86.74%	86.77%	83.38%
Towns of:					
LeRay	91.18	94.65	93.99	90.01	88.30
Pamelia	58.04	57.57	57.28	55.19	53.36
Rutland	66.41	61.78	61.16	58.59	56.11
Watertown	67.41	64.14	64.92	63.79	62.14
Taxable Full Valuation	\$1,635,334,450	\$1,677,070,206	\$1,688,154,368	\$1,710,673,317	\$1,774,532,827

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$14,035,111	\$14,315,813	\$15,024,446	\$15,203,580	\$15,389,322
% Uncollected When Due ⁽¹⁾	4.25%	3.65%	4.58%	3.99%	4.05%

⁽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 2016-2017 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>
2011-2012	\$36,266,976	\$53,208,464	68.16%
2012-2013	36,803,205	54,069,389	68.07
2013-2014	38,330,012	56,313,134	68.07
2014-2015	39,552,230	57,764,061	68.47
2015-2016 (Budgeted)	38,869,995	56,883,778	68.33
2016-2017 (Proposed)	39,169,987	57,247,240	68.42

⁽¹⁾ General Fund only.

Pension Payments

The District’s payments to the New York State Employee Retirement System (“ERS”) and the Teachers Retirement System (“TRS”) since the 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$780,086	\$2,155,149
2012-2013	794,350	2,421,088
2013-2014	1,044,284	2,835,286
2014-2015	912,614	3,500,932
2015-2016 (Budgeted)	1,181,787	3,401,062
2016-2017 (Proposed)	1,033,642	3,109,590

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

GASB 45 and OPEB

The District contracted with Harbridge Consulting Group, LLC, 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 \$150,584,704. The actuarial value of the Plan’s assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$150,584,704. For the

Appendix C

fiscal year ending June 30, 2015, the District’s beginning year Net OPEB obligation was \$40,388,447. The District’s annual OPEB expense was \$12,944,201 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$3,513,460 to the Plan for the fiscal year ending June 30, 2015, resulting in a net increase to its unfunded OPEB obligation of \$9,430,741, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$49,819,218. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District’s June 30, 2015 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 \$694,809 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$4,753,315 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

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2015-2016	\$4,329,644	\$91,294	\$4,420,938
2016-2017	4,198,744	222,350	4,421,094
2017-2018	4,198,119	221,450	4,419,569
2018-2019	2,951,869	1,460,550	4,412,419
2019-2020	2,966,719	1,464,850	4,431,569
2020-2021	2,953,619	1,460,400	4,414,019
2021-2022	2,959,894	1,466,400	4,426,294
2022-2023	2,955,894	-	2,955,894
2023-2024	2,951,269	-	2,951,269
2024-2025	2,550,894	-	2,550,894
2025-2026	1,986,219	-	1,986,219
2026-2027	558,275	-	558,275
2027-2028	561,534	-	561,534
2028-2029	288,731	-	288,731
2029-2030	289,450	-	289,450
2030-2031	142,363	-	142,363

**APPENDIX C-29
DESCRIPTION OF
WHITNEY POINT CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-29 a brief description of the Whitney Point 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 Broome, with small portions situated in Chenango, Cortland and Tioga Counties. The City of Binghamton is approximately 20 miles south; Cortland, 25 miles north; and Ithaca, 30 miles west. The District encompasses approximately 138 square miles of land area. Major highways of service to the District include Interstate Route 81 and State highways 26, 79 and 206.

The District is principally residential and agricultural in nature. Professional and commercial services are available to residents in the Village of Whitney Point and in the nearby Cities of Binghamton, Cortland and Ithaca.

Many of the residents are employed in the more than 350 manufacturing firms in Broome County. Such firms include Endicott Interconnect Technologies, supplying advanced electronic packaging solutions, including printed circuit board fabrication, semiconductor packaging and assembly service; International Business Machines Corporation, manufacturing data-processing equipment and computer circuits; Lockheed Martin, providing systems engineering, software development and complex program management for global security, civil and commercial markets; BAE, a global defense, security and aerospace company delivering products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and support; The Allied Amphenol Interconnect Products, manufacturing electronic equipment; Universal Instruments Corporation, manufacturing printed circuit board assembly machines, component preparation machines and semi-automatic wire-termination machines; and The Raymond Corporation, manufacturing narrow-aisle electric fork lift trucks. 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 8,933. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Binghamton University	Education	5,500
United Health Services	Healthcare	5,425
Lockheed Martin	Engineering	2,700
Lourdes Hospital	Healthcare	2,300
Maine Paper & Food Service	Food Service	1,100

Appendix C

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYS Electric & Gas Corporation	Utility	\$9,375,760
Whitney Point MHP, LLC	Mobile Home Park	3,606,300
Rerob, LLC	Convenience Store Development	2,585,100
Citizens Communications	Utility	2,535,196
Marvin Gregg	Grocery Store	1,920,500

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 7.02% 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 Broome, Chenango, Cortland and Tioga Counties.

	<u>Year Average</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Broome County	8.6%	8.7%	7.8%	6.6%	6.0%
Chenango County	8.7	8.6	7.3	6.2	5.6
Cortland County	8.5	8.6	7.7	6.4	5.9
Tioga County	7.7	7.9	7.2	6.1	5.6
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>Projected 2016-17</u>	<u>Projected 2017-18</u>
K-12	1,497	1,500	1,460	1,431	1,448	1,450	1,450

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>
150	New York State United Teachers	June 30, 2018
7	Whitney Point CSD Administrators' Association	June 30, 2017
59	Whitney Point CSD Bus Drivers' Association	June 30, 2016
9	Whitney Point CSD Clerical Association	June 30, 2016
46	Whitney Point CSD Staff Organization Association	June 30, 2017
19	Whitney Point CSD Custodians' Association	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 April 25, 2016⁽¹⁾**

Full Valuation of Taxable Real Property	\$418,355,149
Debt Limit (10% of Full Valuation)	41,835,515
Gross Indebtedness ⁽²⁾	\$36,888,237
Less: Exclusions – Estimated Building Aid ⁽³⁾	0
Total Net Indebtedness	\$36,888,237
Net Debt Contracting Margin	\$4,947,278
Percentage of Debt Contracting Power Exhausted	88.17%

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

⁽²⁾ Tax Anticipation Notes and Revenue Anticipation Notes are not included in the computation of the statutory debt limit of the District. The District expects to deliver \$4,635,000 School District Bonds to DASNY in connection with the refunding of \$4,720,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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 2014 fiscal year of the respective municipalities.

Unit	Outstanding Indebtedness⁽¹⁾	Exclusions⁽²⁾	Net Indebtedness	% Within District	Applicable Net Indebtedness
Counties of:					
Broome	\$144,452,442	\$14,061,942	\$130,390,500	3.64%	\$4,746,214
Chenango	0	0	0	0.03	0
Cortland	31,099,248	3,656,748	27,442,500	0.04	10,977
Tioga	18,020,000	0	18,020,000	0.23	41,446
Towns of:					
Barker	0	0	0	59.80	0
Chenango	10,590,100	7,234,000	3,356,100	4.44	149,011
Greene	0	0	0	0.01	0
Lapeer	0	0	0	0.07	0
Lisle	0	0	0	82.24	0
Maine	3,971,691	50,000	3,921,691	1.05	41,178
Nanticoke	32,306	0	32,306	95.27	30,778
Richford	0	0	0	8.25	0
Smithville	0	0	0	1.30	0
Triangle	0	0	0	97.49	0
Willet	40,000	0	40,000	2.09	836
Villages of:					
Lisle	0	0	0	100.00	0
Whitney Point	7,027,137	6,369,448	657,689	100.00	657,689
				Total	\$5,678,129

(1) Bonds and bond anticipation notes as of close of 2014 fiscal year. Not adjusted to include subsequent bond sales, if any.

(2) Sewer and water debt.

Debt Ratios

The table below sets forth certain ratios relating to the District's indebtedness as of April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	Amount	Per Capita⁽²⁾	Percentage of Full Value⁽³⁾
Gross Indebtedness ⁽⁴⁾	\$36,888,237	\$4,129.43	8.82%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	42,566,366	4,765.07	10.17

(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 8,933.

(3) Based on the District's full value of taxable real estate using the State equalization rates for 2015-16 of \$418,355,149.

(4) The District expects to deliver \$4,635,000 School District Bonds to DASNY in connection with the refunding of \$4,720,000 of the District's outstanding serial bonds securing the Series 2008A Bonds. 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>
2011-2012	3,000,000	RAN	6/23/11	6/22/12
2012-2013	2,000,000	RAN	6/21/12	6/20/13

The District has not issued any TANs or RANs for the last two fiscal years or for the current fiscal year and does not expect to issue such Notes in the current fiscal year.

Capital Project Plans

The District voters approved a school building renovation project for \$36,145,634. The Phase I cost was \$29,500,000, of which the District will utilize \$600,910 in EXCEL Aid and \$196,822 NYSERDA Grant for a net project cost to the District of \$28,702,268. On June 8, 2011, the District issued \$26,660,000 bonds issued through the Dormitory Authority of the State of New York (DASNY). The District realized additional proceeds in the form of premium, for total proceeds of \$28,575,000. \$19,872,732 of those proceeds, together with a \$127,268 principal reduction by the District, retired \$20,000,000 notes outstanding and maturing on July 8, 2011. The remaining \$8,702,268 in proceeds represented new money. On June 24, 2015, the District issued its \$5,935,000 School District (Serial) Bonds, 2015, to finance the remaining costs of the project.

On November 3, 2015, the qualified voters approved a proposition authorizing a \$13,038,022 capital project to construct, reconstruct and equip School District facilities, including site improvements, original furnishings, equipment, machinery, apparatus and incidental improvements. The project will be funded with \$1.5 million from the capital reserve, \$1,055,457 SMART schools funding and debt obligations will be issued for the remainder of the total project cost. The District anticipates the initial borrowing to take place in the summer 2016, pending State Education Department approval and construction cash flow needs.

The District annually votes on the purchase of buses. On May 17, 2016 the district will seek approval from the qualified voters of the District to authorize the financing of bus purchases in the amount of \$395,263.

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.

Whitney Point Central School District
<http://emma.msrb.org/ES740326-ES580184-ES975991.pdf>
 Base CUSIP: 966646

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% from November 1st to November 15th. After November 15th, uncollected taxes plus penalties are returnable to the respective Counties for collection. The

Appendix C

District receives these amounts from the respective Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Valuations, Rates and Tax Levy

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

Valuations, Rates and Tax Levy					
Assessed Valuation					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Barker	\$51,553,576	\$85,227,694 ⁽¹⁾	\$85,219,293	\$85,319,526	\$85,324,498
Chenango	22,117,024	22,165,453	22,133,579	22,081,015	22,296,598
Greene	21,600	21,600	21,600	21,600	21,686
Lapeer	37,500	37,500	37,500	57,800	57,800
Lisle	58,590,934	58,707,408	87,499,328	86,774,121	86,473,602
Maine	1,723,591	1,726,231	1,741,336	1,745,574	1,741,141
Nanticoke	40,033,561	40,102,414	39,905,257	39,880,258	39,855,050
Richford	5,504,419	5,534,047	5,629,518	5,605,383	5,511,491
Smithville	662,807	662,807	670,907	665,699	669,051
Triangle	75,576,784	75,123,390	75,660,774	136,867,238 ⁽¹⁾	134,809,638
Willet	<u>892,264</u>	<u>892,875</u>	<u>891,810</u>	<u>934,707</u>	<u>917,540</u>
Total Assessed Valuation	<u>\$257,104,060</u>	<u>\$290,201,419</u>	<u>\$319,410,902</u>	<u>\$379,952,921</u>	<u>\$377,678,095</u>

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

State Equalization Rates					
Years Ending June 30,					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Barker	64.27%	100.00% ⁽¹⁾	100.00%	100.00%	100.00%
Chenango	67.25	66.25	66.25	70.00	70.00
Greene	100.00	94.00	95.00	100.00	100.00
Lapeer	96.00	92.00	92.00	100.00	99.50
Lisle	59.00	59.00	100.00	100.00	100.00
Maine	66.13	70.00	66.22	64.00	64.00
Nanticoke	59.00	59.00	55.00	56.00	57.50
Richford	100.00	100.00	100.00	97.00	98.00
Smithville	66.50	67.00	67.00	61.00	58.78
Triangle	63.00	63.00	63.00	100.00 ⁽¹⁾	100.00
Willet	100.00	100.00	99.00	96.00	90.00
Taxable Full Valuation	\$410,946,570	\$415,348,702	\$409,004,086	\$422,370,506	\$418,355,149

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$7,140,477	\$7,281,144	\$7,425,311	\$7,565,649	\$7,716,744
% Uncollected When Due ⁽¹⁾	9.16%	9.09%	9.50%	9.74%	9.27%

⁽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 2016-2017 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>
2011-2012	\$29,436,493	\$21,017,122	71.40%
2012-2013	20,653,547	29,006,899	71.20
2013-2014	21,853,367	30,469,287	71.72
2014-2015	23,188,659	31,932,449	72.62
2015-2016 (Budgeted)	23,395,648	33,591,158	69.65
2016-2017 (Proposed)	24,266,102	34,051,640	71.26

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$365,510	\$1,101,696
2012-2013	456,905	1,175,241
2013-2014	412,496	1,199,993
2014-2015	446,142	1,644,550
2015-2016 (Budgeted)	405,116	1,347,262
2016-2017 (Proposed)	387,000	1,203,879

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, 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

Appendix C

on the employees' service rendered to the measurement date, is \$62,340,856. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$62,340,856. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$15,527,664. The District's annual OPEB expense was \$5,822,415 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$2,007,976 to the Plan for the fiscal year ending June 30, 2015 to 180 employees, resulting in a net increase to its unfunded OPEB obligation of \$3,661,582, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$19,189,246. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$701,686 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,311,226 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>
2015-2016	\$4,269,237	\$77,115	\$4,346,352
2016-2017	4,055,812	199,650	4,255,462
2017-2018	3,953,402	199,550	4,152,952
2018-2019	2,921,381	1,164,450	4,085,831
2019-2020	2,774,144	1,160,350	3,934,494
2020-2021	2,671,275	1,158,750	3,830,025
2021-2022	2,666,500	1,162,250	3,828,750
2022-2023	2,671,975	558,550	3,230,525
2023-2024	2,671,988	-	2,671,988
2024-2025	2,631,500	-	2,631,500
2025-2026	2,562,000	-	2,562,000

**APPENDIX C-30
DESCRIPTION OF
WORCESTER CENTRAL SCHOOL DISTRICT**

There follows in this Appendix C-30 a brief description of the Worcester 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 a rural central school district located in the picturesque Leatherstocking region of New York State. The District is located in the Towns of Decatur, Maryland, Westford and Worcester in Otsego County and the Town of Harpersfield in Delaware County. The District consists of one building with an enrollment of approximately 400 students in grades Pre-K-12. The District covers 64 square miles.

The District is served by Interstate 88, which passes through the central part of the Town of Worcester, following the same course as New York State Route 7.

Water services are provided by municipal systems and sewer services are provided by private septic systems. Fire protection and ambulance services are provided by various volunteer organizations. Electricity is provided by National Grid and telephone service by Verizon New York, Inc. Police protection is provided by the County Sheriff’s Departments and the New York State Police.

District residents find commercial and financial services in nearby Oneonta.

Population

The current estimated population of the District is 2,472. (Source: 2014 U.S. Census Bureau estimate)

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Worcester Central School District	Public Education	80
Stewart’s Shops	Food/Gasoline	21
Chase Chevrolet, Inc.	Auto Sales/Service	15
Worcester White House Inn	Inn/Restaurant	14
Citizens Bank, N.A.	Commercial Bank	12

Five Largest Taxpayers

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid	Utility	\$5,125,964
State of New York	State Land	1,622,224
Verizon New York, Inc.	Utility	1,297,131
Delaware & Hudson Railroad Corporation	Railroad	1,201,370
Allen Freedman	Horse Farm	979,631

The total estimated full valuation of the top **ten (10)** taxpayers represents approximately 8.30% of the tax base of the District.

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 Delaware and Otsego Counties.

	Year Average				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Delaware County	8.7%	8.8%	7.9%	6.6%	6.0%
Otsego County	7.7	7.9	6.8	5.7	5.3
New York State	8.3	8.5	7.7	6.3	5.3

Enrollment

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	Projected <u>2016-17</u>	Projected <u>2017-18</u>
Pre-K-12	410	411	388	378	371	375	375

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>
42	Worcester Teachers' Association	June 30, 2017
29	Worcester CSD Non-Teaching Personnel	June 30, 2017

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DISTRICT INDEBTEDNESS

Debt Limit

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

Net Debt Contracting Margin As of April 25, 2016⁽¹⁾

Full Valuation of Taxable Real Property	\$160,890,916
Debt Limit (10% of Full Valuation)	16,089,091
Gross Indebtedness ⁽²⁾	\$24,465,622
Less: Exclusions – Estimated Building Aid ⁽³⁾	19,113,817
Total Net Indebtedness	\$5,351,805
Net Debt Contracting Margin	\$10,737,286
Percentage of Debt Contracting Power Exhausted	33.26%

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

⁽²⁾ The District expects to deliver \$16,405,000 School District Bonds to DASNY in connection with the refunding of \$17,280,000 of the District's outstanding serial bonds securing the Series 2011G Bonds. 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 2014 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:					
Delaware	\$7,637,847	\$0	\$7,637,847	0.01%	\$764
Otsego	18,307,785	0	18,307,785	3.64	666,403
Towns of:					
Decatur	0	0	0	90.67	0
Harpersfield	190,000	0	190,000	0.09	171
Maryland	0	0	0	0.42	0
Westford	0	0	0	9.55	0
Worcester	281,333	0	281,333	90.57	254,803
				Total	\$922,141

⁽¹⁾ Bonds and bond anticipation notes as of close of 2014 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 April 25, 2016.

**Debt Ratios
As of April 25, 2016⁽¹⁾**

	<u>Amount</u>	<u>Per Capita⁽²⁾</u>	<u>Percentage of Full Value⁽³⁾</u>
Gross Indebtedness ⁽⁴⁾	\$24,465,622	\$9,897.10	15.21%
Gross Indebtedness Plus Net Overlapping Indebtedness.....	25,387,763	10,270.13	15.78

- (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 2,472.
- (3) Based on the District’s full value of taxable real estate using the State equalization rates for 2015-16 of \$160,890,916.
- (4) The District expects to deliver \$16,405,000 School District Bonds to DASNY in connection with the refunding of \$17,280,000 of the District’s outstanding serial bonds securing the Series 2011G Bonds. Such School District Bonds, when issued, will constitute Gross Indebtedness of the District and will alter the debt ratios accordingly.

Cash Flow Borrowing

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

Capital Project Plans

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

However, on May 17, 2016, the District will present to qualified voters a proposition in the amount of \$257,000 for the acquisition of school buses. If approved by voters, the District will consider financing for this authorization in July 2017.

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.

Worcester Central School District
<http://emma.msrb.org/EP888127-EP687582-EP1089293.pdf>
Base CUSIP: 981326

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. If paid by October 6, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 15, a list of all unpaid taxes is given to the Counties for relevy on County/Town tax rolls, with an additional 7% penalty. 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Decatur	\$17,182,197	\$17,131,784	\$17,048,149	\$17,099,116	\$17,152,800
Harpersfield	37,486	37,486	37,486	37,486	37,486
Maryland	568,100	568,100	568,100	568,100	568,100
Westford	3,429,552	3,409,652	7,363,182 ⁽¹⁾	7,331,182	7,383,982
Worcester	<u>85,295,142</u>	<u>76,898,373</u>	<u>76,897,194</u>	<u>76,956,991</u>	<u>77,655,643</u>
Total Assessed Valuation	<u>\$106,512,477</u>	<u>\$98,045,395</u>	<u>\$101,914,111</u>	<u>\$101,992,875</u>	<u>\$102,798,011</u>

⁽¹⁾ Significant change from previous year due to revaluation

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Towns of:					
Decatur	47.25%	48.00%	50.00%	52.70%	53.10%
Harpersfield	29.60	26.80	27.05	27.67	28.30
Maryland	100.00	106.25	110.43	116.54	112.50
Westford	52.00	55.00	100.00	106.76	108.54
Worcester	59.00	60.00	61.00	63.25	64.10
Taxable Full Valuation	\$188,222,510	\$170,729,094	\$168,173,478	\$161,607,194	\$160,890,916

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Tax Levy	\$2,956,113	\$3,012,490	\$3,072,740	\$3,133,316	\$3,169,056
% Uncollected When Due ⁽¹⁾	17.05%	17.08%	16.85%	13.62%	15.72%

⁽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 2016-2017 fiscal year.

<u>Fiscal Year</u>	State Aid and Revenues		
	<u>Total State Aid</u> ⁽¹⁾	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u> ⁽¹⁾
2011-2012	\$6,579,652	\$9,755,437	67.45%
2012-2013	6,185,198	9,503,666	65.08
2013-2014	6,345,959	9,738,980	65.16
2014-2015	6,617,261	10,131,597	65.31
2015-2016 (Budgeted)	6,675,948	9,884,004	67.54
2016-2017 (Proposed)	6,873,526	11,063,777	62.13

⁽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 2011-2012 fiscal year, the budgeted payments for the current fiscal year and the proposed payments for the 2016-2017 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2011-2012	\$93,287	\$279,951
2012-2013	86,693	281,068
2013-2014	105,990	393,639
2014-2015	132,580	422,507
2015-2016 (Budgeted)	185,134	319,996
2016-2017 (Proposed)	167,653	299,718

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 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 \$9,473,385. The actuarial value of the Plan's assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,473,385. For the fiscal year ending June 30, 2015, the District's beginning year Net OPEB obligation was \$2,772,982. The District's annual OPEB expense was \$848,103 and is equal to the adjusted annual required contribution (ARC). The District is on a pay-as-you-go funding basis and paid \$316,873 to the Plan for the fiscal year ending June 30, 2015 to 56 employees, resulting in a net increase to its unfunded OPEB obligation of \$531,230, for a fiscal year ending June 30, 2015 total net unfunded OPEB obligation of \$3,304,212. The aforementioned liability and ARC are recognized and disclosed in accordance with GASB 45 standards in the District's June 30, 2015 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 \$54,739 in its General Fund for the fiscal year ended June 30, 2015, resulting in an unassigned General Fund balance of \$1,152,870 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

Fiscal Year	Existing Debt Service	New Debt Service	Total Debt Service
2015-2016	\$2,078,529	\$354,472	\$2,433,001
2016-2017	1,715,058	712,556	2,427,614
2017-2018	1,711,708	712,456	2,424,164
2018-2019	1,668,913	712,356	2,381,269
2019-2020	110,463	2,087,206	2,197,669
2020-2021	108,337	2,088,506	2,196,844
2021-2022	111,212	2,093,456	2,204,669
2022-2023	108,962	2,093,356	2,202,319
2023-2024	111,713	2,089,106	2,200,819
2024-2025	109,101	2,088,356	2,197,457
2025-2026	111,250	2,078,606	2,189,856
2026-2027	108,250	1,160,406	1,268,656
2027-2028	105,250	1,155,156	1,260,406
2028-2029	57,125	1,152,906	1,210,031
2029-2030	10,338	1,158,406	1,168,744
2030-2031	-	611,156	611,156
2031-2032	-	133,656	133,656
2032-2033	-	133,656	133,656
2033-2034	-	133,406	133,406
2034-2035	-	133,906	133,906
2035-2036	-	130,456	130,456
2036-2037	-	131,863	131,863
2037-2038	-	127,963	127,963
2038-2039	-	129,063	129,063

Appendix C

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**SUMMARY OF CERTAIN PROVISIONS
OF THE FINANCING AGREEMENTS**

Appendix D

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SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENTS

The following is a brief summary of certain provisions of the Financing Agreements (the “Agreements”) to be executed by each of the School Districts. Such summary does not purport to be complete and reference is made to the Agreements for full and complete statements of such provisions. Defined terms used in the Agreements have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Loan Clauses

(A) **Loan Consummation.** Subject to the conditions and in accordance with the terms of the Agreement, DASNY agrees to make the Loan and the School District agrees to accept and repay the Loan in an aggregate principal amount of up to the Principal Amount at a net interest cost not to exceed the Maximum Rate. As evidence of the Loan made to the School District, the School District agrees to issue to or upon the order of DASNY, and to deliver to or upon the order of DASNY, the School District Bonds in an aggregate principal amount of up to the Principal Amount, bearing interest at rates not exceeding the Maximum Rate and expected to mature at the times and in the amounts set forth in the Agreement.

(B) **Payment to Trustee.** On the dates set forth in the Agreement, the School District will deposit or cause to be deposited with the Trustee the full amount of the payment due on the School District Bonds on such dates, respectively; provided, however that the School District agrees to pay the amount due on such initial payment date on or before the date of issuance of the DASNY Bonds or on such other date as may be set forth in the Agreement. Amounts so deposited by the School District prior to the payment date for the DASNY Bonds will be invested by the Trustee at the direction of DASNY. Investment earnings on such amounts will accrue to the benefit of the School District and will be paid to the School District at the direction of DASNY in accordance with the section of the Agreement described below under the heading “Application of Interest Earnings and Other Excess Amounts.”

(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 and the refunding of the Prior 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 Escrow Holder for the account of the School District. Amounts so deposited will be invested and disbursed in accordance with the Master Resolution and the Series Resolution.

(B) To the extent the proceeds of the Loan are to be used to refinance the Refunded Obligations, DASNY will direct the Trustee to pay the Refunded Obligations or to deposit the portion of the proceeds to be so used with an Escrow Holder from which disbursements shall be made in accordance with the Escrow Agreement. Amounts in such account will be held uninvested or invested as directed by DASNY in Government Obligations. Earnings, if any, on such amounts will be credited against amounts due from the School District pursuant to the Agreement. The School District covenants and agrees to pay directly to the Escrow Holder the amount, if any, set forth in Exhibit B to the Agreement as to the portion of the Refunded Obligations to be refunded with funds other than the proceeds of DASNY Bonds.

(Section 3.4)

Effective Date and Term

The date of the Agreement is for reference purposes only and the Agreement will become effective upon the date of execution and delivery of the Agreement, will remain in full force and effect from such date and will expire on such date as all DASNY Bonds are discharged and satisfied in accordance with the provisions thereof and all obligations of the School District to DASNY are satisfied.

(Section 3.5)

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 and the Escrow Agreement. 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, the Escrow Agreement 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 and Other Excess Amounts

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

Appendix D

School District's Proportionate Share (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. 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)

Completion of Project

The Project has been completed.

(Section 4.3)

Application of Loan Proceeds

The School District will apply the proceeds of the Loan solely as provided in the Agreement.

(Section 5.1)

Tax Covenant

The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project or the portion of the proceeds of the DASNY Bonds made available to it as part of the Loan including amounts treated as proceeds of the DASNY Bonds for any purpose of Section 103 of the Code, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the DASNY Bonds under Section 103 of the Code. This provision will control in case of conflict or ambiguity with any other provision of the Agreement. Without limiting the generality of the foregoing, the School District covenants that it will comply with the instructions and requirements of the Arbitrage and Use of Proceeds Certificate, which is fully incorporated into the Agreement. The School District covenants that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, if any such action or inaction, which, assuming the School District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code, would cause the School District Bonds to be "private activity bonds," "private loan bonds," "arbitrage bonds" or "prohibited

advance refunding bonds” within the meaning of Sections 141, 148 or 149 of the Code. The School District (or any related party within the meaning of Treasury Regulation Section 1.150-1(b)) will not, pursuant to an arrangement, formal or informal, purchase DASNY Bonds in an amount related to the amount of any obligation to be acquired from the School District by DASNY. The School District will, on a timely basis, provide DASNY with all necessary information and funds to the extent required to enable DASNY to comply with the arbitrage and rebate requirements of the Code.

(Section 5.2)

Covenant as to Restrictions on Religious Use

The School District agrees that with respect to the Project or any portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or, any portion thereof will not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction will not prohibit the free exercise of any religion and will not restrict or inhibit compliance with the Equal Access Act, 20 U.S.C. Sections 4071-4074; and, further provided, however, that if at any time after the date of the Agreement, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction will not apply to the Project or any portion thereof. DASNY and its agents may conduct such inspections as DASNY deems necessary to determine whether the Project or any portion of real property thereof refinanced by the DASNY Bonds is being used for any purpose proscribed under the Agreement. The School District further agrees that prior to any disposition of any portion of the Project for less than fair market value, it will execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of DASNY, the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) will exist and (ii) until such portion of the Project is 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)

Appendix D

Actions Regarding State Aid

The School District covenants and agrees that it will submit to the State all documentation required by the State as a condition to the payment of any State aid in sufficient time to permit such aid to be paid on its scheduled payment date.

(Section 5.5)

Defaults

An “event of default” or a “default” under the Agreement means any one or more of the following events: (a) Failure by the School District to pay or cause to be paid when due the amounts to be paid under the School District Bonds; (b) Failure by the School District to pay or to cause to be paid when due any other payment required to be made under the Agreement which failure continues for a period of thirty (30) days after payment thereof was due, provided that written notice thereof has been given to the School District not less than thirty (30) days prior to the due date thereof; (c) Failure by the School District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraphs (a) and (b) of this paragraph, which failure continues for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the School District by DASNY or such longer period, as is required to cure such default, if by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the School District has within such thirty (30) day period commenced to take appropriate actions to remedy such failure and is diligently pursuing such actions; (d) Any representation or warranty of the School District contained in the Agreement shall have been at the time it was made untrue in any material respect; or (e) The School District generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors; or any proceeding is instituted by or against the School District seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the School District authorizes any of the actions set forth above in this subparagraph (e).

(Section 6.1)

Remedies

Whenever any event of default referred to in the Agreement and described under the heading “Defaults” shall have happened and is continuing, DASNY may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the School District, including requiring payment to the Trustee of any public funds otherwise payable to the School District by the State of New York as provided in the Memorandum of Understanding, the exercise of any remedy authorized by Article VIII of the State Constitution with respect to obtaining payment on the School District Bonds and any other administrative enforcement action and actions for breach of contract.

(Section 7.1)

No Remedy Exclusive

No remedy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Agreement or now or after the date of the Agreement existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle DASNY to exercise any remedy reserved to it, it will not be necessary to give any notice, other than such notice as may be expressly required by the Agreement.

(Section 7.2)

Waiver and Non-Waiver

In the event any agreement is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement. No delay or omission by DASNY to exercise any right or power accruing upon default will impair any right or power or will be construed to be a waiver of any such default or acquiescence therein.

(Section 7.3)

Amendments, Supplements and Modifications

The Agreement may not be amended, supplemented or modified except by a written instrument executed by DASNY and the School District and, if such amendment occurs after the issuance of the DASNY Bonds, upon compliance with the provisions of the Master Resolution.

(Section 8.4)

Further Assurances; Disclosure of Financial Information, Operating Data and Other Information

(A) The School District will, at the request of DASNY, authorize, execute, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be deemed necessary or desirable by DASNY, in its sole discretion, for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by the Agreement and the School District Bonds. The School District also agrees to furnish to DASNY such additional information concerning the financial condition of the School District as DASNY may from time to time reasonably request.

(B) Without limiting the generality of the foregoing, the School District agrees to comply with the terms of the Continuing Disclosure Agreement.

(C) If and so long as the offering of the DASNY Bonds continues (a) the School District will furnish such information with respect to itself as the Underwriters of the DASNY Bonds may from time to time reasonably 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)

Appendix D

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**SUMMARY OF CERTAIN PROVISIONS
OF THE MASTER RESOLUTION**

Appendix E

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

The following is a brief summary of certain provisions of the Master Resolution. Such summary does not purport to be complete and reference is made to the Master Resolution for full and complete statements of such provisions. Defined terms used in the Master Resolution have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Master Resolution and Bonds Constitute Separate Contracts

With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued under the Master Resolution and under the Applicable Series Resolution by those who hold or own the same from time to time, the Master Resolution and the Applicable Series Resolution are deemed to be and constitute a contract among DASNY, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment made in the Master Resolution and the covenants and agreements set forth to be performed by or on behalf of DASNY are for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of an Applicable Series, all of which, regardless of the time or times of their issue or maturity, are of equal rank without preference, priority or distinction of any such Bonds of such Series over any other Bonds except as expressly provided or permitted by the Master Resolution or by the Applicable Series Resolution.

(Section 1.03)

Authorization of Each Series of Bonds

Each Series of Bonds is issued pursuant to the Master Resolution, the Applicable Series Resolution and the Act.

The Bonds of DASNY will not be a debt of the State, nor will the State be liable thereon, nor will the Bonds be payable out of any funds other than those of DASNY pledged by the Master Resolution to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds.

(Section 2.01)

Additional Bonds and Other Obligations

DASNY reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of DASNY, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Master Resolution, entitled to a charge or lien or right prior or equal to the charge or lien created by the Master Resolution, or prior or equal to the rights of DASNY and Holders of Bonds or with respect to the moneys pledged pursuant to the Master Resolution or pursuant to an Applicable Series Resolution.

(Section 2.05)

Authorization of Redemption

Bonds subject to redemption prior to maturity will be redeemable at such times, at such Redemption Prices and upon such terms as may be specified in the Master Resolution or in the Applicable Series Resolution authorizing their issuance or the Applicable Bond Series Certificate.

(Section 4.01)

Appendix E

Redemption at Election or Direction of DASNY

The Series, maturities and principal amounts of the Bonds to be redeemed at the election or direction of DASNY will be determined by DASNY in its sole discretion, subject to any limitations with respect thereto contained in the Master Resolution or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate.

(Section 4.02)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee will assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and will select by lot, using such method of selection as it will deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, will equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Master Resolution) which end in the same digit or in the same two digits. In the case, upon any drawing by groups, the total principal amount of Bonds drawn will exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed will be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued will be redeemed as will equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

(Section 4.04)

Notice of Redemption

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

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

If directed in writing by any Authorized Officer of DASNY, the Trustee will also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date; provided, however, that such publication shall not be a condition

precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

The Trustee will (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty-five (35) days prior to the redemption, but, if notice of redemption is to be published as described in the preceding paragraph, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof.

(Section 4.05)

Payment of Redeemed Bonds

If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, are held by the Trustee and Paying Agent so as to be available therefor on such date and if notice of redemption has been mailed as stated in the Master Resolution, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption will cease to accrue and such Bonds will no longer be considered to be Outstanding under the Master Resolution. If such moneys are not so available on the redemption date, such Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues, and all funds established by the Master Resolution, other than the Applicable Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of DASNY under the Master Resolution and under any Series Resolution, all in accordance with the provisions of the Master Resolution and such Series Resolution. The pledge of the Revenues relates only to the Bonds of an Applicable Series authorized by such Series Resolution and no other Series of Bonds and such pledge will not secure any such other Series of Bonds. The pledge is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution and by the Applicable Series Resolution will immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge will be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against DASNY irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds are special obligations of DASNY payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Applicable Revenues, DASNY's security interest in the Applicable Pledged Revenues and the funds and accounts established by the Master Resolution, which are pledged by the Master Resolution as provided in the Master Resolution, which pledge will constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one School District may not be used to make up a deficiency caused by the failure of another School District to pay its Basic Debt Service Payment.

(Section 5.01)

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:

Appendix E

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)

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

Appendix E

by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and DASNY or the owner of any Bonds will not have any rights in or claim to such money. The Trustee will be deemed conclusively to have complied with the provisions of the Master Resolution concerning the Arbitrage Rebate Fund and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of DASNY including supplying all necessary written information in the manner provided in the Tax Certificate and has no liability or responsibility for compliance (except as specifically set forth in the Master Resolution or in the Tax Certificate) or to enforce compliance by DASNY with the terms of the Tax Certificate.

Upon the written direction of DASNY, the Trustee will deposit in the Arbitrage Rebate Fund funds received from DASNY, so that the balance of the amount on deposit thereto will be equal to the Rebate Requirement. Computations of the Rebate Requirement will be furnished by or on behalf of DASNY in accordance with the Tax Certificate.

The Trustee has no obligation to rebate any amounts required to be rebated pursuant to the Master Resolution, other than from moneys held in the funds and accounts created under the Master Resolution or from other moneys provided to it by DASNY.

The Trustee will invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of DASNY. DASNY, in issuing such directions, will comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided under the Master Resolution.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of DASNY, will pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of the Master Resolution, including in particular the section of the Master Resolution described under the heading "Tax Covenant," the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of the Master Resolution concerning the Arbitrage Rebate Funds, the section of the Master Resolution described under the heading "Tax Covenant" and the Tax Certificate will survive the defeasance or payment in full of the Bonds.

(Section 5.09)

Application of Moneys in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Master Resolution, if at any time the amounts held in the Applicable Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the section of the Master Resolution described below under the heading "Defeasance" for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, DASNY may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee will proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Master Resolution and by each Applicable Series Resolution as provided in the Master Resolution, or (ii) give the Trustee irrevocable instructions and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance with the Master Resolution.

(Section 5.10)

Transfer of Investments

Whenever moneys in any fund or account established under an Applicable Series Resolution are to be paid in accordance with the Master Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.11)

Security for Deposits

All moneys held under the Master Resolution by the Trustee will be continuously and fully secured, for the benefit of DASNY and the Holders of the Applicable Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it will not be necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys with them pursuant to the sections of the Master Resolution described under the headings “Debt Service Fund” and “Defeasance,” and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which will be represented by obligations purchased or other investments made under the provisions of the Master Resolution as an investment of such moneys.

(Section 6.01)

Investment of Funds and Accounts

Moneys held under the Master Resolution by the Trustee, if permitted by law, will, as nearly as may be practicable, be invested by the Trustee, upon direction of DASNY given or confirmed in writing, signed by an Authorized Officer of DASNY (which direction will specify the amount to be invested) in Government Obligations, Federal Agency Obligations, Exempt Obligations, and, if not inconsistent with the investment guidelines of a Facility Provider or a Rating Agency applicable to funds held under the Master Resolution, any other Permitted Investment; provided, however, that each such investment will permit the moneys so deposited or invested to be available for use at the times at which DASNY reasonably believes such moneys will be required for the purposes of the Master Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment has a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral will be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of DASNY, and (z) the Permitted Collateral will be free and clear of claims of any other person.

Permitted Investments purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Master Resolution will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Master Resolution, each Permitted Investment will be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(Section 6.02)

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

Appendix E

School Districts or of any Holder of a Bond or his representative duly authorized in writing. The Trustee will annually prepare a report which will be furnished to DASNY, each Facility Provider, each Credit Facility Issuer and the Applicable School Districts. Such report will include at least: a statement of all funds and accounts (including investments thereof) held by such Trustee and DASNY pursuant to the provisions of the Master Resolution and of each Applicable Series Resolution; a statement of the Applicable Revenues collected from each Applicable School District in connection with the Master Resolution and with each Applicable Series Resolution; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, will, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book Entry Bond of the Applicable Series requesting the same.

(Section 7.05)

Creation of Liens

DASNY covenants not to create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of the Bonds, the Applicable Revenues, the Applicable Pledged Revenues or the funds and accounts established by the Master Resolution or by any Applicable Series Resolution which are pledged by the Master Resolution; provided, however, that nothing contained in the Master Resolution will prevent DASNY from issuing bonds, notes or other obligations under another and separate resolution so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Master Resolution; and provided further, that if DASNY has issued more than one Series of Bonds for the benefit of a School District and the public funds pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such School District is a party, then as provided in the Memorandum of Understanding the Comptroller will pay a proportionate share of such available public funds to each Applicable Trustee.

(Section 7.06)

Enforcement of Obligations of the School Districts

Pursuant to the Applicable Agreement and the Applicable School District Bonds, DASNY covenants to take all legally available action to cause a School District to perform fully its obligation to pay Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that DASNY may delay, defer or waive enforcement of one or more provisions of said Agreement (other than provisions requiring the payment of monies to the Trustee for deposit to any fund or account established under the Master Resolution) if DASNY determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series.

(Section 7.07)

Offices for Payment and Registration of Bonds

DASNY will at all times maintain an office or agency in the State where Bonds may be presented for payment. DASNY may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Master Resolution, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. DASNY will at all times maintain an office or agency in the State where Bonds may be presented for registration, transfer or exchange and the Trustee is appointed by the Master Resolution as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

Amendment, Change, Modification or Waiver of Agreement

An Applicable Agreement (and the related Applicable School District Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the

Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under the Master Resolution; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the School District under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in the Master Resolution, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Applicable Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting a part of the Applicable Project or which may be added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained in the Master Resolution or in such Agreement.

An Applicable Series will be deemed to be adversely affected by an amendment, change, modification or alteration of the Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely effected in any material respect by any amendment, change, modification or alteration, and any such determination will be binding and conclusive on DASNY and all Holders of such Bonds.

The purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from DASNY, may consent to an amendment, change, modification, termination or waiver permitted by the Master Resolution with the same effect as a consent given by the Holder of such Bonds.

(Section 7.10)

Notice as to Agreement Default

DASNY covenants to notify the Trustee in writing that an “event of default” under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable School District Bonds), has occurred and is continuing, or that which notice is required to be given within five (5) days after DASNY has obtained actual knowledge thereof.

(Section 7.11)

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

Appendix E

limiting the generality of the foregoing, DASNY covenants that it will comply with the instructions and requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

(Section 7.14)

Modification and Amendment without Consent of Holders

DASNY may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution will become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY:

(a) To add additional covenants and agreements of DASNY for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by DASNY which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon DASNY by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of DASNY contained in the Master Resolution;

(d) To confirm, as further assurance, any pledge under the Master Resolution or under the Applicable Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Master Resolution, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions of the Master Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications will not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution will cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Resolution will contain a specific reference to the modifications contained in such subsequent resolutions; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Master Resolution or to insert such provisions clarifying matters or questions arising under the Master Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Master Resolution, as theretofore in effect, or to modify any of the provisions of the Master Resolution or of any previously adopted Applicable Series Resolution or Supplemental Resolution in any other respect, provided that such modification will not adversely affect the interests of the Bondholders of the Applicable Series in any material respect.

(Section 9.02)

Supplemental Resolutions Effective with Consent of Bondholders

The provisions of the Master Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions of the Master Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY.

(Section 9.03)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Master Resolution will not be modified or amended in any respect except in accordance with and subject to the provisions of the Master Resolution. Nothing contained in the Master Resolution will affect or limit

the rights or obligations of DASNY to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Master Resolution or the right or obligation of DASNY to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the Master Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by DASNY, when filed with the Trustee, will be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution and is valid and binding upon DASNY and enforceable in accordance with its terms.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Master Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent will become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section 9.04)

Powers of Amendment

Any modification or amendment of the Master Resolution and of the rights and obligations of DASNY and of the Holders of the Bonds under the Master Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the section of the Master Resolution described below under the heading “Consent of Bondholders,” (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds described under this heading. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate 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

Appendix E

the Master Resolution. Each such consent will be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution will be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder will be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution, the Trustee will make and file with DASNY and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement will be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by DASNY on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this paragraph, will be given to the Bondholders by DASNY by mailing such notice to the Bondholders and, at the discretion of DASNY, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for above is filed (but failure to publish such notice will not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). DASNY will file with the Trustee proof of the mailing of such notice, and, if the same has been published, of the publication thereof.

For the purposes of the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from DASNY, may consent to a modification or amendment permitted by the sections of the Master Resolution described herein the headings "Powers of Amendment" or "Modifications by Unanimous Consent" in the manner provided in the Master Resolution, except that no proof of ownership will be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto will be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by DASNY.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Master Resolution and the rights and obligations of DASNY and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by DASNY of a copy of a Supplemental Resolution certified by an Authorized Officer of DASNY and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the section of the Master Resolution described above under the heading "Consent of Bondholders," except that no notice to the Bondholders either by mailing or publication will be required.

(Section 10.03)

Consent of Facility Provider

Whenever by the terms of the Master Resolution the consent of any of the Holders of the Bonds to a modification or amendment of the Master Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment will not become effective until the written consent of each Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility will not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility was provided. No modification or amendment of

the Master Resolution which adversely affects a Facility Provider will be made without the written consent thereto of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby will be given to each Facility Provider by mail at the times and in the manner provided in the Master Resolution with respect to notices thereof required to be given to the Holders of the Bonds. Notice thereof will also be given to each Rating Agency as soon as practical after adoption of such Supplemental Resolution and of the effectiveness thereof.

(Section 10.04)

Events of Default

Events of default under the Master Resolution include: failure by DASNY to pay the principal, Sinking Fund Installments or Redemption Price of any Bond when the same will become due and payable; failure by DASNY to pay an installment of interest on any Bond when the same will become due and payable; DASNY defaults in the due and punctual performance of the tax covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds of a Series is no longer excludable from gross income under Section 103 of the Code (a "Taxability Default"); and default by DASNY in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Resolution or in the Bonds or in any Series Resolution on the part of DASNY to be performed and such default continues for thirty (30) days after written notice specifying such default and requiring same to be remedied has been given to DASNY by the Trustee, which may give such notice in its discretion and must give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, DASNY has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

(Section 11.02)

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the section of the Master Resolution described above under the heading "Events of Default," then and in every such case, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series will proceed (in each case with the consent of the Facility Provider for such Series) or, in the case of a happening and continuance of a Taxability Default, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby with the consent of the Facility Provider for such Series, will proceed (upon receiving compensation, expenses and indemnity 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)

Appendix E

Defeasance

If DASNY pays or causes to be paid to the Holders of Bonds of an Applicable Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted by the Master Resolution to such Holders of Bonds will be discharged and satisfied.

Notwithstanding any provision of the Master Resolution to the contrary, if any School District prepays the amounts due under its Agreement and in accordance therewith pays or causes to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Series Resolution and the Applicable Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement will be discharged and satisfied. In such event, the Trustee will, upon the request of DASNY, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the School District, and DASNY, and all moneys or other securities held by it pursuant to the Master Resolution and to a Series Resolution which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption will be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of DASNY; second, to DASNY the amount certified by DASNY to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the School District. Such moneys or investments so paid or delivered will be released from any trust, pledge, lien, encumbrance or security interest created by the Master Resolution, by a Series Resolution or by such Agreement.

Bonds for the payment or redemption of which moneys have been set aside and are held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the paragraph above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect described in the paragraph above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, DASNY has given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Master Resolution notice of redemption on said date of such Bonds, (b) there has been deposited with the Trustee either moneys in an amount which will be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee has received the written consent of each Facility Provider which has given written notice to the Trustee and DASNY that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, DASNY has given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the provisions of the Master Resolution described in this paragraph and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. DASNY will give written notice to the Trustee of its selection of the Series and maturity payment of which will be made in accordance with the provisions of the Master Resolution described in this paragraph. The Trustee will select the Bonds of like Series and maturity payment of which will be made in accordance with the Master Resolution. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Master Resolution described in this paragraph nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, must, to the extent practicable, be reinvested in Defeasance Securities

maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

(Section 12.01)

No Recourse under Master Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of DASNY contained in the Master Resolution will be deemed to be the covenants, stipulations, promises, agreements and obligations of DASNY and not of any member, officer or employee of DASNY in his individual capacity, and no recourse will be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, on the Master Resolution or on a Series Resolution against any member, officer or employee of DASNY or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

(Section 14.04)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to DASNY, the School District or the Trustee any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the then current Accreted Value of such Bond will be deemed to be its principal amount. Notwithstanding any other provision of the Master Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond will not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the 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)

Appendix E

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**FORM OF APPROVING OPINIONS
OF CO-BOND COUNSEL**

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**Form of Approving Opinions of Orrick, Herrington & Sutcliffe LLP and
Bryant Rabbino LLP, Co-Bond Counsel**

_____, 2016

Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

Re: \$216,665,000 Dormitory Authority of the State of New York School Districts
Revenue Bond Financing Program Revenue Bonds, consisting of \$190,555,000
Series 2016A (the "Series 2016A Bonds"), \$14,880,000 Series 2016B (the "Series
2016B Bonds"), \$7,615,000 Series 2016C (the "Series 2016C Bonds") and
\$3,615,000 Series 2016D (the "Series 2016D Bonds")

Ladies and Gentlemen:

We have acted as bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the issuance of \$216,665,000 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) (the "Act"), and the Authority's Master School Districts Revenue Bond Financing Program Revenue Bond Resolution, adopted on May 29, 2002 (the "Master Resolution"), as amended and supplemented by the Authority's Supplemental Resolution, adopted by the Authority on March 30, 2011 (together with the Master Resolution, as amended and supplemented, the "Resolution"), and the Authority's applicable Series Resolutions Authorizing Up To \$500,000,000 School Districts Revenue Bond Financing Program Refunding Revenue Bonds adopted April 15, 2015, including the applicable Bond Series Certificate executed and delivered concurrently with the issuance of the Bonds (the "Series 2016 Resolutions"). The Resolution and the Series 2016 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 2016A Bonds, the Authority has entered into a Financing Agreement, dated as of April 1, 2016 (the "Series 2016A Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2016A School Districts" (the "Series 2016A School Districts") providing, among other things, for a loan to each of the Series 2016A School Districts for the purposes permitted thereby and by the Resolution and the applicable Series 2016 Resolution. With respect to the Series 2016B Bonds, the Authority has entered into a Financing Agreement, dated as of April 1, 2016 (the "Series 2016B Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2016B School Districts" (the "Series 2016B School Districts") providing, among other things, for a loan to each of the Series 2016B School Districts for the purposes permitted thereby and by the Resolution and the applicable Series 2016 Resolution. With respect to the Series 2016C Bonds, the Authority has entered into a Financing Agreement, dated as of April 1, 2016 (the "Series 2016C Financing Agreements"), with each of the school districts identified on Schedule A under the caption "Series 2016C School Districts" (the "Series 2016C School Districts") providing, among other things, for a loan to each of the Series 2016C School Districts for the purposes permitted thereby and by the Resolution and the applicable Series 2016 Resolution. With respect to the Series 2016D Bonds, the Authority has entered into a Financing Agreement, dated as of April 1, 2016 (the "Series 2016D Financing Agreement" and, collectively with the Series 2016A Financing Agreements, the Series 2016B Financing Agreements and the Series 2016C Financing Agreements, the "Financing Agreements"), with the school district identified on Schedule A under the caption "Series 2016D School District" (the "Series 2016D School District" and, collectively with the Series 2016A School Districts, the Series 2016B School Districts and the Series 2016C School Districts, the "School Districts") providing, among other things, for a loan to the Series 2016D School District for the purposes permitted thereby and by the Resolution and the applicable Series 2016 Resolution. Pursuant to the Series 2016A Financing Agreements, the Series 2016A School

Appendix F

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 2016A 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 2016A Bonds. Pursuant to the Series 2016B Financing Agreements, the Series 2016B 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 2016B 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 2016B Bonds. Pursuant to the Series 2016C Financing Agreements, the Series 2016C 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 2016C 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 2016C Bonds. Pursuant to the Series 2016D Financing Agreement, the Series 2016D 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 Series 2016D 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 2016D Bonds.

In such connection, we have reviewed the Resolutions, the Financing Agreements, the Tax Certificates 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 evidence the obligations of the applicable School District under the applicable Financing Agreement, opinions of counsel to the Authority, the Trustee and the School Districts, opinions of bond counsel to the 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 letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used 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 in the third paragraph hereof. 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, receivership, 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, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolutions or the Financing Agreements or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. 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.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Authority has been duly created and is validly existing as a body corporate and politic constituting a public benefit corporation of the State of New York.

2. The Series 2016A Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolution and the applicable Series 2016 Resolution, will be payable solely from the sources provided therefor in the Resolution and the applicable Series 2016 Resolution, and will be entitled to the benefit of the Resolution, the applicable Series 2016 Resolution and the Act. The Series 2016B Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolution and the applicable Series 2016 Resolution, will be payable solely from the sources provided therefor in the Resolution and the applicable Series 2016 Resolution, and will be entitled to the benefit of the Resolution, the applicable Series 2016 Resolution and the Act. The Series 2016C Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolution and the applicable Series 2016 Resolution, will be payable solely from the sources provided therefor in the Resolution and the applicable Series 2016 Resolution, and will be entitled to the benefit of the Resolution, the applicable Series 2016 Resolution and the Act. The Series 2016D Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolution and the applicable Series 2016 Resolution, will be payable solely from the sources provided therefor in the Resolution and the applicable Series 2016 Resolution, and will be entitled to the benefit of the Resolution, the applicable Series 2016 Resolution and the Act.

3. The Resolutions are in full force and effect, have been duly adopted by, and constitute the valid and binding obligations of, the Authority. The Resolution and the applicable Series 2016 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2016A Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2016A Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the applicable Series 2016 Resolution, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the applicable Series 2016 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the applicable Series 2016 Resolution. The Resolution and the applicable Series 2016 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2016B Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2016B Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the applicable Series 2016 Resolution, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the applicable Series 2016 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the applicable Series 2016 Resolution. The Resolution and the applicable Series 2016 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2016C Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2016C Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the applicable Series 2016 Resolution, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the applicable Series 2016 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the applicable Series 2016 Resolution. The Resolution and the applicable Series 2016 Resolution create a valid pledge, to secure the payment of the principal of and interest on the Series 2016D Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Series 2016D Bonds) held by the Trustee in any fund or account established pursuant to the Resolution and the applicable Series 2016 Resolution, except the Arbitrage Rebate Fund, subject to the provisions of the Resolution and the applicable Series 2016 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution and the applicable Series 2016 Resolution.

4. Each Financing Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the applicable School District, constitutes the valid and binding agreement of the Authority in accordance with its terms.

5. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in

Appendix F

adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the 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). We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

Schedule A

Series 2016A School Districts:

City School District of the City of Albany
City School District of the City of Auburn
Avoca Central School District
Canajoharie Central School District
Canisteo-Greenwood Central School District
Carthage Central School District
Central Square Central School District
Cincinnatus Central School District
Dalton-Nunda Central School District
Groton Central School District
City School District of the City of Hudson
Hudson Falls Central School District
Newfield Central School District
City School District of the City of Niagara Falls
Enlarged City School District of the City of Ogdensburg
Onondaga Central School District
Perry Central School District
City School District of the City of Rome
Thousand Islands Central School District
Tioga Central School District
Warsaw Central School District
Waterloo Central School District
Whitney Point Central School District
Worcester Central School District

Series 2016B School Districts:

Churchville-Chili Central School District
City School District of the City of Ithaca
Enlarged City School District of the City of Watertown

Series 2016C School Districts:

East Syracuse-Minoa Central School District
Spencerport Central School District

Series 2016D School District:

City School District of the City of Gloversville

Appendix F

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BONDS TO BE REFUNDED

Appendix G

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BONDS TO BE REFUNDED

DASNY expects to redeem the Series 2008A Bonds set forth below on October 1, 2018 (the “2008A Redemption Date”) by applying a portion of the proceeds of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds to provide for the payment of the principal of and interest on the Series 2008A Bonds to the 2008A Redemption Date. The refunding is contingent upon the delivery of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds. The Series 2008A Bonds will be redeemed at par.

Series 2008A Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2019	5.000%	\$5,570,000
October 1, 2020	5.000	5,765,000
October 1, 2021	5.000	5,850,000
October 1, 2022	5.000	6,105,000
October 1, 2023	5.000	3,575,000
October 1, 2024	4.250	935,000
October 1, 2025	4.375	675,000
October 1, 2026	4.375	705,000
October 1, 2027	4.375	740,000
October 1, 2028	4.500	770,000
October 1, 2035	5.000	6,470,000

DASNY expects to redeem the Series 2009A Bonds set forth below on October 1, 2019 (the “2009A Redemption Date”) by applying a portion of the proceeds of the Series 2016A Bonds to provide for the payment of the principal of and interest on the Series 2009A Bonds to the 2009A Redemption Date. The refunding is contingent upon the delivery of the Series 2016A Bonds. The Series 2009A Bonds will be redeemed at par.

Series 2009A Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2024	5.000%	\$17,505,000
October 1, 2029	5.625	10,780,000

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Appendix G

DASNY expects to redeem the Series 2009B Bonds set forth below on October 1, 2019 (the “2009B Redemption Date”) by applying a portion of the proceeds of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2009B Bonds to the 2009B Redemption Date. The refunding is contingent upon the delivery of the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds. The Series 2009B Bonds will be redeemed at par.

Series 2009B Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2020	4.250%	\$10,180,000
October 1, 2021	4.375	10,605,000
October 1, 2022	5.250	3,730,000
October 1, 2022	4.625	7,350,000
October 1, 2023	5.250	7,780,000
October 1, 2023	4.750	3,830,000
October 1, 2024	4.750	9,190,000
October 1, 2025	4.800	985,000
October 1, 2026	4.800	850,000
October 1, 2027	4.800	900,000
October 1, 2028	5.000	935,000
October 1, 2037	5.250	775,000

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DASNY expects to redeem the Series 2009C Bonds set forth below on October 1, 2019 (the “2009C Redemption Date”) by applying a portion of the proceeds of the Series 2016A Bonds and the Series 2016D Bonds, together with other funds available to DASNY, to provide for the payment of the principal of and interest on the Series 2009C Bonds to the 2009C Redemption Date. The refunding is contingent upon the delivery of the Series 2016A Bonds and the Series 2016D Bonds. The Series 2009C Bonds will be redeemed at par.

Series 2009C Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2020	5.000%	\$9,275,000
October 1, 2021	5.000	4,165,000
October 1, 2021	5.000	4,750,000
October 1, 2022	5.000	9,260,000
October 1, 2023	5.000	9,680,000
October 1, 2024	5.000	8,150,000
October 1, 2025	5.000	3,335,000
October 1, 2026	5.000	2,770,000
October 1, 2027	5.000	2,905,000
October 1, 2031	5.000	11,405,000
October 1, 2036	5.125	13,215,000
October 1, 2039	5.125	1,035,000

DASNY expects to redeem the Series 2009D Bonds set forth below on October 1, 2019 (the “2009D Redemption Date”) by applying a portion of the proceeds of the Series 2016B Bonds to provide for the payment of the principal of and interest on the Series 2009D Bonds to the 2009D Redemption Date. The refunding is contingent upon the delivery of the Series 2016B Bonds. The Series 2009D Bonds will be redeemed at par.

Series 2009D Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2020	4.000%	\$1,175,000
October 1, 2021	5.000	1,220,000
October 1, 2022	5.000	1,280,000
October 1, 2023	5.000	1,345,000
October 1, 2024	5.000	1,410,000

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Appendix G

DASNY expects to redeem the Series 2011G Bonds set forth below on October 1, 2019 (the “2011G Redemption Date”) by applying a portion of the proceeds of the Series 2016A Bonds to provide for the payment of the principal of and interest on the Series 2011G Bonds to the 2011G Redemption Date. The refunding is contingent upon the delivery of the Series 2016A Bonds. The Series 2011G Bonds will be redeemed at par.

Series 2011G Bonds to be Refunded

<u>Maturity Date</u>	<u>Coupon</u>	<u>Refunded Par Amount</u>
October 1, 2020	3.375%	\$1,490,000
October 1, 2021	3.500	1,545,000
October 1, 2022	3.700	1,595,000
October 1, 2023	3.875	1,655,000
October 1, 2024	4.000	1,715,000
October 1, 2025	4.150	1,785,000
October 1, 2026	4.300	1,840,000
October 1, 2027	4.400	970,000
October 1, 2032	4.800	3,880,000
October 1, 2040	4.900	805,000

FORM OF CONTINUING DISCLOSURE AGREEMENT

Appendix H

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AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

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 2016[___].

“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.

“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.

Appendix H

“Trustee” shall mean _____, 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.

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.

Appendix H

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.

Appendix H

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement.

_____, 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:

SPECIMEN 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 teletype as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “Owner” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Appendix I

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

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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)

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